

A MESSAGE FROM THE DIRECTOR OF THE U.S. OFFICE OF PERSONNEL MANAGEMENT

I am pleased to present the U.S. Office of Personnel Management's (OPM's) report to Congress on the use of recruitment, relocation, and retention incentives (3Rs) in Federal agencies for calendar year 2009. Congress created the 3Rs program to enable the Federal Government to address exceptional needs to recruit, retain, and relocate essential employees for critical positions. Members of Congress have, in the past, expressed concern that agencies do not make sufficient use of the 3Rs to assure the Federal Government has the strongest possible employees to manage the challenging, complex problems that are its responsibility. At the same time, OPM takes great care to make sure agencies use the 3Rs appropriately. Given the current fiscal environment, on June 10, 2011, the Administration capped growth in awards and the 3Rs. Agencies are expected to ensure prospectively that spending on 3Rs in calendar year 2011 and calendar year 2012, respectively, does not exceed calendar year 2010 levels.

In 2009, 45 out of the 96 reporting agencies paid 43,250 recruitment, relocation, and retention incentives to employees worth more than \$349 million. This reflects an increase of 9 percent in the total number of incentives paid and an increase of 22 percent in the total incentive cost between 2008 and 2009. While the overall number and cost of recruitment, relocation, and retention incentives increased, the reported growth has slowed markedly since 2007. In addition, the majority of the reporting agencies (51) did not use recruitment, relocation, or retention incentives under 5 U.S.C. 5753 and 5754 in calendar year 2009.

To understand the reasons for the increase, OPM followed up with agencies with noteworthy changes in 3Rs use. OPM found that agencies that increased their use of these incentives did so to address specific recruitment or retention difficulties affecting mission critical occupations, programs, and initiatives. Some agencies decreased their usage of 3Rs due to labor market, budget, and other factors. OPM's oversight indicates that agencies are using these important flexibilities strategically; however, OPM will continue to monitor 3Rs use to ensure the incentives are used effectively and appropriately.

As evidenced by the information in this report, recruitment, relocation, and retention incentives are important human resources tools that help agencies attract and retain employees for a model civilian workforce. As announced in the February 3, 2010, memorandum to Chief Human Capital Officers (CHCOs), [see the Appendix] OPM is continuing to improve the administration and oversight of recruitment, relocation, and retention incentives. We are developing additional guidance and tools to help agencies write stronger justifications for 3Rs authorizations, improved 3Rs plans, and more explicit agency internal monitoring procedures. As an initial step, OPM established a new Webpage dedicated to the 3Rs at <http://www.opm.gov/3Rs>.

On January 7, 2011, OPM issued proposed regulations to require agencies to review all retention incentives and group recruitment incentives at least annually to determine whether they should be revised or discontinued and to make other changes to improve 3Rs oversight and administration. Currently, OPM is reviewing comments on the proposed regulations and intends to issue final regulations after the analysis is complete. Further, OPM is leading a comprehensive project with agencies to review and improve 3Rs data submitted to the Enterprise Human Resources Integration (EHRI) system so that EHRI can be used to monitor and analyze 3Rs usage trends and separate reporting can be eliminated.

We will continue to work with agencies to assist them in using these incentives, as well as other existing recruitment and retention tools, as necessary, to attract and retain employees to support agency mission and program needs.

John Berry
Director

**Recruitment, Relocation, and Retention Incentives
Calendar Year 2009**

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I. EXECUTIVE SUMMARY

Section 101 of the Federal Workforce Flexibility Act of 2004 (the Act) (Public Law 108-411, October 30, 2004) amended 5 U.S.C. 5753 and 5754 by providing new authorities to pay recruitment, relocation, and retention incentives. Congress originally provided the authority to pay such incentives under the Federal Employees Pay Comparability Act of 1990 (Public Law 101-509, November 5, 1990). In the 2004 Act, Congress expanded the circumstances in which the 3Rs may be paid and enabled agencies to make the payments in more ways that enhance their desired effect to help Federal agencies recruit and retain the kind of workforce they need in the 21st century. Section 101(c) of the Act requires OPM to submit an annual report to specified committees of the United States Senate and the United States House of Representatives on agencies' use of the recruitment, relocation, and retention incentive authorities in 5 U.S.C. 5753 and 5754 during calendar years 2005-2009. ("Agency" is used in this report generally to refer to a Federal department or independent agency.)

On February 1, 2010, OPM issued a memorandum for Chief Human Capital Officers (CHCOs) requesting agencies to submit reports on their use of recruitment, relocation, and retention incentives in calendar year 2009. The memorandum requested that agencies report retention incentives for employees likely to leave the Federal service separately from retention incentives for employees likely to leave for a different position in the Federal service before the closure or relocation of the employee's office, facility, activity, or organization.¹ The memorandum asks agencies to report information for the agency as a whole. We also invited agencies to comment on any barriers they faced in using these incentives as human resources flexibilities.

Overall, 45 Federal agencies paid 43,250 recruitment, relocation, and retention incentives worth more than \$349 million, with an average incentive payment of \$8,079 during calendar year 2009. This was comprised of 12,402 recruitment incentives totaling over \$105 million (average payment of \$8,504); 4,605 relocation incentives totaling more than \$55.2 million (average payment of \$12,000); 26,213 retention incentives (likely to leave the Federal service) totaling over \$188 million (average payment of \$7,195); and 30 retention incentives paid to an employee likely to leave for a different Federal position, worth \$127,244 (average payment of \$4,241). Agencies consistently reported using the incentives to accomplish strategic human resources goals.

The number of recruitment, relocation, and retention incentives increased by 9 percent, and the total amount paid increased by 22 percent between calendar years 2008 and 2009. More specifically, the number of and total amount paid for recruitment incentives during this period increased by more than 9 percent and 23 percent, respectively. The number of relocation incentives increased by over 39 percent, and the total amount paid increased by over 28 percent. The number of retention incentives paid to an employee likely to leave the Federal service increased by over 5 percent, and the total amount paid increased by over 20 percent. Retention incentives paid to employees likely to leave for another Federal position increased from one incentive in calendar year 2008 worth \$1,602 to 30

¹ Retention incentives can be paid to employees who are likely to leave for a different Federal agency only in situations involving the closure or relocation of an employee's office, facility, activity, or organization.

incentives in calendar year 2009 worth \$127,244. A trend of particular note is that Agriculture established a new group retention incentive in 2009 covering a significant number of forestry technicians that perform firefighting duties. Without this group retention incentive, the overall number of retention incentives paid in 2009 actually decreased by 2.3 percent.

To better understand these trends, OPM followed up with the agencies that had significant increases in 3Rs use in 2009. OPM also contacted the agencies with the largest increases in the number of relocation incentives paid in 2009 and the agencies that paid retention incentives to employees likely to leave for other Federal positions in 2009 for information on these trends. OPM's findings from this follow-up are contained in this report.

While the overall number and cost of recruitment, relocation, and retention incentives increased between calendar year 2008 and 2009, the reported growth has slowed markedly since 2007. In addition, several of the top 3Rs users, including the Departments of Commerce, Energy, and State and the National Air and Space Administration (NASA), reported significant decreases in the number of 3Rs paid or a decrease in 3Rs costs in 2009.

In calendar year 2009, agencies typically paid recruitment, relocation, and retention incentives to employees in occupations critical to agency missions, such as health care, engineering, security, and information technology (IT). Agencies also used the incentives to fill positions at the grade or work levels one might expect: 50 percent of the recruitment incentives paid to General Schedule (GS) employees were used to recruit new employees into entry- and developmental-level positions (e.g., at GS-05, GS-07, and GS-09), and more than 77 percent of relocation incentives used for GS employees were paid to employees in intermediate- and upper-level positions (e.g., at GS-11, GS-12, GS-13, and GS-14). The use of retention incentives was spread over a wide range of grade or work levels, an indication that agencies are focused on making sure critical employees are retained at all work levels.

Agencies provided very positive responses regarding the effect these incentives had on recruitment and retention efforts. Most agencies reported no barriers to using these incentives. Some reported the lack of funding represented a barrier to incentive use; others also reported it would be helpful to be able to pay retention incentives to employees who are likely to leave for a different Federal agency in situations other than before the closure or relocation of an employee's office, facility, activity, or organization.

II. BACKGROUND

Authority

Section 101 of the Federal Workforce Flexibility Act of 2004 (the Act) (Public Law 108-411, October 30, 2004) amended 5 U.S.C. 5753 and 5754 by providing new authorities to pay recruitment, relocation, and retention incentives. (Although 5 U.S.C. 5753 and 5754 use the term “bonus,” OPM uses the term “incentive” in place of “bonus” in the regulations to differentiate these kinds of payments—which are designed to provide a monetary incentive for an individual or group to accept a new position or to remain employed in the current position—from payments which are used to reward an individual or group for quality of performance (the typical context in which the term “bonus” is used).) OPM’s regulations at 5 CFR part 575, subparts A, B, and C, implement these authorities. The law and regulations provide agencies with additional compensation flexibility to help recruit and retain employees and better meet agency strategic human resources.

Under 5 U.S.C. 5753 and 5 CFR, part 575, subparts A and B, an agency may pay a recruitment incentive to an employee newly appointed to a position in the Federal service or a relocation incentive to a current employee who must relocate to accept a position in a different geographic area when the agency determines the position is likely to be difficult to fill in the absence of an incentive. The employee must sign an agreement to fulfill a period of service with the agency. A recruitment or relocation incentive may not exceed 25 percent of the employee’s annual rate of basic pay in effect at the beginning of the service period, multiplied by the number of years (including fractions of a year) in the service period (not to exceed 4 years). With OPM approval, this cap may be increased to 50 percent, based on a critical agency need, as long as the total incentive does not exceed 100 percent of the employee’s annual rate of basic pay. A recruitment or relocation incentive may be paid as an initial lump-sum payment at the beginning of the service period, in installments throughout the service period, as a final lump-sum payment upon completion of the service period, or in a combination of these methods.

Under 5 U.S.C. 5754 and 5 CFR part 575, subpart C, an agency may pay a retention incentive to a current employee if the agency determines the unusually high or unique qualifications of the employee or a special need of the agency for the employee’s services makes it essential to retain the employee and the employee would be likely to leave the Federal service in the absence of a retention incentive. The retention incentive may not exceed 25 percent of an employee’s rate of basic pay. An agency also may authorize a retention incentive for a group or category of employees not to exceed 10 percent of the employees’ rate of basic pay. With OPM approval, an agency may authorize a retention incentive for an individual or group or category of employees up to 50 percent, based on a critical agency need. For most payment options, an employee must sign an agreement to fulfill a period of service with the agency. A retention incentive may be paid in installments after the completion of designated periods of service within the overall service period required by the service agreement or in a single lump sum after completion of the full service period required by the service agreement.

OPM regulations also provide agencies with the authority to pay a retention incentive to an employee who would be likely to leave for a different position in the Federal service before the closure or relocation of the employee's office, facility, activity, or organization. (See 5 CFR 575.315.) Such employees may be more likely than others to seek other Federal employment, especially if they will otherwise be separated from Federal service when their office or facility closes or if they cannot relocate with their office or facility. The retention incentive payment provisions are similar to those required if an employee is likely to leave the Federal service.

By design, the recruitment, relocation, and retention incentive authorities are less expensive and more flexible than some other pay solutions agencies may use to address recruitment and retention problems. For example, special rates under 5 U.S.C. 5305 and 5 CFR part 530, subpart C, the superior qualifications and special needs pay-setting authority under 5 U.S.C. 5333 and 5 CFR 531.212, and critical position pay under 5 U.S.C. 5377 and 5 CFR part 535, are compensation flexibilities that provide higher rates of basic pay to address staffing difficulties. Rates of basic pay are used for processing certain pay actions and benefits, such as promotions, overtime, and retirement and insurance benefits, and increasing basic pay leads to higher compensation and benefit costs. The 3Rs are not basic pay for any purpose, making them a less expensive option. In addition, an agency may reduce or terminate an employee's recruitment, relocation, or retention incentive payment at any time based on the management needs of the agency without causing the employee to become entitled to pay retention under 5 U.S.C. 5363. Lastly, offering a recruitment, relocation, or retention incentive may enable an agency to fill a position with a Federal employee, or retain a Federal employee, instead of leaving a position unfilled, which may impact mission performance, or using contractors to perform the work, which may be more expensive.

Reporting Requirement

Section 101(c) of the Act requires OPM to submit an annual report to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform on agencies' use of the recruitment, relocation, and retention incentive authorities in 5 U.S.C. 5753 and 5754 during calendar years 2005-2009. The law directs OPM to provide the following information on agencies that have used these authorities:

For recruitment and relocation incentives—

- The number and dollar amount paid in the calendar year—
 - To individuals holding positions within each pay grade, pay level, or other pay classification
 - If applicable, to individuals who moved between positions that were in different agencies but the same geographic area (including the names of the agencies involved)
- A determination of the extent to which such incentives furthered the purposes of 5 U.S.C. 5753

For retention incentives—

- The number and dollar amount paid in the calendar year—
 - To individuals holding positions within each pay grade, pay level, or other pay classification
 - If applicable, to prevent individuals from moving between positions that were in different agencies but the same geographic area (including the names of the agencies involved)
- A determination of the extent to which such incentives furthered the purposes of 5 U.S.C. 5754

III. AGENCY REPORTS

OPM's regulations at 5 CFR 575.113(b), 575.213(b), 575.313(b), and 575.315(i) require agencies to submit a written report to OPM by March 31 in each of the years 2006-2010 on their use of recruitment, relocation, and retention incentives during the previous calendar year. On February 1, 2010, OPM issued a memorandum for CHCOs requesting agencies to submit their calendar year report for 2009.

