

HUMAN RESOURCES INITIATIVE

Resource Summary

(\$ in thousands)

Appropriations	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
American Positions	0	0	74	74
Funds	0	0	97,367	97,367

Program Description

The Department's FY 2013 request for strategic hiring supports the Administration's long-range vision of an enhanced global role of leading through civilian power. The FY 2013 hiring plan is the first to be developed within the framework of the Department's Quadrennial Diplomacy Development Review (QDDR). As such, it reflects the most pressing foreign policy priorities. The Secretary's "Smart Power" strategy seeks diplomatic solutions to increasingly complex global issues. The primary focus of this hiring plan is to strengthen the Department's presence overseas with employees more fully prepared to handle the vast array of transnational challenges of the 21st Century. With the requested funds, the Foreign Service will have grown by 18 percent over 2008 levels. The Department's request also includes implementing the final phase of Overseas Comparability Pay (OCP).

Performance

Foreign language proficiency is a key component of our ability to conduct outreach to foreign audiences, negotiate and consult with other governments, and effectively assist American citizens at United States' embassies and consulates around the world – in other words, to fulfill the Department's mission. This indicator measures the Department's progress in filling Language Designated Positions (LDPs) with employees who meet or exceed the language requirements of that position.

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Strategic Goal 7: Build a 21st century workforce; and achieve U.S. government operational and consular efficiency and effectiveness, transparency and accountability; and a secure U.S. government presence internationally							
Active Performance Indicator		Percent of language designated positions filled by employees who meet or exceed the language requirements					
Prior Year Results and Ratings				FY 2011		Planned Targets	
FY 2007	FY 2008	FY 2009	FY 2010	Target	Result and Rating	FY 2012	FY 2013
N/A	N/A	68.1% [Baseline] New Indicator, No Rating	68% ▼ Below Target	70%	72% ▲ Above Target	76%	80%
Reason for Exceeding Target		Increased hiring in 2009 and 2010 allowed for increases in Department training complement. As a result, the Department is increasing its ability to provide appropriate language training for employees before sending them overseas without experiencing staffing gaps.					
Impact		Having the appropriate language skills is essential to understand and operate in a changing international environment.					
Methodology		The LDP fill rate is a percentage based on a weighted average of quarterly LDP fill rates of priority positions, whereby the incumbent meets or exceeds the language requirements for that position. The languages that are designated Priority Languages will be evaluated annually.					
Data Source and Quality		Global Employment Management System (GEMS) is the data source for both LDPs and the language qualifications of employees. The Data Quality Assessment revealed no significant limitations.					

Justification of Request

Developing 21st Century Skills: \$7,408,000 and 50 Foreign Service Positions

The key to the successful execution of the Department's foreign policy goals is a fully engaged and well trained diplomatic service. The Department must leverage all the tools of diplomacy to address today's challenges – a world where terrorism and pandemics freely cross borders and thrive on the inability of failed and failing states to perform even basic sovereign responsibilities. Building on traditional diplomatic skills, today's diplomats must be able to work with a multiplicity of actors on a wide range of cross-cutting issues. Even more than in the past, State's personnel are serving in dangerous and less developed locations, under conditions that impact them – and their families – both personally and professionally. To meet these demands and to ensure personnel are qualified to implement the Department's critical foreign policy agenda, the Department will continue the expansion, availability, and improvement of training ranging from new diplomatic skills to priority languages. The Department expects to increase the number of language proficient officers and their level of proficiency. The Department needs sufficient training positions to ensure that these goals are met without sacrificing staffing capabilities at posts abroad.

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The Department's global engagement strategy requires significant enhancements to foreign language capabilities. Of particular importance are languages such as Arabic, Chinese, Hindi, and Urdu, some of which require two years of rigorous training to reach the competency level needed to interact with a host country populace. More than ever, State personnel must have the language skills to interact successfully with a hostile foreign press, actively engage and persuade a skeptical foreign audience, and promote U.S. interests to the widest possible audience, including non-governmental interlocutors outside of foreign capitals.

Global Outreach: \$7,313,000 and 24 positions (15 Foreign Service and 9 Civil Service)

The Department plans to strengthen its diplomatic presence in strategic areas to support the United States' national security goals. Improving peace and stability throughout these regions requires building political and popular will against terrorism, strengthening international cooperation, and bolstering the capabilities of friends and allies. Important challenges remain in the areas of strengthening democratic practices and institutions, building robust economies, and improving access to those basic services that all people want – security, health care, and education.

In other regions, the Department's global engagement will require increased resources to:

- Encourage broader participation in the political process.
- Promote the development of democratic systems.
- Promote economic opportunity and prosperity for the poor and vulnerable.
- More fully engage countries that represent a huge share of global growth and may play a major role in determining the future course of the global economy.
- Strengthen the Department's efforts to support governments that are experiencing setbacks, working to strengthen civil society, independent media, and democratic reform.
- Expand the Department's ambitious program against human trafficking in order to advance public awareness; increase resources devoted to aggressive global law enforcement, compassionate victim services, and creative prevention programs.

To ensure that the United States assumes its proper leadership role in responding to, or proactively engaging in, issues not restricted to specific regions of the globe will require that resource investments be devoted to a variety of critical initiatives.

- Build an international consensus focusing on climate change.
- Leverage international public-private partnerships to deploy clean technologies and reduce greenhouse gas emissions.
- Manage bilateral and regional programs related to drinking water and sanitation, and water resource management.
- Lead and coordinate bilateral programs world-wide, in policy as well as management, to turn the tide against HIV/AIDS and expand life-saving treatment, comprehensive prevention programs, and care for those in need.