To meet congressional reporting requirements, OPM asked agencies to provide the following information:

- A description of how each authority was used by the agency during calendar year 2009, including information on how the use of these authorities improved the agency's recruitment and retention efforts
- For recruitment, relocation, and retention incentives (likely to leave the Federal service), the total number and total dollar amount paid during calendar year 2009 by pay plan; occupational series; occupational series title; and grade, pay or work level, or other pay classification
- For retention incentives paid under 5 CFR 575.315 (likely to leave for a different Federal position)—
 - The total number and total dollar amount of retention incentives paid during calendar year 2009 by pay plan; occupational series; occupational series title; and grade, pay or work level, or other pay classification;
 - The agency (which may be in the executive, judicial, or legislative branch) to which each employee or group of employees would be likely to leave in the absence of a retention incentive; and
 - Each employee's or group of employees' official worksite and the geographic location of the agency for which each employee or group of employees would be likely to leave in the absence of a retention incentive
- Information on barriers the agency is facing in using the recruitment, relocation, and retention incentive authorities as human resources flexibilities.

OPM compiled the data and information submitted by agencies into this consolidated report. We did not conduct an audit to verify the quality or accuracy of individual agency reports. The quality of the data may be influenced by factors such as the agency's processes for collecting the data or familiarity with the reporting requirements.

OPM is currently leading a comprehensive project with agencies to review and improve 3Rs data submitted to the EHRI system so that EHRI can be used to monitor and analyze 3Rs usage trends on an on-going basis. The goals of this project include improving data accuracy and eliminating separate reporting requirements. OPM and agencies will also be able to investigate any variances in 3Rs data patterns to understand why they are occurring and take corrective actions more quickly, if necessary.

Information Not in This Report

This report does not include data or information on—

- Recruitment, relocation, or retention payments authorized under an independent agency authority; this report contains information on only recruitment, relocation, and retention incentives authorized under 5 U.S.C. 5753 and 5754 and 5 CFR 575, subparts A, B, and C
- The use of recruitment incentives to encourage interagency moves; since OPM has not authorized any circumstance in the regulations in which recruitment incentives could be used for this purpose, we did not request such information from agencies.

Overall

As a result of our request for calendar year 2009 data, we received responses from 96 agencies. (See **Attachment 1** for a list of the reporting agencies.) In calendar year 2009, 45 agencies paid 43,250 recruitment, relocation, and retention incentives, costing \$349,404,349. Of this amount, agencies paid 12,402 recruitment incentives totaling \$105,468,559; 4,605 relocation incentives totaling \$55,261,227; 26,213 retention incentives (likely to leave the Federal service) totaling \$188,547,319; and 30 retention incentives (likely to leave for a different Federal position) totaling \$127,244. The average payments were \$8,504 for recruitment incentives; \$12,000 for relocation incentives; \$7,193 for retention incentives (likely to leave Federal service); and \$4,241 for retention incentives (likely to leave for a different Federal position). The overall average payment was \$8,079. (See **Attachment 2** for detailed agency reports.)

Table 1a compares the total number of recruitment, relocation, and retention incentives paid between calendar years 2006 – 2009. Overall the number of recruitment, relocation, and retention incentives paid increased by 9 percent between calendar years 2008 and 2009. This consisted of a 9 percent increase in the number of recruitment incentives, a 39 percent increase in the number of relocation incentives, and a 6 percent increase in the number of retention incentives paid to those likely to leave Federal service.

OPM contacted the agencies with the largest increases in the number of relocation incentives paid in 2009 to determine the reasons for their increased use. Defense stated that the increased frequency with which movements, deployments, base closures, and realignments occur may have influenced their increased number of relocation incentives. Interior used relocation incentives to attract candidates to high cost-of-living or remote areas and when the candidates experienced difficulty selling their homes due to declining property values. Defense and Interior both commented on savings compared to the cost of funding a permanent change of station under the Federal Travel Regulations. Justice increased its use of relocation incentives because it increased the number of Federal Bureau of Investigation agents being relocated to hard-to-fill field offices and in order to fill Bureau of Prisons positions.

OPM will continue to monitor agency use of 3R incentives to support their appropriate and deter their inappropriate use.

Table 1a

Number of Recruitment, Relocation, and Retention Incentives Paid in Calendar Years 2006, 2007, 2008 and 2009					
	Recruitment	Relocation	Retention (leaving Federal Service)	Retention (different Federal position)	Total
CY 2006	3,952	1,009	*	N/A	*
CY 2007	7,716	1,974	22,794	0	32,484
CY 2008	11,396	3,307	24,808	1	39,512
CY 2009	12,402	4,605	26,213	30	43,250
Percent Increase 2006-2007	95.24%	95.64%	*	N/A	*
Percent Increase 2007-2008	47.69%	67.53%	8.84%	N/A	21.64%
Percent Increase 2008-2009	8.83%	39.25%	5.66%	**	9.46%

*See footnote below Table 1b.

** See footnote below Table 1b.

Table 1b compares the total amount paid for recruitment, relocation, and retention incentives between calendar years 2006 – 2009. The total amount of incentives paid increased by more than 22 percent between 2008 and 2009. This increase consisted of a 23 percent increase in the amount paid for recruitment incentives, a 29 percent increase in the amount paid for relocation incentives, and a 21 percent increase in the amount paid for retention incentives to those likely to leave Federal service. Retention incentives paid

to employees likely to leave for a different Federal position increased from one incentive worth \$1,602 in calendar year 2008 to 30 incentives worth \$127,244 in calendar year 2009.

Table 1b

Amount Paid for Recruitment, Relocation, and Retention Incentives					
	Recruitment	Relocation	Retention (leaving Federal Service)	Retention (different Federal position)	Total
CY 2006	\$32,898,796	\$11,634,168	*	N/A	*
CY 2007	\$57,512,982	\$23,164,783	\$127,032,586	0	\$207,710,351
CY 2008	\$85,964,732	\$42,989,423	\$155,886,331	\$1,602	\$284,842,088
CY 2009	\$105,468,559	\$55,261,227	\$188,547,319	\$127,244	\$349,404,349
Percent Increase 2006-2007	74.82%	99.11%	*	N/A	*
Percent Increase 2007-2008	49.47%	85.58%	22.71%	N/A	37.13%
Percent Increase 2008-2009	22.69%	28.55%	20.95%	**	22.67%

* Retention incentive data from the CY 2006 Recruitment, Relocation, and Retention Incentive Report to Congress cannot be compared with the data from reports for subsequent years because the CY 2006 report contains data only on retention incentives authorized under 5 U.S.C. 5754 as in effect on and after May 1, 2005. Section 101(d)(3) of the Federal Workforce Flexibility Act of 2004 included a grandfather provision to allow a retention allowance authorized before May 1, 2005, under the former authority in 5 U.S.C. 5754 to continue to be paid until the allowance was reauthorized or terminated, but no later than April, 30, 2006. Such grandfathered retention allowances that were paid in CY 2006 were not included in the CY 2006 Recruitment, Relocation, and Retention Incentive Report to Congress.

**Since only one retention incentive (likely to leave for a different Federal position) was reported for calendar year 2008 (the first full year this authority was used), the percentage increase is not included as it would be misleading.

While the overall reported growth in the use of recruitment, relocation, and retention incentives increased between 2008 and 2009, the rate of growth has slowed since 2007. The number paid and cost increase reported for 2009 of 9.46 and 22.67 percent, respectively, is markedly lower than the 21.64 and 37.13 percent payment and cost increase between 2007 and 2008.

In addition, the 5.66 percent increase between 2008 and 2009 in the overall number of retention incentives (likely to leave Federal service) paid can be attributed to a group retention incentive authorized in 2009 by Agriculture for forestry technicians who perform critical firefighting duties in the Pacific Southwest region. Excluding this group retention incentive from the report would reduce the overall number of retention

incentives paid in calendar year 2009 to 24,251, reflecting a 2.3 percent decrease in the number paid between 2008 and 2009.

Agency Data

Table 2 shows the number and amount of each type of incentive paid by agencies during calendar year 2009. (A blank cell indicates the agency did not pay any of that type of incentive in calendar year 2009.)

The 13 agencies that made the most extensive use of recruitment, relocation, and retention incentives were, in order—

- Defense
- Veterans Affairs
- Justice
- Agriculture
- Health and Human Services
- State
- Commerce
- Treasury
- Energy
- Homeland Security
- Interior
- Agency for International Development
- Federal Energy Regulatory Commission

Defense and Veterans Affairs continued to be the largest users—

- Defense paid 21,910 incentives totaling \$188,358,677
- Veterans Affairs paid 8,885 incentives totaling \$55,804,655

Justice, Agriculture, and Health and Human Services each used more than 2,400, but fewer than 3,200, recruitment, relocation, and retention incentives totaling between \$13,154,750 and \$26,877,890.

State, Commerce, Treasury, Energy, Homeland Security, Interior, Agency for International Development, and the Federal Energy Regulatory Commission each used more than 100, but less than 900 recruitment, relocation, and retention incentives totaling between \$1,547,116 and \$11,024,910.

While most of the top agency users of recruitment, relocation, and retention incentives reported paying more incentives in 2009 than in 2008, several agencies reported significant decreases—

- Commerce reported a 52 percent decrease in the overall number of incentives paid (from 1,611 to 769) and a 44 percent decrease in cost (from \$10.4 million to \$5.8 million). This was mostly attributable to a decrease in the payment of recruitment incentives to patent examiners (from 1,262 incentives for \$7.9 million to 434 incentives for \$2.7 million) as a result of several factors including a decrease in the number of new hires due to budget constraints and a decrease in the patent examiner hiring goal.
- Energy reported a 26 percent decrease in the number of incentives paid overall (from 557 to 413) and a 34 percent decrease in cost (from \$5.0 million to \$3.3 million).
- State reported an 18 percent decrease in the number of retentive incentives paid (from 1,071 to 876), but an increase in overall cost. The decrease in the number paid is largely attributable to fewer retention incentives for IT specialists, which decreased from 504/\$4.9 million to 380/\$4.5 million.
- NASA reported a 57 percent decrease in the overall number of incentives paid (from 127 to 54) and a 32 percent decrease in cost (from \$1.2 million to \$842 thousand), mostly due to a decline in the number of recruitment and relocation incentives (from 107 in 2008 to 42 in 2009). Because of this decline, NASA was not one of the top agency users of recruitment, relocation, and retention incentives in 2009. NASA attributes the decreased use to labor market factors.

Some of the top recruitment, relocation, and retention incentive users offered the following explanations for their increased usage in 2009:

- As previously mentioned, Agriculture authorized a group retention incentive for forestry technicians who perform critical firefighting duties in the Pacific Southwest region in 2009. This region is hardest hit by seasonal wild land fires and Agriculture must compete with State and local government entities for employees with firefighting skills.
- The Agency for International Development offered several recruitment incentives in 2009 due to its increasing overseas presence. The agency experienced extreme difficulty recruiting for positions in critical priority countries such as Iraq, Afghanistan, and Pakistan.

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**Table 2
Recruitment, Relocation, and Retention Incentives**

Department	Recruitment Incentives		Relocation Incentives		Retention Incentives (likely to leave Federal service)		Retention Incentives (likely to leave for a different Federal position)		Total Incentives	
	Number	Amount Paid	Number	Amount Paid	Number	Amount Paid	Number	Amount Paid	Number	Amount Paid
Agriculture	269	\$3,071,915	106	\$1,438,863	2157	\$8,643,972			2,532	\$13,154,750
Commerce	574	\$4,078,313	16	\$274,138	179	\$1,490,795			769	\$5,843,246
Defense	7,487	\$67,043,062	3,396	\$36,303,657	11,021	\$84,930,589	6	\$81,369	21,910	\$188,358,677
Education	2	\$47,200							2	\$47,200
Energy	151	\$1,416,198	37	\$554,769	225	\$1,360,430			413	\$3,331,397
Health and Human Services	484	\$6,622,106	40	\$597,025	1,944	\$19,658,759			2,468	\$26,877,890
Homeland Security	286	\$1,918,499	54	\$670,722	72	\$654,794			412	\$3,244,015
Interior	66	\$640,092	74	\$1,179,657	243	\$1,493,626			383	\$3,313,375
Justice	425	\$4,000,477	322	\$7,074,846	2,400	\$13,099,212			3,147	\$24,174,535
Labor	13	\$137,715	3	\$34,097	10	\$145,647			26	\$317,459
State					876	\$11,024,910			876	\$11,024,910
Transportation	76	\$409,798	3	\$27,668	16	\$217,453			95	\$654,919
Treasury	415	\$1,534,010	33	\$901,835	116	\$2,637,848			564	\$5,073,693
Veterans Affairs	1,636	\$10,624,275	466	\$5,452,483	6,759	\$39,682,022	24	\$45,875	8,885	\$55,804,655
Independent Agency										
Agency for International Development	218	\$1,371,400	8	\$95,300	42	\$849,758			268	\$2,316,458
Appraisal Subcommittee of the Federal Financial Institutions Examination Council	1	\$30,000							1	\$30,000
Broadcasting Board of Governors	3	\$20,000							3	\$20,000
Chemical Safety and Hazard Investigation Board	6	\$82,487			1	\$694			7	\$83,181
Committee for Purchase From People Who Are Blind or Severely Disabled					1	\$11,367			1	\$11,367
Commodity Futures Trading Commission	7	\$115,109	1	\$29,410	2	\$41,505			10	\$186,024
Consumer Product Safety Commission	10	\$62,183	1	\$14,846					11	\$77,029

Defense Nuclear Facilities Safety Board	10	\$93,191	3	\$39,180	5	\$39,883			18	\$172,254
Election Assistance Commission	1	\$5,000							1	\$5,000
Environmental Protection Agency	20	\$190,725	2	\$14,394	11	\$155,480			33	\$360,599
Export-Import Bank	2	\$20,000							2	\$20,000
Federal Election Commission					1	\$18,655			1	\$18,655
Federal Energy Regulatory Commission	108	\$727,360	5	\$42,264	50	\$777,492			163	\$1,547,116
Federal Trade Commission	8	\$95,000			2	\$23,799			10	\$118,799
General Services Administration	23	\$134,131	15	\$106,175	6	\$162,482			44	\$402,788
Holocaust Memorial Museum					1	\$24,353			1	\$24,353
International Boundary and Water Commission	2	\$5,938			1	\$1,581			3	\$7,519
Library of Congress	1	\$6,110			6	\$114,258			7	\$120,368
Millennium Challenge Corporation	15	\$74,500			1	\$2,984			16	\$77,484
Morris K. Udall Foundation					1	\$35,089			1	\$35,089
National Aeronautics and Space Administration	27	\$335,375	15	\$262,125	12	\$244,819			54	\$842,319
National Archives and Records Administration	3	\$70,000	1	\$21,930	12	\$313,586			16	\$405,516
National Science Foundation	2	\$19,500			2	\$7,241			4	\$26,741
National Transportation Safety Board					3	\$31,097			3	\$31,097
Overseas Private Investment Corporation	2	\$65,914			4	\$70,408			6	\$136,322
Pension Benefit Guaranty Corporation	1	\$34,606			5	\$94,946			6	\$129,552
Railroad Retirement Board					2	\$9,412			2	\$9,412
Smithsonian Institution	13	\$97,153			19	\$409,111			32	\$506,264
Social Security Administration	8	\$81,382	1	\$66,508	5	\$67,262			14	\$215,152
Tax Court	21	\$140,000							21	\$140,000
U.S. Office of Personnel Management	6	\$47,835	3	\$59,335					9	\$107,170
Total	12,402	\$105,468,559	4,605	\$55,261,227	26,213	\$188,547,319	30	\$127,244	43,250	\$349,404,349

Agencies that heavily used recruitment, relocation, and retention incentives did not necessarily have large incentive payments. In fact, the highest overall users of recruitment, relocation, and retention incentives showed a relatively low average incentive cost compared to that of other agencies. Defense and Veterans Affairs were top users of incentives, but had relatively low average incentive costs. Veterans Affairs had the 6th –lowest average incentive cost (\$6,281), and Defense had the 16th –lowest average incentive cost (\$8,597) compared to those of other agencies. Agriculture, another top user of incentives, had the 5th –lowest average incentive cost (\$5,195) compared to other agencies.

Table 3 shows the average incentive cost for all agencies that used recruitment, relocation, and retention incentives. **Table 4** shows the average incentive cost for the top 13 users of the incentives.

Table 3

Average Incentive Paid by Agency (all incentive types)			
Agency	Number	Amount Paid	Average Incentive Paid
Morris K. Udall Foundation	1	\$35,089	\$35,089
Appraisal Subcommittee of the Federal Financial Institutions Examination Council	1	\$30,000	\$30,000
National Archives and Records Administration	16	\$405,516	\$25,345
Holocaust Memorial Museum	1	\$24,353	\$24,353
Education	2	\$47,200	\$23,600
Overseas Private Investment Corporation	6	\$136,322	\$22,720
Pension Benefit Guaranty Corporation	6	\$129,552	\$21,592
Federal Election Commission	1	\$18,655	\$18,655
Commodity Futures Trading Commission	10	\$186,024	\$18,602
Library of Congress	7	\$120,368	\$17,195
Smithsonian Institution	32	\$506,264	\$15,821
National Aeronautics and Space Administration	54	\$842,319	\$15,599
Social Security Administration	14	\$215,152	\$15,368
State	876	\$11,024,910	\$12,586
Labor	26	\$317,459	\$12,210
U.S. Office of Personnel Management	9	\$107,170	\$11,908
Chemical Safety and Hazard Investigation Board	7	\$83,181	\$11,883
Federal Trade Commission	10	\$118,799	\$11,880
Committee for Purchase From People Who Are Blind or Severely Disabled	1	\$11,367	\$11,367
Environmental Protection Agency	33	\$360,599	\$10,927
Health and Human Services	2,468	\$26,877,890	\$10,891
National Transportation Safety Board	3	\$31,097	\$10,366
Export-Import Bank	2	\$20,000	\$10,000
Defense Nuclear Facilities Safety Board	18	\$172,254	\$9,570

Federal Energy Regulatory Commission	163	\$1,547,116	\$9,492
General Services Administration	44	\$402,788	\$9,154
Treasury	564	\$5,073,693	\$8,996
Interior	383	\$3,313,375	\$8,651
Agency for International Development	268	\$2,316,458	\$8,644
Defense	21,910	\$188,358,677	\$8,597
Energy	413	\$3,331,397	\$8,066
Homeland Security	412	\$3,244,015	\$7,874
Justice	3,147	\$24,174,535	\$7,682
Commerce	769	\$5,843,246	\$7,598
Consumer Product Safety Commission	11	\$77,029	\$7,003
Transportation	95	\$654,919	\$6,894
National Science Foundation	4	\$26,741	\$6,685
Broadcasting Board of Governors	3	\$20,000	\$6,667
Tax Court	21	\$140,000	\$6,667
Veterans Affairs	8,885	\$55,804,655	\$6,281
Agriculture	2,532	\$13,154,750	\$5,195
Election Assistance Commission	1	\$5,000	\$5,000
Millennium Challenge Corporation	16	\$77,484	\$4,843
Railroad Retirement Board	2	\$9,412	\$4,706
International Boundary and Water Commission	3	\$7,519	\$2,506
Total	43,250	\$349,404,349	\$8,079

Table 4

Average Incentive Paid to Top Users (all incentive types)			
Agency	Number	Amount Paid	Average Incentive Paid
State	876	\$11,024,910	\$12,586
Health and Human Services	2,468	\$26,877,890	\$10,891
Federal Energy Regulatory Commission	163	\$1,547,116	\$9,492
Treasury	564	\$5,073,693	\$8,996
Interior	383	\$3,313,375	\$8,651
Agency for International Development	268	\$2,316,458	\$8,644
Defense	21,910	\$188,358,677	\$8,597
Energy	413	\$3,331,397	\$8,066
Homeland Security	412	\$3,244,015	\$7,874
Justice	3,147	\$24,174,535	\$7,682
Commerce	769	\$5,843,246	\$7,598
Veterans Affairs	8,885	\$55,804,655	\$6,281
Agriculture	2,532	\$13,154,750	\$5,195

Table 5 shows Defense was by far the largest single user of recruitment incentives during the reporting period. Defense accounted for over 60 percent of all recruitment incentives paid during calendar year 2009, paying 7,487 incentives totaling \$67,043,062. The next highest user, Veterans Affairs, accounted for the next 13 percent of recruitment incentives used, paying over 1,600 incentives. Commerce, Health and Human Services, Justice, Treasury, Homeland Security, Agriculture, Agency for International Development, and Energy accounted for approximately the next 23 percent of recruitment incentives; each used more than 150 and fewer than 600 recruitment incentives.

Table 5

Recruitment Incentives Paid by Agency				
Agency	Number	Percent of Total Number	Amount Paid	Percent of Total Amount Paid
Defense	7,487	60.37%	\$67,043,062	63.57%
Veterans Affairs	1,636	13.19%	\$10,624,275	10.07%
Commerce	574	4.63%	\$4,078,313	3.87%
Health and Human Services	484	3.90%	\$6,622,106	6.28%
Justice	425	3.43%	\$4,000,477	3.79%
Treasury	415	3.35%	\$1,534,010	1.45%
Homeland Security	286	2.31%	\$1,918,499	1.82%
Agriculture	269	2.17%	\$3,071,915	2.91%
Agency for International Development	218	1.76%	\$1,371,400	1.30%
Energy	151	1.22%	\$1,416,198	1.34%
Federal Energy Regulatory Commission	108	0.87%	\$727,360	0.69%
Transportation	76	0.61%	\$409,798	0.39%
Interior	66	0.53%	\$640,092	0.61%
<i>All others - 25 agencies</i>	207	1.67%	\$2,011,054	1.91%
Total	12,402		\$105,468,559	

Table 6 shows Defense was by far the largest user of relocation incentives during calendar year 2009, paying 3,396 incentives totaling \$36,303,657 or approximately 74 percent of all relocation incentives paid. The two next largest users, Veterans Affairs and Justice, combined for about 17 percent of relocation incentive use. Veterans Affairs paid 466 relocation incentives totaling \$5,452,483, and Justice paid 322 relocation incentives totaling \$7,074,846.

Table 6

Relocation Incentives Paid by Agency				
Agency	Number	Percent of Total Number	Amount Paid	Percent of Total Amount Paid
Defense	3,396	73.75%	\$36,303,657	65.69%
Veterans Affairs	466	10.12%	\$5,452,483	9.87%
Justice	322	6.99%	\$7,074,846	12.80%
Agriculture	106	2.30%	\$1,438,863	2.60%
Interior	74	1.61%	\$1,179,657	2.13%
Homeland Security	54	1.17%	\$670,722	1.21%
Health and Human Services	40	0.87%	\$597,025	1.08%
Energy	37	0.80%	\$554,769	1.00%
Treasury	33	0.72%	\$901,835	1.63%
<i>All others - 14 agencies</i>	77	1.67%	\$1,087,370	1.97%
Total	4,605		\$55,261,227	

Table 7 shows, of the reporting agencies, Defense and Veterans Affairs were by far the greatest users of retention incentives paid to employees likely to leave the Federal service, paying approximately 68 percent of all incentives accounting for 66 percent of the total cost. Defense paid 11,021 incentives totaling \$84,930,589, and Veterans Affairs paid 6,759 incentives totaling \$39,682,022. Justice, Agriculture, and Health and Human Services were also significant users accounting for 25 percent of the total number of incentives and 22 percent of the total amount paid. State was the next most significant user, paying 876 incentives worth \$11,024,910. These six agencies accounted for 96 percent of the number of all retention incentives paid and 94 percent of the total cost. Usage then dropped significantly with Interior, Energy, Commerce, and Treasury paying fewer than 300 incentives, each totaling between \$1,360,430 and \$2,637,848.

Table 7

Retention Incentives				
Agency	Number	Percent of Total Number	Amount Paid	Percent of Total Amount Paid
Defense	11,021	42.04%	\$84,930,589	45.04%
Veterans Affairs	6,759	25.78%	\$39,682,022	21.05%
Justice	2,400	9.16%	\$13,099,212	6.95%
Agriculture	2,157	8.23%	\$8,643,972	4.58%
Health and Human Services	1,944	7.42%	\$19,658,759	10.43%
State	876	3.34%	\$11,024,910	5.85%
Interior	243	0.93%	\$1,493,626	0.79%
Energy	225	0.86%	\$1,360,430	0.72%
Commerce	179	0.68%	\$1,490,795	0.79%
Treasury	116	0.44%	\$2,637,848	1.40%
All others - 27 agencies	293	1.12%	\$4,525,156	2.40%
Total	26,213		\$188,547,319	

Table 8 shows the agencies that paid retention incentives to employees likely to leave for a different Federal position before the closure or relocation of their office, facility, activity, or organization (5 CFR 575.315). Veterans Affairs accounted for 80 percent of the retention incentives paid. Defense paid the other 20 percent of the number issued, but accounted for over 64 percent of the total amount paid.

Table 8

Retention Incentives				
Agency	Number	Percent of Total Number	Amount Paid	Percent of Total Amount Paid
Veterans Affairs	24	80.00%	\$45,875	36.05%
Defense	6	20.00%	\$81,369	63.95%
Total	30		\$127,244	

Occupational Data

During calendar year 2009, agencies used recruitment incentives for employees in many different occupations. **Table 9** lists the occupations for which agencies used recruitment incentives most frequently. Of the top 30 occupations for which recruitment incentives were used, agencies used them most frequently for health care and engineering. In these top occupations, agencies paid 2,309 recruitment incentives to employees in six **health care** occupations (\$28,704,492) and 2,267 recruitment incentives to employees in seven **engineering** occupations (\$17,132,297). The single occupation for which recruitment

incentives were most used was nurse, with 678 recruitment incentives, totaling \$6,625,896. The second highest use of recruitment incentives was for positions in the 0303 occupational series, “miscellaneous clerk and assistant.” A significant number of these (616 of 622) were paid by Defense.