In support of this ambitious global engagement, additional human resources will be allocated to provide essential support to various overseas posts in terms of policy development and program coordination.

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The Global Outreach positions would be aligned to the following priorities:

Program Areas	Civil Service	Foreign Service (Overseas)	Total
Building Civilian Capacity	1		1
Climate Change and Energy		1	1
Democracy and Good Governance	2	3	5
Economic Development and Humanitarian Assistance	1	6	7
Food Security		1	1
Global Health	1		1
Global Security and Non-Proliferation	3	2	5
Public Diplomacy	1	2	3
Total	9	15	24

Overseas Comparability Pay: \$81,362,000

Overseas Comparability Pay (OCP) is critical for the Department's Foreign Service competitiveness in the workplace. The Department's intention is to fully restore the basic pay equity between Washington, D.C. and overseas assignments for entry and mid-level Foreign Service employees that existed prior to the government-wide implementation of locality pay. The FY 2013 request supports funding for OCP Phase III, including the increase to American Salaries for Foreign Service personnel posted overseas, along with the Department's corresponding increases in salary-based benefit contributions and post allowances.

The Federal Employees Pay Comparability Act of 1990 (FEPCA) establishes locality pay as a basic salary component for most civilian Federal employees in the United States. It is not a cost of living allowance. Varying rates of locality pay reflect the varying cost of labor in different localities and metropolitan areas throughout the United States. The locality pay provision in the FEPCA (5 U.S.C. 5304), however, excludes positions outside the continental United States.

On June 24, 2009, President Obama signed the Supplemental Appropriation Act, 2009 (P.L. 111-32), which authorized the Secretary of State to begin implementing OCP adjustments under Section 1113. Members of the Foreign Service are eligible for locality-based comparability payment (stated as a percentage) up to the amount of locality-based comparability payment that would be payable to such a member under section 5304 of Title 5, U.S.C. if such a member's official duty station were in the District of Columbia. This section also gave the Secretary administrative flexibility in determining the phase-in schedule.

Before the introduction of OCP in 2009, an entry-level or mid-level Foreign Service employee transferring overseas experienced a significant cut in basic pay as a result of the exclusion of these positions from locality pay. In 2009, the reduction was a loss of locality pay in the amount of 23.10 percent of base salary. Since 2009, the gap has been closed between applicable rates of basic pay in Washington, D.C. and abroad by nearly 70 percent. Today, entry and mid-level Foreign Service employees serving in Washington, like most other federal employees working in Washington, earn their base salary plus 24.22 percent locality pay. Their counterparts overseas currently earn base salary plus 16.52 percent comparability pay. The Department has worked to close this gap. The third and final phase that had been scheduled to be implemented in August 2011 would have increased comparability pay to the Washington, DC locality pay rate.

The Department expects that attrition rates will rise, particularly at the critical mid-level positions, if overseas OCP Phase III is not implemented. That will have a direct negative impact on diplomatic

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readiness and delay our efforts to close the mid-level staffing gap. It will impact the Department's ability to attract and retain desirable candidates.

This pay disparity does not just result in a reduction of pay for Foreign Service employees serving abroad; rather, the effects are long-lasting and compound over the course of an employee's career. The Department's employer contributions to the Federal Thrift Savings Plan (TSP) are based on an employee's basic pay inclusive of locality pay. Because Foreign Service employees spend large portions of their careers representing and protecting their country's interests abroad, these employees receive smaller employer contributions than their Foreign Service colleagues who remain in Washington.

Resource Summary

	Positions					Funds (\$ in thousands)		
	American			FSN	Pos Total	Bureau	American	Funds
	CS	FS Dom	Overseas			Managed	Salaries	Total
FY 2011 Actual	0	0	0	0	0	0	0	0
FY 2012 Estimate	0	0	0	0	0	0	0	0
FY 2013 Built-in Changes								
American COLA	0	0	0	0	0	640	351	991
Domestic Inflation	0	0	0	0	0	293	0	293
Total Built-in Changes	0	0	0	0	0	933	351	1,284
FY 2013 Current Services	0	0	0	0	0	933	351	1,284
FY 2013 Program Changes								
Developing 21st Century Skills	0	50	0	0	50	3,992	3,416	7,408
Global Outreach	9	0	15	0	24	5,473	1,840	7,313
OCP Phase III	0	0	0	0	0	29,189	52,173	81,362
Total Program Changes	9	50	15	0	74	38,654	57,429	96,083
FY 2013 Request	9	50	15	0	74	39,587	57,780	97,367

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Staff by Program Activity (positions)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Conduct of Diplomatic Relations	0	0	74	74
Total	0	0	74	74

Funds by Program Activity (\$ in thousands)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Conduct of Diplomatic Relations	0	0	97,367	97,367
Total	0	0	97,367	97,367

Program Activities

Human Resources Initiative (HRI)	Positions				Funds (\$ in thousands)		
	American			Pos	Bureau	American	Funds
	Domestic	Overseas	FSN	Total	Managed	Salaries	Total
Conduct of Diplomatic Relations	59	15	0	74	39,587	57,780	97,367
Total	59	15	0	74	39,587	57,780	97,367

Funds by Object Class (\$ in thousands)

	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1100 Personnel Compensation	0	0	49,376	49,376
1200 Personnel Benefits	0	0	42,265	42,265
2500 Other Services	0	0	5,726	5,726
Total	0	0	97,367	97,367