Table 9

Recruitment Incentives Paid by Occupational Series					
Occ. Series	Occupational Series Title	Total Number Paid	Percent of Total Number	Total Amount Paid	Percent of Total Amount Paid
0610	NURSE	678	5.47%	\$6,625,896	6.28%
0303	MISCELLANEOUS CLERK AND ASSISTANT	622	5.02%	\$2,064,876	1.96%
0830	MECHANICAL ENGINEERING	612	4.93%	\$4,323,158	4.10%
0301	MISCELLANEOUS ADMINISTRATION AND PROGRAM	472	3.81%	\$3,344,183	3.17%
0602	MEDICAL OFFICER	465	3.75%	\$12,819,270	12.15%
0620	PRACTICAL NURSE	457	3.68%	\$1,144,391	1.09%
0855	ELECTRONICS ENGINEERING	437	3.52%	\$3,885,757	3.68%
1224	PATENT EXAMINING	434	3.50%	\$2,710,467	2.57%
0660	PHARMACIST	424	3.42%	\$4,426,506	4.20%
0512	INTERNAL REVENUE AGENT	362	2.92%	\$974,076	0.92%
0810	CIVIL ENGINEERING	356	2.87%	\$2,401,804	2.28%
1102	CONTRACTING	317	2.56%	\$2,864,488	2.72%
0801	GENERAL ENGINEERING	307	2.48%	\$2,558,214	2.43%
2210	INFORMATION TECHNOLOGY MANAGEMENT	252	2.03%	\$2,261,760	2.14%
5803	HEAVY MOBILE EQUIPMENT MECHANIC	241	1.94%	\$697,500	0.66%
0343	MANAGEMENT AND PROGRAM ANALYSIS	239	1.93%	\$1,960,839	1.86%
0180	PSYCHOLOGY	234	1.89%	\$2,674,300	2.54%
0083	POLICE	230	1.85%	\$1,052,030	1.00%
0511	AUDITING	221	1.78%	\$1,444,110	1.37%
0850	ELECTRICAL ENGINEERING	197	1.59%	\$1,656,159	1.57%
0861	AEROSPACE ENGINEERING	195	1.57%	\$1,409,155	1.34%
0840	NUCLEAR ENGINEERING	163	1.31%	\$898,050	0.85%
0603	PHYSICIAN ASSISTANT	143	1.15%	\$2,064,561	1.96%
0601	GENERAL HEALTH SCIENCE	142	1.14%	\$1,623,868	1.54%
0185	SOCIAL WORK	119	0.96%	\$977,861	0.93%
1550	COMPUTER SCIENCE	118	0.95%	\$895,087	0.85%
1101	GENERAL BUSINESS AND INDUSTRY	116	0.93%	\$1,070,378	1.01%
0701	VETERINARY MEDICAL SCIENCE	113	0.91%	\$1,877,225	1.78%
8852	AIRCRAFT MECHANIC	107	0.86%	\$1,293,845	1.22%
0007	CORRECTIONAL OFFICER	101	0.81%	\$655,738	0.62%
<i>All others - 254 occupations</i>		3,528	28.45%	\$30,813,007	29.22%
Total		12,402		\$105,468,559	

Table 10 shows relocation incentives also were used in a variety of occupations. The two occupations most likely to use relocation incentives were **criminal investigating** (338/\$7,736,138) and **contracting** (281/\$2,837,094), followed closely by **engineering-related** occupations (series 0801—general engineering, 0802—engineering technical, 0809—construction control technical 0810—civil engineering,) paying 684 relocation incentives worth \$6,978,255 and **miscellaneous administration and program** paying 234 incentives worth \$3,070,468. **Table 10** shows the occupations in which more than 100 relocation incentives were used.

Table 10

Relocation Incentives Paid by Occupational Series					
Occ. Series	Occupational Series Title	Total Number Paid	Percent of Total Number	Total Amount Paid	Percent of Total Amount Paid
1811	CRIMINAL INVESTIGATION	338	7.34%	\$7,736,138	14.00%
1102	CONTRACTING	281	6.10%	\$2,837,094	5.13%
0810	CIVIL ENGINEERING	273	5.93%	\$2,758,928	4.99%
0301	MISCELLANEOUS ADMINISTRATION AND PROGRAM	234	5.08%	\$3,070,468	5.56%
0801	GENERAL ENGINEERING	178	3.87%	\$2,333,666	4.22%
0201	HUMAN RESOURCES MANAGEMENT	177	3.84%	\$2,028,745	3.67%
0343	MANAGEMENT AND PROGRAM ANALYSIS	165	3.58%	\$1,792,604	3.24%
0340	PROGRAM MANAGEMENT	163	3.54%	\$2,447,857	4.43%
0809	CONSTRUCTION CONTROL TECHNICAL	132	2.87%	\$895,122	1.62%
2210	INFORMATION TECHNOLOGY MANAGEMENT	125	2.71%	\$1,671,904	3.03%
0802	ENGINEERING TECHNICAL	101	2.19%	\$990,539	1.79%
<i>All others - 238 occupations</i>		2,438	52.94%	\$26,698,162	48.31%
Total		4,605		\$55,261,227	

Table 11 shows how agencies were by far most likely to use retention incentives to retain employees in **health care** occupations. In fact, 11 of the top 20 occupations for which retention incentives were used were in the health care field. Retention incentives paid to these health care occupations represent 32 percent of all retention incentives paid. Employees in these occupations received 8,411 retention incentives totaling \$68,842,926.

The top occupation in which retention incentives were paid was **forestry technician**. A large portion of these (1,962 out of 2,072) were paid by Agriculture as part of a group retention incentive authorization covering forestry technicians in the Pacific Southwest region who are firefighters. This region is in the area hardest hit by seasonal wild land fires and Agriculture must compete with State and local entities for employees with firefighting skills.

Table 11

Retention Incentives (likely to leave Federal service) Paid by Occupational Series					
Occ. Series	Occupational Series Title	Total Number Paid	Percent of Total Number	Total Amount Paid	Percent of Total Amount Paid
0462	FORESTRY TECHNICIAN	2,072	7.90%	\$7,636,381	4.05%
0620	PRACTICAL NURSE	1,482	5.65%	\$4,612,958	2.45%
0610	NURSE	1,447	5.52%	\$12,214,218	6.48%
0083	POLICE	1,210	4.62%	\$5,053,111	2.68%
0007	CORRECTIONAL OFFICER	987	3.77%	\$3,884,154	2.06%
0602	MEDICAL OFFICER	952	3.63%	\$19,696,992	10.45%
2210	INFORMATION TECHNOLOGY MANAGEMENT	892	3.40%	\$10,280,995	5.45%
0647	DIAGNOSTIC RADIOLOGIC TECHNOLOGIST	882	3.36%	\$5,689,254	3.02%
0660	PHARMACIST	849	3.24%	\$8,756,652	4.64%
0621	NURSING ASSISTANT	764	2.91%	\$2,123,378	1.13%
1102	CONTRACTING	641	2.45%	\$3,985,044	2.11%
0301	MISCELLANEOUS ADMINISTRATION AND PROGRAM	526	2.01%	\$4,640,536	2.46%
0603	PHYSICIAN ASSISTANT	475	1.81%	\$5,590,975	2.97%
0201	HUMAN RESOURCES MANAGEMENT	448	1.71%	\$3,409,367	1.81%
0601	GENERAL HEALTH SCIENCE	408	1.56%	\$3,626,584	1.92%
0085	SECURITY GUARD	403	1.54%	\$1,039,618	0.55%
0644	MEDICAL TECHNOLOGIST	399	1.52%	\$2,349,202	1.25%
0640	HEALTH AID AND TECHNICIAN	394	1.50%	\$1,402,129	0.74%
2880	INFORMATION MANAGEMENT	380	1.45%	\$4,475,508	2.37%
0649	MEDICAL INSTRUMENT TECHNICIAN	359	1.37%	\$2,780,584	1.47%
<i>All others - 316 occupations</i>		10,243	39.08%	\$75,299,679	39.94%
Total		26,213		\$188,547,319	

Table 12 shows all the occupations that received retention incentives (likely to leave for a different Federal position). **Accounting technicians** and **miscellaneous clerks and assistants** received the most of this type of retention incentive, each accounting for over 36 percent of the total number and 16 percent of the total amount paid.

Table 12

Retention Incentives (likely to leave for a different Federal position) Paid by Occupation Series					
Occ. Series	Occupational Series Title	Total Number Paid	Percent of Total Number Paid	Amount Paid	Percent of Total Amount Paid
0525	ACCOUNTING TECHNICIAN	11	36.67%	\$21,235	16.69%
0303	MISCELLANEOUS CLERK AND ASSISTANT	11	36.67%	\$20,608	16.20%
0501	FINANCIAL ADMINISTRATION AND PROGRAM	3	10.00%	\$55,996	44.01%
0675	MEDICAL RECORDS TECHNICIAN	2	6.67%	\$4,032	3.17%
2210	INFORMATION TECHNOLOGY MANAGEMENT	1	3.33%	\$10,997	8.64%
1550	COMPUTER SCIENCE	1	3.33%	\$10,698	8.41%
0810	CIVIL ENGINEERING	1	3.33%	\$3,678	2.89%
Total		30		\$127,244	

Pay Plan Data

The following six tables provide data on recruitment, relocation, and retention incentive payments by pay plan.

Agencies primarily used recruitment, relocation, and retention incentives for employees in GS occupations. As **Tables 13, 15, 17, and 19** show, incentive payments to GS employees accounted for 66 percent of all incentive payments made. Since approximately 66 percent of the Federal workforce was under the GS system during calendar year 2009, a high usage of recruitment, relocation, and retention incentives is not surprising. However, during calendar year 2009, incentives were also paid to employees in a wide variety of other pay plans.

As **Table 13** shows, recruitment incentives were paid to employees in over 50 pay plans. In addition to GS employees, a significant number of recruitment incentives were paid to Defense employees in the National Security Personnel System (NSPS). Over 28 percent of recruitment incentives were paid to employees in NSPS pay plans (see **Table 14**).

Table 13

Recruitment Incentives Paid by Pay Plan				
Pay Plan	Total Number Paid	Percent of Total Number	Total Amount Paid	Percent of Total Amount Paid
GS	6,919	55.79%	\$57,655,706	54.67%
YD	1,511	12.18%	\$11,349,337	10.76%
YA	894	7.21%	\$6,515,479	6.18%
WG	669	5.39%	\$4,968,166	4.71%
YB	321	2.59%	\$980,751	0.93%
YH	277	2.23%	\$2,892,771	2.74%

YG	253	2.04%	\$6,357,147	6.03%
ND	226	1.82%	\$771,350	0.73%
FP	214	1.73%	\$1,330,593	1.26%
GL	180	1.45%	\$1,275,222	1.21%
LE	111	0.90%	\$555,000	0.53%
YC	111	0.90%	\$1,139,616	1.08%
<i>All Others - 41 pay plans</i>	716	5.77%	\$9,677,421	9.18%
Total	12,402		\$105,468,559	

* Pay plan definitions are in **Attachment 3**

Table 14

Recruitment Incentives Paid to NSPS Pay Plans		
Pay Plan	Total Number Paid	Total Amount Paid
YD	1,511	\$11,349,337
YA	894	\$6,515,479
YB	321	\$980,751
YH	277	\$2,892,771
YG	253	\$6,357,147
YC	111	\$1,139,616
YJ	56	\$1,651,526
YF	48	\$540,274
YE	17	\$185,732
YI	16	\$85,489
YP	6	\$12,500
YM	3	\$19,467
YN	2	\$5,042
YK	1	\$15,669
Total	3,516	\$31,750,800

* Pay plan definitions are in **Attachment 3**

As **Table 15** shows, relocation incentives were paid to employees in 51 pay plans besides the GS pay plan. **Table 16** shows more than 26 percent of relocation incentives (1,227) were paid to Defense employees in NSPS pay plans.

Table 15

Relocation Incentive by Pay Plan				
Pay Plan	Total Number Paid	Percent of Total Number	Total Amount Paid	Percent of Total Amount Paid
GS	2,697	58.57%	\$31,757,287	57.47%
YA	570	12.38%	\$5,791,789	10.48%
YC	275	5.97%	\$4,065,993	7.36%
YD	242	5.26%	\$2,230,304	4.04%
YF	140	3.04%	\$1,948,899	3.53%
WG	128	2.78%	\$1,468,018	2.66%
ES	76	1.65%	\$1,973,552	3.57%
<i>All others - 45 pay plans</i>	477	10.36%	\$6,025,385	10.90%
Total	4,605		\$55,261,227	

* Pay plan definitions are in **Attachment 3**

Table 16

Relocation Incentives Paid to NSPS Pay Plans		
Pay Plan	Total Number Paid	Total Amount Paid
YA	570	\$5,791,789
YC	275	\$4,065,993
YD	242	\$2,230,304
YF	140	\$1,948,899
Total	1,227	\$14,036,985

* Pay plan definitions are in **Attachment 3**

As **Table 17** shows, retention incentives (likely to leave Federal service) were also paid to employees in a broad distribution of pay plans. Retention incentives were paid to employees in 58 pay plans besides the GS pay plan. **Table 18** shows over 11 percent of retention incentives (2,926) were paid to Defense employees in NSPS pay plans.

Table 17

Retention Incentives (likely to leave Federal service)				
Pay Plan	Total Number Paid	Percent of Total Number	Total Amount Paid	Percent of Total Amount Paid
GS	18,682	71.27%	\$126,412,098	67.05%
GL	1,367	5.21%	\$5,511,893	2.92%
YA	712	2.72%	\$5,046,580	2.68%
WG	615	2.35%	\$1,895,362	1.01%

FP	519	1.98%	\$6,326,272	3.36%
GG	503	1.92%	\$1,356,559	0.72%
YH	479	1.83%	\$4,444,807	2.36%
YC	472	1.80%	\$5,063,932	2.69%
YG	358	1.37%	\$7,522,562	3.99%
YD	345	1.32%	\$2,463,778	1.31%
WS	319	1.22%	\$1,856,554	0.98%
YJ	299	1.14%	\$4,330,018	2.30%
ES	296	1.13%	\$5,724,356	3.04%
AD	188	0.72%	\$2,357,990	1.25%
YB	134	0.51%	\$409,355	0.22%
ZP	134	0.51%	\$1,002,308	0.53%
YF	127	0.48%	\$1,254,123	0.67%
<i>All others - 42 pay plans</i>	664	2.53%	\$5,568,772	2.95%
Total	26,213		\$188,547,319	

* Pay plan definitions are in **Attachment 3**

Table 18

Retention Incentives		
Pay Plan	Total Number Paid	Total Amount Paid
YA	712	\$5,046,580
YH	479	\$4,444,807
YC	472	\$5,063,932
YG	358	\$7,522,562
YD	345	\$2,463,778
YJ	299	\$4,330,018
YB	134	\$409,355
YF	127	\$1,254,123
Total	2,926	\$30,535,155

* Pay plan definitions are in **Attachment 3**

Table 19 shows retention incentives paid to employees likely to leave for a different Federal position (5 CFR 575.315) were paid only to two different pay plans. The GS pay plan was the overwhelming favorite accounting for 97 percent of the total number paid and total amount paid.

Table 19

Retention Incentives (likely to leave for a different Federal position) Paid by Pay Plan				
Pay Plan	Total Number Paid	Percent of Total Number	Total Amount Paid	Percent of Total Amount Paid
GS	29	96.67%	\$123,566	97.11%
YF	1	3.33%	\$3,678	2.89%
Total	30		\$127,244	

* Pay plan definitions are in **Attachment 3**

Incentives by General Schedule Grade

Since the grading system for other pay plans varies greatly, **Tables 20, 21, and 22** summarize incentive usage only by GS grade. These tables also include incentives paid by grade to employees in pay plans GL and GM. Specific information on agency use of recruitment, relocation, and retention incentives by grade or work level in other pay systems is found in **Attachment 2**.

As **Table 20** shows, agencies used recruitment incentives most often to hire GS employees at the GS-07, GS-09, and GS-11 levels (in declining order). Recruitment incentives paid to employees in these grades accounted for more than 50 percent of all recruitment incentives paid to GS employees. However, significant numbers of incentives were also paid to employees at a variety of other GS grade levels.

Table 20

Recruitment Incentives Paid by GS Grade				
Grade	Total Number Paid	Percent of Total Amount Paid	Total Amount Paid	Percent of Total Amount Paid
07	1,661	23.40%	\$10,310,668	17.50%
09	1,041	14.66%	\$7,545,307	12.80%
11	903	12.72%	\$8,002,808	13.58%
12	894	12.59%	\$10,018,116	17.00%
05	854	12.03%	\$4,034,266	6.85%
13	490	6.90%	\$5,638,919	9.57%
06	348	4.90%	\$2,057,343	3.49%
14	251	3.54%	\$4,350,210	7.38%
10	198	2.79%	\$1,772,348	3.01%
15	159	2.24%	\$3,945,350	6.69%
04	156	2.20%	\$385,890	0.65%
08	99	1.39%	\$758,301	1.29%
03	45	0.63%	\$111,402	0.19%
Total	7,099		\$58,930,928	

As **Table 21** shows, agencies were most likely to use relocation incentives for employees at the mid- to upper-GS grade levels, with the most relocation incentives paid to employees at the GS-12, GS-13, GS-11, and GS-14 levels (in declining order). Use of relocation incentives for these four grade levels accounted for over 77 percent of the incentives paid to GS employees.

Table 21

Relocation Incentives Paid by GS Grade				
Grade	Total Number Paid	Percent of Total Number	Total Amount Paid	Percent of Total Amount Paid
12	710	26.18%	\$7,590,782	23.80%
13	575	21.20%	\$7,447,490	23.35%
11	445	16.41%	\$4,041,428	12.67%
14	365	13.46%	\$6,691,434	20.98%
09	212	7.82%	\$1,453,542	4.56%
15	144	5.31%	\$2,894,478	9.08%
07	128	4.72%	\$738,004	2.31%
10	52	1.92%	\$610,703	1.91%
06	32	1.18%	\$140,321	0.44%
08	22	0.81%	\$149,932	0.47%
05	21	0.77%	\$120,248	0.38%
04	6	0.22%	\$15,805	0.05%
Total	2,712		\$31,894,167	

As **Table 22** shows, agencies used retention incentives (likely to leave Federal service) to retain employees across a wide variety of grade levels. Over 1,000 retention incentives were paid to each of nine different grade levels (in declining order): GS-06, GS-12, GS-11, GS-05, GS-07, GS-13, GS-09, GS-08, and GS-14.

Table 22

Retention Incentives (likely to leave Federal service)				
Grade	Total Number Paid	Percent of Total Number	Total Amount Paid	Percent of Total Amount Paid
06	3,161	15.74%	\$10,534,848	7.96%
12	2,331	11.61%	\$9,056,492	6.84%
11	2,247	11.19%	\$19,694,925	14.87%
05	2,164	10.78%	\$5,776,247	4.36%
07	2,150	10.71%	\$15,260,656	11.52%
13	1,727	8.60%	\$9,487,051	7.16%
09	1,689	8.41%	\$9,064,514	6.85%
08	1,587	7.90%	\$16,035,020	12.11%

14	1,189	5.92%	\$17,159,623	12.96%
15	773	3.85%	\$14,808,698	11.18%
10	683	3.40%	\$4,819,015	3.64%
04	345	1.72%	\$683,723	0.52%
03	31	0.15%	\$36,978	0.03%
Total	20,077		\$132,417,790	

Table 23 shows retention incentives paid to employees likely to leave for a different Federal position (5 CFR 575.315) by GS grade level. Grades **GS-06**, **GS-05**, and **GS-13**, in order, accounted for nearly 90 percent of the total number paid.

Table 23

Retention Incentives (likely to leave for a different Federal position) Paid by GS Grade				
Grade	Total Number Paid	Percent of Total Number	Total Amount Paid	Percent of Total Amount
06	17	58.62%	\$32,552	26.34%
05	6	20.69%	\$10,925	8.84%
13	3	10.34%	\$37,742	30.54%
14	2	6.90%	\$39,949	32.33%
09	1	3.45%	\$2,398	1.94%
Total	29		\$123,566	

Retention incentives for employees likely to leave for a different Federal position

Section 101(c)(2) of the Federal Workforce Flexibility Act of 2004 requires OPM to include information in this report to Congress on the number and dollar amount of retention incentives paid in calendar year 2009 to prevent individuals from moving between positions that were in different agencies but in the same geographic area (including the names of the agencies involved). OPM's regulations at 5 CFR 575.315 provide agencies with the authority to pay a retention incentive to an employee who would be likely to leave for a different position in the Federal service before the closure or relocation of the employee's office, facility, activity, or organization.

Table 24 shows, of the reporting agencies, Defense and Veterans Affairs used retention incentives to retain employees likely to leave for different Federal positions. Overall use of retention incentives under 5 CFR 575.315 is minimal compared to retention incentives paid to employees likely to leave Federal service. A total of 30 incentives worth \$127,244 were paid in calendar year 2009. For 27 of the 30 retention incentives, agencies used this flexibility to retain employees likely to leave for a position in a different component of the same agency.

Defense and Veterans Affairs provided the following additional information regarding these retention incentive payments:

- Defense paid three of its employees retention incentives to keep them on board until the Denver and Pensacola bases closed because of their skill sets in managing resources. Defense paid an incentive to another employee in Japan who was offered a position with the Navy in Silverdale, Washington.
- Certain Veterans Affairs employees at an Ann Arbor, Michigan, business office were offered a group retention incentive prior to the consolidation and relocation of their office to Madison, Wisconsin. The retention incentives were offered to prevent employees from leaving during the transition because of the pending transfer of function and the employees would have otherwise likely accepted other positions in Ann Arbor. It was imperative that affected employees remain in their current positions and continue payment collections until the functions were fully transferred to the newly established Consolidated Patient Account Center. The collections operation at Ann Arbor had to maintain the collection staff during the transition period in order to meet the FY 2010 goal of collecting more than \$20 million in medical care collections cost which is part of Ann Arbor's annual budget.

Table 24

Retention Incentives for Employees Likely to Leave for a Different Federal Position									
Agency	Pay Plan	Occ. Series	Occupational Series Title	Grade or Work Level	Total Number Paid	Total Amount Paid	Agency to which Employee is Expected to Leave	Employee's Official Worksite Location	Future Potential Worksite Location
Defense	GS	2210	INFORMATION TECHNOLOGY MANAGEMENT	13	1	\$10,997	Department of the Navy	Pensacola Sauffley Field	Pensacola, FL
Defense	GS	0501	FINANCIAL ADMINISTRATION AND PROGRAM	14	2	\$39,949	National Finance Center	Denver, CO	Denver, CO
Defense	GS	0501	FINANCIAL ADMINISTRATION AND PROGRAM	13	1	\$16,047	National Finance Center	Denver, CO	Denver, CO
Defense	GS	1550	COMPUTER SCIENCE	13	1	\$10,698	Defense	Arlington, VA	Ft. Meade, MD
Defense	YF	0810	CIVIL ENGINEERING	02	1	\$3,678	Department of the Navy	Okinawa, Japan	Silverdale, WA
Veterans Affairs	GS	0303	MISCELLANEOUS CLERK AND ASSISTANT	05	4	\$6,893	Veterans Affairs	Ann Arbor, MI	Ann Arbor, MI
Veterans Affairs	GS	0303	MISCELLANEOUS CLERK AND ASSISTANT	06	7	\$13,715	Veterans Affairs	Ann Arbor, MI	Ann Arbor, MI
Veterans Affairs	GS	0525	ACCOUNTING TECHNICIAN	06	10	\$18,837	Veterans Affairs	Ann Arbor, MI	Ann Arbor, MI
Veterans Affairs	GS	0525	ACCOUNTING TECHNICIAN	09	1	\$2,398	Veterans Affairs	Ann Arbor, MI	Ann Arbor, MI
Veterans Affairs	GS	0675	MEDICAL RECORDS TECHNICIAN	05	2	\$4,032	Veterans Affairs	Ann Arbor, MI	Ann Arbor, MI
Total					30	\$127,244			

IV. AGENCY COMMENTS

Agency use of incentives and effect on recruitment and retention

To comply with congressional reporting requirements, OPM asked agencies to describe how they used recruitment, relocation, and retention incentives during calendar year 2009, including how incentive use improved recruitment and retention efforts. The following excerpts illustrate how recruitment, relocation, and retention incentives were used. However, these excerpts provide only summary information, selected examples, and anecdotes. OPM's report is not designed or intended to provide detailed information on the content and administration of agency recruitment, relocation, and retention incentive plans and policies, nor does it provide determinations and justifications agencies made for authorizing the incentives.

Under the law and OPM's regulations, recruitment and relocation incentives may be paid only when an agency determines a position is likely to be difficult to fill in the absence of an incentive. Similarly, retention incentives may be paid only when an agency determines that the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee and the employee would be likely to leave the Federal service in the absence of a retention incentive (or likely to leave for a different Federal position when an employee is affected by a facility closure or relocation).

Of the 96 agencies that submitted reports, 45 agencies had used the incentives, and 51 had not.

Departments

Departments cited the use of recruitment, relocation, and retention incentives most often for the following reasons:

- To target specific occupations presenting particular hiring or retention challenges for reasons such as competition from the private sector for a skill set or an overall shortage in the workforce of a particular skill set;
- To resolve specific hiring and retention problems in particular regional areas, such as to address difficulties in recruiting employees to work in high cost-of-living areas, overseas, or in remote or undesirable locations, or to address skills imbalances in particular regions or areas;
- To meet a very specific staffing challenge or as a tool to ensure agencies have the workforce (be that one employee or many employees) necessary for the accomplishment of an important agency mission; or
- To retain employees likely to retire from the Federal service when the agency has a special need for the employees' services.

The following are excerpts of department comments regarding how they used recruitment, relocation, and retention incentives:

Department of Agriculture

Agriculture found recruitment, relocation, and retention incentives useful in improving recruitment and retention efforts particularly in hard-to-fill occupations or undesirable geographic locations.

- The largest portion of Agriculture's recruitment incentives were paid to individuals in the veterinary medical science and food inspection series. Employees in these occupations defend against naturally and intentionally introduced diseases that could harm human and animal health and are critical to Agriculture's mission as it relates to food safety.
- The Agricultural Research Service used relocation incentives to relocate several employees in the statistics and mathematical statistics series to locations where unique research skills were needed and recruitment efforts had failed.
- Retention incentives were used to retain mission-critical forestry technicians performing wild land firefighting duties in the Forest Service where non-Federal salaries exceed the level that can be paid to Federal firefighters. (Agriculture is currently evaluating this retention incentive authorization and is exploring other options to handle this staffing problem.)
- Rural Development used retention incentives for employees with bilingual skills in loan processing positions where it is critical to have employees fluent in speaking, reading, and writing English and Spanish to assist Spanish-speaking applicants in mortgage application processing.

Department of Commerce

Commerce used recruitment, relocation and retention incentives to attract and retain individuals who possess exceptional skills—primarily to individuals who possess the scientific and technical expertise essential to Commerce's ability to carry out its mission.

- The Patent and Trademark Office (PTO) paid recruitment incentives to patent examiners to remain competitive with the private sector. Without the use of recruitment incentives, Commerce reported many patent examiners would leverage their technical and scientific expertise to find lucrative positions with law firms and technology-based companies. The total dollar amount PTO paid in recruitment incentives decreased by 66 percent in calendar year 2009 from calendar year 2008 as a result of several factors including a decrease in the number of new hires due to budget constraints and a decrease in the patent examiner hiring goal.
- The Census Bureau offered recruitment incentives to mathematicians, IT specialists, and economists—occupations that are critical to its mission. Paying recruitment incentives to some individuals in these occupations helped the Census Bureau carry out the 2010 Decennial Census.
- The National Institute for Standards and Technology (NIST) used recruitment and retention incentives to recruit and retain physicists, engineers, and chemists who conduct mission-critical research in measurement science, meteorology, quantum physics, and IT. The work of many of these NIST employees has won international acclaim.
- The National Oceanic and Atmospheric Administration used recruitment incentives to hire individuals for hard-to-fill Wage Marine positions.

Commerce instituted a new recruitment, relocation, and retention incentive policy in September 2009 to ensure that these incentives are being awarded with the interest of the taxpayer in mind and according to regulations. Under this new policy, all retention incentives must receive prior approval from Commerce's headquarters human resources office. These retention incentives must be approved on a yearly basis to ensure that they are still in the best interest of Commerce's goals. Additionally, recruitment and relocation incentives exceeding \$10,000 must be approved by Commerce's headquarters human resources management. While bureaus may award recruitment and relocation incentives up to \$10,000, Commerce has provided detailed guidance on the factors that must be considered when awarding these incentives. Commerce reported that it works very hard to ensure that money spent on recruitment, relocation, and retention incentives is spent wisely.

Department of Defense

Defense used recruitment, relocation, and retention incentives during calendar year 2009 to bridge the pay gap between Federal and private sector salaries. The recruitment incentives enhance Defense efforts in recruiting for hard-to-fill occupations. Relocation and retention incentives enable Defense to retain already trained, valued employees and negate the need to go through the lengthy recruitment process. Installations provided a number of examples to illustrate the effectiveness of the recruitment, relocation, and retention authorities.

- Recruitment incentives attract graduating college students across the country for difficult-to-fill intern positions
- Recruitment and retention incentives attract and retain scientists and engineers in research and test laboratories
- Recruitment incentives attracted candidates in IT, financial management, air traffic control, and safety management to overseas positions that would have been vacant longer or filled by candidates with lesser skills
- Recruitment incentives for linguists and police officers are addressing a Defense need to significantly increase those skill populations
- Recruitment incentives play a major part in the successful conversion of over 1,200 military healthcare billets to civilian positions
- Recruitment and relocation incentives help fill positions in metropolitan areas with high housing costs
- Recruitment and relocation incentives continue to be vital to staffing efforts in the Balkans and rebasing efforts in the European theater
- Relocation incentives attract highly qualified employees to critical positions in rural areas
- Relocation incentives encourage employees to accept extended assignments and thereby ensure project continuity in connection with Operation Enduring Freedom and Operation Iraqi Freedom/Operation New Dawn
- Relocation incentives increase employee interest in working in overseas locations where locality payments do not apply
- Retention incentives, in conjunction with longer service contracts, provide mission continuity between tours, allow for rapid deployment execution, and significantly decrease the time required for new operational centers to be at full strength

- Retention incentives decrease the knowledge loss of retirement-eligible employees who remain longer in key positions
- Retention incentives allow Defense to retain employees in hard-to-fill positions who consider higher-paying private sector positions in high-cost locations or in areas with limited candidate resources
- Retention incentives help Defense retain high-level employees possessing key critical skills or vast amounts of institutional knowledge
- Retention incentives enhance Defense's ability to retain employees with unique, mission-required skills who would command larger salaries in the private sector (e.g., medical staff, engineers, attorneys, critical wastewater treatment plant operators, seismic modeling experts, and physicists)
- Retention incentives have stemmed the loss of telecommunications employees and IT staff, particularly to Defense contractors
- Retention incentives allow Defense to retain vital lower-graded employees
- Group retention incentives for security guards and police officers have drastically reduced the turnover rate in those occupations
- Group retention incentives are used for realty employees serving classified customers who require security clearances above top-secret and who are offered bonuses of up to \$30,000 by companies because of their clearances

Department of Education

Education used recruitment incentives in calendar year 2009 to recruit and fill two hard-to-fill positions critical to the Federal Student Aid (FSA) mission. The high-quality candidates—an IT specialist and a leader of FSA's Business Transformation effort—would not have accepted the job offers had Education not been able to offer these incentives. Overall, Education uses the recruitment, relocation, and retention incentive authorities judiciously in response to changing labor market and economic conditions.

Department of Energy

Energy used recruitment incentives to support and accomplish succession planning, workforce planning, and its overall human capital management strategic plan to fill critical skill gaps and mission-critical positions. In some instances, the use of recruitment incentives provided a way to attract and retain high-quality candidates, resulting in little to no turnover in the affected positions during the following year. Recruitment incentives were used primarily to recruit interns, mid- and senior-level scientific and technical experts, and managers due to a limited supply of well-qualified applicants. Organizations consistently reported that they would not have been able to successfully recruit well-qualified candidates without the use of recruitment incentives.

Energy also found relocation incentives useful and beneficial. Although not used as frequently as the other incentives, during calendar year 2009, Energy used relocation incentives to fill hard-to-fill positions in locations that were isolated, had an expensive cost of living, or had economic barriers. The relocation incentives were also used to motivate senior managers to change positions (e.g., from a small to a mid-size office) and to entice well-qualified technical and scientific employees who would otherwise not accept the positions.

Retention incentives were often used to retain experienced employees until Energy could recruit and train other high-quality applicants or until a special project or work accomplishment was completed.

Department of Health and Human Services

HHS reported that the recruitment and relocation incentive authority was very helpful especially in the health-provider field and the retention incentive authority was very helpful especially in sustaining and improving the administration and management of agency programs.

Department of Homeland Security

Overall, Homeland Security continues to find recruitment, relocation, and retention incentives valuable management tools in attracting and retaining high-quality employees. Specifically—

- In calendar year 2009, the Federal Emergency Management Agency's (FEMA's) focus was on staffing up to 90 percent of its funded base level. Part of FEMA's success resulted from awarding recruitment incentives to four new employees.
- The U.S. Customs and Border Protection (CBP) reported that recruitment, relocation, and retention incentives continue to be valuable management tools for recruiting and retaining applicants and employees in difficult-to-fill and highly specialized positions. CBP plans to continue using these incentives judiciously and strategically to resolve specific staffing and retention challenges for applicants and employees crucial to the accomplishment of the CBP mission in high cost-of-living, remote, or undesirable locations.
- The U.S. Coast Guard (USCG) uses recruitment, relocation, and retention incentives to compete for highly qualified candidates who would otherwise work in private industry. Although the incentives have been used for a variety of occupations, there are some hard-to-fill positions that typically require the use of these incentives, e.g., contract specialists and naval architects. USCG also has approved recruitment incentives for filling entry-level marine inspector positions with recent graduates of the maritime academies. These graduates came to USCG with invaluable skill sets (experience and sea time) that will save future training costs.
- The Federal Law Enforcement Training Center (FLETC) uses recruitment, relocation, and retention incentives to retain the expertise of individuals necessary to continue critical projects and fulfill organizational objectives and to conduct advance recruitment to ensure a smooth transition between an incumbent and a new employee. In 2009, FLETC used a recruitment incentive to attract and hire a highly qualified individual for a critical, hard-to-fill position in the IT security area.
- Immigration and Customs Enforcement uses recruitment, relocation, and retention incentives as necessary to compete in the labor market, retain highly qualified and skilled employees, promote succession planning, and support efforts to fill critical, hard-to-fill positions in various areas.

Department of the Interior

Interior reported that recruitment and relocation incentives are critical tools for filling positions in remote or less desirable locations and high cost-of-living areas. Recruitment incentives help secure highly qualified candidates that possess the level and breadth of

specialized scientific skills and managerial capabilities required for Interior's positions. A recruitment incentive was used to attract a highly qualified expert in environmental protection where there was difficulty in attracting candidates due to higher salary rates outside the Federal Government. An ecologist position was recruited for three times before the selected candidate applied for the position with a recruitment incentive offer.

Interior used a group retention incentive for Hoover Dam police officer positions from grades GS-5 through GS-12. The Hoover Dam is designated as a National Critical Infrastructure and it is imperative for the security of the dam that these positions remain adequately staffed. Retention incentives have also been used to retain senior knowledge and leadership during periods of reorganization and new programs. These incentives have also been used to retain employees who have specialized knowledge in Alaskan geology and engineering due to the high demand for such expertise in the oil and gas industry.

Department of Justice

Justice reported its components maximize their effectiveness in combating private sector competition through targeted recruitment for core-occupations (such as attorneys, law enforcement officers, and medical positions) in conjunction with the use of recruitment, relocation, and retention incentives. Justice components continue to highlight the effectiveness of these incentives when seeking top talent or retaining personnel for continuity critical to their missions. For example—

- Justice was able to retain critical staff in the Eastern District of Louisiana, dealing with litigation related to Hurricane Katrina, and to curtail an unacceptably-high turnover rate for legal assistants who were moving to private sector jobs with considerably higher salaries by using a group retention incentive.
- In terms of succession planning, Justice's components offered retention incentives to highly knowledgeable employees who, in turn, engaged in knowledge transfer through developing and positioning less experienced staff to move into leadership roles.
- The Bureau of Prisons (BOP) used incentives to attract and retain personnel in Federal penitentiaries and correctional institutions in remote locations, with undesirable working conditions, and with a rapid increase in the inmate population. In order to adequately staff these facilities, BOP continues to use recruitment, relocation, and retention incentives in combination with other pay flexibilities (e.g. the superior qualifications and special needs pay-setting authority, special rates, the maximum payable rate rule, and physicians' comparability allowances) to maximize their effectiveness.
- Justice's components also found the use of relocation incentives very effective as a staffing tool in their efforts to assign employees at difficult-to-fill posts (e.g. areas of Puerto Rico and certain U.S. territories).

Department of Labor

Labor used recruitment, relocation, and retention incentives to attract and retain employees in a variety of positions.

- Recruitment incentives enabled Labor to fill a variety of positions where there was difficulty in recruiting highly qualified candidates due to higher pay rates outside of Government. In many cases, absent a recruitment incentive, applicants initially

declined job offers due to entry-level salary. The use of this incentive was paramount in achieving Labor's fiscal year 2009 hiring goals.

- Two recruitment incentives were used to attract Ph.D economists to research positions at the Bureau of Labor Statistics (BLS). The pool of new graduates with Ph.Ds in economics eligible to work in the Federal sector is limited. Salaries for new Ph.D research economists at Ph.D-granting institutions have started at the top steps of the GS-12 salary range, and in recent years have even exceeded the GS-12 range and several steps in the GS-13 range. The recruitment incentive service agreement helped BLS retain the new recruits.
- Recruitment incentives were also instrumental in attracting qualified engineers to Labor. The starting salary for engineers in the private sector is significantly higher than the Federal Government, even with a special rate. In the Pittsburgh area, there are several coal and energy companies that offer higher pay and sign-on incentives with which the Government cannot compete.
- A relocation incentive was used to attract a human resources specialist who was urgently needed due to a classification backlog that included numerous desk audits, new position descriptions, reorganizations, and implementation of a new classification standard.
- A relocation incentive was also instrumental in attracting a very qualified employee to relocate along with his family, from San Francisco, California, to Orlando, Florida, to fill a position as Assistant District Director in the Mine Safety and Health Administration. The position had been vacant since July 2008 due to the agency's difficulty in locating candidates.
- A retention incentive was used to defer several retirements of key mission-critical staff. The retention of a senior-level mission critical employee in the Occupational Safety and Health Statistics organization for one year helped to ensure a stable transition of this employee's unique and complex duties to others within the organization for the duration of a production cycle. A retention incentive was essential to retain Labor's Chief Information Security Officer who was otherwise likely to leave Federal service.

Department of State

State has two major retention programs and has established a few individual retention incentives. The IT Skills Incentive Program pays IT professionals a retention incentive of 10 or 15 percent depending on the special skills attained. The program contributes significantly to State's recruitment and retention goals and motivates IT professionals to obtain and maintain advanced industry-wide skills, certifications, and credentials. The competition for skilled IT professionals has not changed since the program's inception in 1999. Employment trends, despite the current economic situation, are expected to continue to present stiff competition in the labor market for State's increasing demand for specialized IT skills. The Skills Incentive Program has helped retain experienced IT employees in both the Foreign Service and civil service workforces.

The New Orleans Group Retention Incentive Plan applies to civil service and Foreign Service employees in the New Orleans metropolitan area. Eligible employees receive a 10 percent incentive payment paid on a biweekly basis. The New Orleans Passport Agency is a critical part of State's passport production infrastructure, processing 11 percent of the

nation's passport applications. Although progress in parts of New Orleans and the surrounding region is visible, a number of economic and environmental conditions remain that continue to cause difficulties for State's current employees and serve as obstacles to attracting new employees to the city.

State found it necessary to act to ensure the retention of some very essential linguists who possess a unique combination of language skills with scientific, legal, or diplomatic knowledge. Each was authorized a 10 percent retention incentive to be paid biweekly for 12 months. It is anticipated that similar or higher incentives may be approved in the near future, but very selectively.

Department of Transportation

The Federal Highway Administration (FHWA) continued to use recruitment incentives as part of its strategy to recruit highly qualified college graduates into its critical entry-level intake program, which feeds the pipeline in key agency occupations. FHWA established this strategy several years ago to address severe difficulties and high declination rates in recruiting entry-level professionals due to higher starting salaries in the private and State government sectors.

The Pipeline and Hazardous Materials Safety Administration and FHWA used relocation incentives to attract applicants with highly desirable qualifications, skills, and certifications to positions that would require the individuals to relocate to an area with a higher cost of living. The use of relocation incentives was necessary for the individuals to accept the positions offered.

Transportation used the retention incentive authority to retain employees who were ready to retire and who possessed critical skills necessary for the operation of the agency. The retention incentives were granted to these employees to allow them to complete an important project and to train a replacement for succession.

Department of the Treasury

Treasury is pleased with the flexibility the recruitment, relocation, and retention incentive authorities provide in attracting and retaining highly skilled employees. The authorities are used to recruit and retain employees with critical skills, knowledge, and competencies. The incentives facilitate Treasury's ability to compete in the labor market, retain highly qualified and skilled employees, promote succession planning, and support efforts to fill critical, hard-to-fill positions.

- The Internal Revenue Service (IRS) focused its use of recruitment incentives on mission-critical occupations in hard-to-fill locations. Group authorities were approved for internal revenue agent, revenue officer, and economist positions. Use of this discretionary authority enabled IRS to meet the substantial hiring goals of its enforcement hiring initiative.
- The Office of the Inspector General (OIG) established two new audit divisions dedicated to banking and high priority Recovery Act work, including material loss reviews of failed banks. OIG used recruitment incentives for upper level positions (i.e., GS-14s and above) in order to assist its efforts to find highly qualified applicants with extensive management experience in the auditing and accounting fields as well

as the financial services industry. By advertising that recruitment incentives would be considered, OIG received a better pool of upper level candidates who were willing to bring their private sector expertise into the Federal sector. OIG used recruitment incentives to successfully recruit two such job candidates.

- Within IRS, relocation incentives have been effective in filling managerial and analyst positions in hard-to-fill locations in its Criminal Investigation Division. Relocation incentives provide the necessary motivation for employees to consider applying for developmental or managerial positions.
- The Bureau of the Public Debt (BPD) made use of the retention incentive authority as a tool to retain 11 uniquely qualified employees. The employees in these key administration, program management, financial administration, and IT positions provided a significant contribution to the overall operation of their organizations. This was particularly true for two employees who were retained to assist with the transitioning of business in preparation for the closure of various field offices. The ability to use this authority permitted BPD to retain these essential employees who have specific skill sets that are in high demand and relative short supply.
- At IRS, retention incentives were used to retain highly experienced employees in key leadership positions while IRS makes improvements to its succession planning and knowledge transfer efforts.
- After considering various alternatives to address the retirement or pending retirement of key personnel in the Treasury Inspector General for Tax Administration (TIGTA), retention incentives were considered the appropriate solution. These retention incentives allowed TIGTA to retain the extensive organizational knowledge, technical auditing, and managerial skills necessary to maintain TIGTA's successful record in delivering timely, impactful audit products. They also allow TIGTA to retain experienced employees so that managers have sufficient time to hire, develop, train, and mentor replacement employees without disrupting the continuity of its operations.

Department of Veterans Affairs

Veterans Affairs reports that recruitment, relocation, and retention incentives continue to be valuable staffing tools to attract and retain highly qualified employees. The current unprecedented number of retirements at Veterans Affairs facilities often makes the use of recruitment incentives a necessity to fill key positions. Relocation incentives have been used to attract qualified candidates to geographic locations that are often difficult to fill due to the current economic uncertainties. Retention incentives have been used to keep employees who possess expertise in key positions, and allow a facility to continue its mission prior to its closure.

Independent Agencies

Independent agencies cited several different reasons for their use of recruitment, relocation, and retention incentives. The agencies used the incentives strategically to solve specific staffing challenges or retain employees who were vital to accomplishing an agency mission. Few of the agencies used all three of the incentives. Some independent agencies used incentives to target specific occupations presenting particular hiring or retention challenges or to resolve specific hiring and retention problems in certain geographic areas. Other agencies used recruitment, relocation, and retention incentives to recruit and retain employees in high cost-of-living, remote,

or undesirable locations, or to address skills imbalances. Examples of each of these uses of recruitment, relocation, and retention incentives by independent agencies follow.

Agency for International Development

The United States Agency for International Development (USAID) granted recruitment incentives to numerous employees. Most were recruited under the USAID's Development Leadership Initiative (DLI). As USAID takes on a greater role in ensuring the country's national security strategy, DLI will help USAID build a robust core of professionals by addressing staffing challenges in key technical areas with the primary intent of increasing the size of USAID's overseas presence and further enhancing the capacity to effectively deliver U.S. foreign assistance.

USAID used retention incentives for employees in IT-related positions who were participants in the joint Department of State/USAID IT Skills Incentives Program (SIP). The program pays employees who are in specific IT occupational series 10 or 15 percent of their salary for industry-standard skills, professional certifications, and credentials. The program has contributed to the recruitment and retention of IT employees with critical skills in high demand specialties and has resulted in improved job performance, higher employee morale, and greater support to the USAID's critical IT infrastructure. In addition, the program has motivated IT professionals to obtain and maintain advanced industry-standard skills, certifications, and credentials. The use of this incentive has given USAID greater flexibility in being able to retain highly qualified and skilled employees.

USAID also granted relocation incentives to eight employees. The use of relocation incentives assisted in the relocation of highly skilled employees.

Appraisal Subcommittee of the Federal Financial Institutions Examination Council

The Appraisal Subcommittee of the Federal Financial Institutions Examination Council found the recruitment incentive authority to be a helpful tool in the search for an executive director. If the recruitment incentive had not been available, the Council would not have been able to offer the position to the most qualified candidate.

Broadcasting Board of Governors

The Broadcasting Board of Governors used recruitment incentives as a means of hiring outstanding qualified candidates for hard-to-fill positions. The candidates selected were uniquely qualified for the positions and had lucrative careers in private industry. Without the use of the recruitment incentives, the Broadcasting Board of Governors would not have been able to entice these candidates to accept the positions offered.

Chemical Safety and Hazard Investigation Board

The Chemical Safety and Hazard Investigation Board employs individuals who perform work pertaining to the investigation and inspection of chemical-related incidents. It is difficult to recruit and retain individuals that have the skills and knowledge to perform this type of work. Recruitment and retention incentives have greatly assisted in bringing onboard and retaining such individuals.

Committee for Purchase from People Who are Blind or Severely Disabled

Through prudent use of a retention incentive in calendar year 2009, the Committee maintained continuity of leadership in the critical position of Executive Director. The current Executive Director has 34 years of Federal service and is eligible for retirement. Her extensive knowledge of the acquisition and procurement profession is highly sought in both the private and Federal sector. Without a retention incentive, it is very likely that she would leave, and her departure would significantly and adversely affect the Committee's ability to administer the Javits-Wagner-O'Day Act, to conduct the essential mission functions of the agency, and to fully realize the employment growth that can be realized under her leadership. Use of this incentive has greatly impacted the Committee's ability to maintain the service of a highly qualified leader.

Commodity Futures Trading Commission

During calendar year 2009, the Commodity Futures Trading Commission (CFTC) paid seven recruitment incentives. A majority of the incentives were for the recruitment of economists—a mission critical occupation at CFTC. Recruitment incentives were also paid to two IT hires and one trade practice analyst. The ability to utilize recruitment incentives was instrumental in recruiting individuals with the skill sets necessary to further CFTC's mission and achieve strategic human resources goals.

CFTC authorized one relocation incentive for an economist with skill sets critical to the Commission's surveillance program. The ability to offer a relocation incentive was paramount in CFTC's ability to recruit an exceptional candidate with directly related experience and knowledge of the futures industry.

CFTC used retention incentives in calendar year 2009 to retain two highly skilled employees and avoid interruptions in executing key agency functions associated with mission critical objectives. The ability to judiciously offer retention incentives continues to provide CFTC's managers with a valuable flexibility to remain competitive with the private sector for employees with unique and mission-critical skills.

Consumer Product Safety Commission

Historically, the Consumer Product Safety Commission has had significant difficulty filling its technical and scientific positions because there are so few candidates with the education or experience required. Recruitment and relocation incentives were essential for convincing the applicants to accept their positions.

Defense Nuclear Facilities Safety Board

The Defense Nuclear Facilities Safety Board (DNFSB) used recruitment incentives to attract highly qualified senior and mid-level professional engineers from the private sector and to encourage top graduates from the nation's preeminent engineering schools to participate in its Professional Development Program. Recruitment incentives were instrumental in helping the Board meet its goal of increasing its technical staff by 10 percent by the end of fiscal year 2009. DNFSB used the relocation incentive authority to assist employees who were reassigned from headquarters to one of six site offices located throughout the United States. Relocation incentives also have been used to encourage employees to return to headquarters from a tour of duty at one or more of the site offices. DNFSB used the retention incentive authority to retain technical employees whose services were deemed essential.

Election Assistance Commission

The U.S. Election Assistance Commission used the recruitment incentive authority for the first time in April 2009. Due to fierce competition for contracting specialists and a statutory salary cap at level V of the Executive Schedule, the agency offered a \$5,000 recruitment incentive and a 2-day a week telework schedule to hire a contracting officer.

Environmental Protection Agency

The Environmental Protection Agency (EPA) has used recruitment, relocation and retention incentive authorities during calendar year 2009 only when necessary to retain or recruit employees that would otherwise likely be lost or unobtainable. The recruitment incentives were most often approved in association with key occupational series to ensure the success of the EPA's mission. For example, 20 recruitment incentives were approved for occupations such as mechanical engineering, general physical science, and economist. EPA also used retention incentives to retain employees with specialized knowledge in technical areas.

Export-Import Bank

The Export-Import Bank paid recruitment incentive installment payments in calendar year 2009 that were approved originally in 2008 to the Senior Vice President and Chief Financial Officer and an employee in a loan officer position. Given the pay limitations of the senior level (SL) pay system, the ability to offer a structured installment-based recruitment incentive was instrumental in the successful recruitment of a seasoned and well-respected financial executive. The recruitment incentive paid to the employee in the loan specialist position assisted the Bank in recruiting for a mission-critical occupation in the Short Term Trade Finance Division. This division provides export insurance to the Bank's customers and is an essential function of the Bank.

Federal Election Commission

The Federal Election Commission (FEC) paid one retention incentive in calendar year 2009 to the General Counsel. The General Counsel oversees five SL attorneys and a number of GS attorneys. In 2009, without the retention incentive, the General Counsel's annual pay was less than the rate paid to subordinate supervisory attorneys who were paid at the GS-15, step 10, rate. The Commissioners had serious concerns about losing the General Counsel to the private sector because of the pay issue. The General Counsel indicated that the retention incentive was the primary factor in her decision to stay with the agency.

Federal Energy Regulatory Commission

Recruitment incentives accounted for approximately 47 percent of the total amount of incentives the Federal Energy Regulatory Commission (FERC) paid during calendar year 2009. Recruitment incentives were used to attract talented candidates for FERC's mainstream occupations (i.e. accountants, analysts, attorneys, auditors, and engineers).

Relocation incentives are rarely used at FERC and account for 3 percent of the total amount of incentives paid to employees. This year FERC used the incentive to successfully fill three engineering positions, one paralegal, and one SL position.

Retention incentives account for 50 percent of the total amount of incentives paid. FERC has successfully used this incentive to retain senior management and technical staff who are enticed to leave the Federal Government for higher paying private sector employment.

Federal Trade Commission

The Federal Trade Commission (FTC) used recruitment incentives, as well as the superior qualifications and special needs pay-setting authority, to recruit highly qualified Ph.D. economists. FTC also used recruitment incentives to fill critical positions with highly qualified attorneys experienced in agency-specific legal work, particularly in the Washington, DC, area where the agency is competing with private organizations that compensate attorneys with salaries that far exceed the Federal Government's locality rates.

In addition, FTC used recruitment incentives to fill critical positions in specialized areas such as Internet and computer forensics and investigations. The Bureau of Consumer Protection used recruitment incentives for its data analyst positions due to the difficulty in attracting candidates with the special technological skills (e.g. knowledge of and experience working with sophisticated analytical and statistical software) who support legal staff in identifying and stopping fraud, deception, and unfair business practices.

The agency uses retention incentives in situations where highly qualified attorneys are employed in very high cost-of-living areas such as San Francisco, and would likely leave without retention incentives. The FTC believes that without offering recruitment incentives and using the superior qualifications and special needs pay-setting authority, it would be impossible for the agency to compete with non-Federal sources to recruit the quality and high level of expertise needed to accomplish the agency's missions. Also, the ability to pay incentives to retain current employees in critical positions assists the agency in maintaining experienced leaders in regional offices.

General Services Administration

The General Services Administration (GSA) paid a total of 44 employees a recruitment, relocation, or retention incentive in calendar year 2009. While the number of employees receiving incentives increased slightly from 2008, the total dollar amount of the incentives was lower. As in past years, GSA used incentives to successfully recruit and retain employees in mission-critical occupations in high cost-of-living areas. Overall, 34 percent of the incentives were paid to employees in GSA's mission-critical occupations, and 9 of 15 relocation incentives were paid to employees in mission-critical occupations. Of the 23 recruitment incentives paid during the reporting period, 16 were paid to Presidential Management Fellows.

Holocaust Memorial Museum

The U.S. Holocaust Memorial Museum paid a retention incentive to retain its Chief of Staff incumbent, who is second in command at the Museum and is responsible for overseeing all programmatic and administrative aspects of the Museum. The 15 percent retention incentive allowed the Museum to remain competitive with the private sector and retain one of its key employees. Without the use of this authority, the Museum may have lost a valued employee which would have set back the advancement and growth of the Museum.

Library of Congress

The Library of Congress' use of recruitment incentives has been instrumental towards achieving its goal to recruit and hire a diverse, highly qualified workforce. The Library's use of recruitment incentives as a tool not only enhanced its ability to address hard-to-fill positions, but also provided increased flexibility, enabling it to more effectively negotiate with highly qualified applicants who may have otherwise looked to other Federal agencies or the private sector for career opportunities.

Retention incentives have been used by the Library of Congress frequently over the past several years and have proved to be a successful workforce strategy. The authority to use retention incentives provides the Library with a mechanism to address difficulties in recruiting, compensation packages offered by competing private sector employers, and skill gaps and shortages in key Library positions.

Millennium Challenge Corporation

The Millennium Challenge Corporation (MCC) used 15 recruitment incentives and one retention incentive in calendar year 2009. MCC has a need for highly skilled and experienced workers to oversee grants to foreign countries in developing parts of the world to fund projects for economic development. Recruitment incentives are effective in helping MCC fill those positions and are an important part of the corporation achieving its overall mission.

Morris K. Udall Foundation

The Morris K. Udall Foundation paid a retention incentive to its Deputy Executive Director. This employee has many years of experience in the fields of environmental collaboration and dispute resolution, as a high level executive with the Federal Government, and as the head of a major non-government organization. This experience provided multiple opportunities for him to earn considerably higher compensation in the private sector.

National Aeronautics and Space Administration

Several National Aeronautics and Space Administration (NASA) Centers found the need to use recruitment incentives at least once during calendar year 2009 to attract the candidate of choice. In many instances the amount of the incentive was not particularly large, but it provided what was necessary to "close the deal" with the candidate. Relocation incentives have been effective in NASA's efforts to address skill imbalances and strengthen core competencies at the Centers. Half of the retention incentives authorized in calendar year 2009 were used to retain experienced engineers necessary to support safe Space Shuttle flight until the program's retirement in 2010.

NASA's overall number of recruitment, relocation, and retention incentives paid in calendar year 2009 was 54, a significant decrease from total number paid in 2008 of 127. A decline in the number of recruitment and relocation incentives accounts for the majority of the decrease (from 107 in calendar year 2008, to 42 in calendar year 2009). NASA attributes the decreased use to labor market factors, since there was no change in the number of hires during that time period.

National Archives and Records Administration

The National Archives and Records Administration (NARA) approved recruitment incentives to attract and hire directors of two Presidential Libraries and a preservation programs officer. A relocation incentive was paid to hire a human resources specialist to re-engineer the agency's workers' compensation program. NARA authorized the continuation of retention incentives to retain acquisition employees, retain key staff with critical skills needed to address the challenges of electronic records (particularly in the computer engineering and IT fields), retain institutional knowledge and leadership skills of retirement eligible employees, and maintain continuity of operations in major program areas. No new retention incentives were approved during the reporting period and two were terminated during the annual review process.

National Science Foundation

The recruitment incentives offered by the National Science Foundation were essential in obtaining the service of individuals with the background and expertise necessary to perform important mission-related work. Because of the ability to offer incentives, the Foundation was able to overcome reluctance to accept the position based on the salary offered.

Retention incentives enabled the agency to retain the services of two highly respected biological scientists who would otherwise have returned to universities with which they had previous ties. Both incentives were for specific periods of time, rather than open-ended, and based upon the criticality of projects on which each individual was engaged.

National Transportation Safety Board

The National Transportation Safety Board paid retention incentives to retain employees with specialized skills that are critical to the agency's mission and current obligations. The employees were eligible to retire or had a specialized skill sought by private industry companies with higher salaries and bonuses.

Overseas Private Investment Corporation

The Overseas Private Investment Corporation (OPIC) paid two recruitment incentives in calendar year 2009. Decisions to use the recruitment incentive authority were made selectively on a case-by-case basis. One-time recruitment incentives were paid to attract two senior investment officers, a mission-critical occupation.

OPIC paid retention incentives on four occasions to retain employees with critically-needed skills. All four of these retention incentives were continued from 2008; however, two of the four were reduced in percentage. Two of the incentives were used to retain senior project finance specialists possessing a unique combination of skills and qualifications essential to OPIC—one with experience in developing and advancing OPIC's renewable energy priority and the other to both manage and execute complex project financings that OPIC supports worldwide. The third retention incentive was for the Vice President of Small and Medium Enterprise Finance Department who had historical and program knowledge, leadership, and understanding of African and Middle Eastern cultures and business practices. The fourth use of retention incentives was for the Deputy Chief Information Officer who had a unique combination of skills and experience with Oracle E-business suite international finance applications vital to the modernization of OPIC's financial systems.

Pension Benefit Guaranty Corporation

In calendar year 2009, the Pension Benefit Guaranty Corporation (PBGC) paid a recruitment incentive to a financial administrator and retention incentives to two general attorneys, a public affairs specialist, a human resources specialist, and a program manager. These authorities improved PBGC's efforts to recruit a highly talented executive from the private sector and retain knowledgeable PBGC professionals who are valuable to the Corporation.

Railroad Retirement Board

The Railroad Retirement Board (RRB) approved retention incentives for two employees. The first employee is a GS-14 Medicare contractor operations specialist. If RRB were to lose this employee's services, it would cause a disruption of service to the public. The second employee is a GS-12 supervisory claims and program representative. This retention incentive was granted because the employee was planning to retire and was pivotal in maintaining the effective customer service in RRB's Boston field office. It was essential that the Board retain this employee because the Board has had difficulty attracting employees at this level in this service area. The retention incentive was offered for up to 1 year to give time necessary to develop a viable succession strategy for this employee's office.

Smithsonian Institution

The Smithsonian Institution paid 14 recruitment incentives in calendar year 2009 following nationwide recruitment searches. In most cases, the competencies sought by the Institution are not typically found in the Federal Government. The employees paid a recruitment incentive possessed either unique or superior qualifications needed to meet the museum, scientific, or educational nature of work at the Institution. In at least two instances, job offers had been extended to other applicants but were declined because of insufficient salary. Twelve of the positions were located in Washington, DC, and one each in Cambridge, MA, and Panama. At least one-half of the employees relocated from different geographic areas in the U.S. to areas with a significantly higher cost of living.

All of the 19 retention incentives were provided because of the potential for the employees to either retire or leave the Federal Government for other positions. Most of the employees were offered one or more positions in the private sector or were actively recruited by other organizations because of their expertise. Eight of the employees that received a retention incentive hold elite positions with the Smithsonian Astrophysical Observatory in Cambridge, MA, a research institute where the nature and evolution of the universe is studied and is recognized as a worldwide leader for its accomplishments in astronomy and astrophysics. All but three of the incentives were paid to SL employees. Fifteen of the employees either occupy a professional occupation or manage an organizational unit largely comprised of a variety of professional occupations.

The Smithsonian Institution reported recruitment and retention incentives have proven to be effective tools in recruiting and retaining highly qualified and valued employees. This is particularly relevant because other human resource flexibilities are not effective or feasible for use and, therefore, would not influence employees to accept employment or remain with the Institution.

Social Security Administration

The Social Security Administration (SSA) does not make extensive use of recruitment, relocation, and retention incentives. SSA continues to meet most of its hiring needs through a proactive, aggressive national recruitment program. However, SSA has found the incentives to be very effective when offered to recruit or retain a highly or uniquely qualified individual.

Tax Court

The United States Tax Court recruits highly motivated academically accomplished law school graduates with an emphasis in tax law to serve as law clerks to judges of the Court. Offering recruitment incentives to prospective law clerks helps the Court compete with the private sector, given the nature of the labor market and the significant disparities between the private sector salaries and the Federal Government. In addition, there are other competing sources, such as other Federal agencies that also recruit to fill law clerk positions. Recruitment incentives have significantly increased the Court's ability to attract and retain these legal professionals.

U.S. Office of Personnel Management

Recruitment and relocation incentives within the U.S. Office of Personnel Management are used primarily to attract highly qualified candidates for hard-to-fill positions. For most positions, the applicant pool is sufficient so these flexibilities are not needed. However, in the more specialized areas managers use these flexibilities to attract a broader pool of candidates. In addition, budget considerations influence a manager's decision regarding the use of these flexibilities.

Barriers to using recruitment, relocation, and retention incentives

OPM asked agencies to provide information on any barriers they were facing in using the recruitment, relocation, and retention incentive authorities as human resources flexibilities. Based on the responses we received, agencies are not experiencing significant barriers in using these flexibilities. Altogether, 96 agencies responded to OPM. Of these, 51 submitted negative reports saying they had not used any of the incentives during the reporting period, and 45 submitted positive reports detailing their use of the incentives during the reporting period.

Of the 45 agencies that submitted positive reports, Commerce, Homeland Security, Chemical Safety and Hazard Investigation Board, Commodity Futures Trading Commission, and Smithsonian reported they did not experience any barriers to the use of recruitment, relocation, and retention incentives as human resources flexibilities.

Four agencies—the Departments of Defense, Energy, Labor, and Veterans Affairs—reported budgetary constraints were a barrier.

Energy also expressed some difficulty justifying that a position would be “difficult to fill without an incentive” for recruitment and relocation incentives. The Department said it is sometimes not clearly demonstrated by such factors as limited number of applicants or tangible distinctions between applicants. A large number of qualified applicants does not necessarily equate to “easy to fill” because the quality of the candidates can vary—especially

in intangible ways that are difficult to document or validate based on review of an application or interview. Several candidates may be qualified for a position, but a particular candidate may stand out among the group because of better people skills or better chemistry with the selecting official. This particular candidate may request an incentive, but the position cannot be determined “difficult to fill” because there are other qualified applicants. The selecting official may be forced to select a second or third choice.

Agriculture cited the inability to offer retention incentives to talented employees who transfer to other Federal agencies and the size of the incentive that may be offered were as barriers to using incentives. Agriculture also found candidates were unwilling to accept positions in high-cost areas, regardless of the amount of incentive offered.

Veterans Affairs expressed an interest in being able to pay retention incentives to highly qualified employees who are likely to leave for other Federal agencies due to lower salaries offered in rural and remote areas.

Of the 51 negative reports, only the National Endowment for the Humanities and the Woodrow Wilson International Center for Scholars explained why they do not use recruitment, relocation, and retention incentives. Both of these agencies did not cite any barriers, but explained that they are very small and do not need to use the incentives because they do not encounter difficulty attracting and maintaining a well-qualified workforce.

V. CONCLUSION

As evidenced by the information in this report, recruitment, relocation, and retention incentives are important human resources tools that help agencies attract and retain employees for a model civilian workforce. Agencies consistently reported using the incentives to accomplish strategic human resources goals.

While the overall number and amount of incentives paid in calendar year 2009 increased, growth slowed in 2009 and some agencies experienced a decrease in usage due to labor market, budget, and other factors. Agencies typically paid recruitment, relocation, and retention incentives to employees in occupations critical to agency missions, such as health care, engineering, security, and IT fields. Agencies also used the incentives to fill positions at the grade or work levels one might expect: 50 percent of recruitment incentives paid to GS employees were used to recruit new employees into entry- and developmental-level positions (e.g., at GS-05, GS-07, and GS-09) and more than 77 percent of relocation incentives used for GS employees were paid to employees in intermediate- and upper-level positions (e.g., at GS-11, GS-12, GS-13, and GS-14). The use of retention incentives was spread over a wide range of grade or work levels, an indication that agencies are focused on making sure critical employees are retained at all work levels.

OPM will continue to provide leadership and guidance to assist agencies in using the 3Rs authorities strategically to attract and retain well-qualified, high-performing Federal employees.