



DEPUTY SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-1010

MAY - 2 2017

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DEPUTY CHIEF MANAGEMENT OFFICER
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ASSISTANT SECRETARY OF DEFENSE FOR LEGISLATIVE
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ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC
AFFAIRS
DIRECTOR OF NET ASSESSMENT
DIRECTOR, STRATEGIC CAPABILITIES OFFICE
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Lifting of the Hiring Freeze for the Civilian Workforce

On April 12, 2017, the Director of the Office of Management and Budget (OMB) issued a memorandum, *Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce*, which builds on Executive Order 13781, *Comprehensive Plan for Reorganizing the Executive Branch*, dated March 13, 2017, to effect the President's objective of rendering the government lean, accountable, and more efficient. The OMB memorandum amplifies the President's direction that federal agencies review their structures to identify unnecessary and redundant activities for elimination. Although the OMB memorandum lifts the government-wide hiring freeze established by the President's memorandum of January 23, 2017, it directs each agency to develop an Agency Reform Plan. To ensure that the Department of Defense (DoD) is postured for success when we submit our Reform Plan to OMB, deliberate leadership focus on the necessity and prudence of DoD recruitment and hiring actions is imperative.

Restrictions on civilian workforce hiring detailed in my memorandum, *Implementation of the Civilian Workforce Hiring Freeze*, dated February 1, 2017, and all subsequent change memoranda, are lifted. Subject to each exemption authority's submission of a final exemption and hiring activity report, to be received by the Office of the Under Secretary of Defense for



Personnel and Readiness not later than 14 calendar days from the date of this memorandum, the bi-weekly reporting requirement is no longer in effect.

Although these restrictions are no longer in place, in keeping with the strategic direction established by Executive Order 13871, the OMB memorandum, and ongoing Departmental organizational reviews mandated by the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2017, I expect Components to scrutinize carefully all recruitment and hiring actions and undertake to recruit or hire only when such are wholly consistent with the principles, requirements, and actions set forth in the OMB memorandum. Specifically, as you review recruitment and hiring actions, you will consider:

- (1) Whether the duties of the position, qualifications and skills requirements, or organizational placement of the duties reflect your current and projected mission needs;
- (2) Whether the duties at issue can be reassigned to lower organizational levels for replacement, if needed, at a lower grade; and
- (3) Whether and how any appropriate changes to the position can be accomplished in a timely and efficient manner.

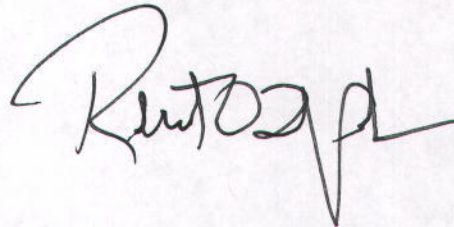
I expect that organizations and activities whose structures and/or resourcing are subject to review or study as directed by the NDAA for FY 2017, will assess, in advance of any recruitment or hiring action, whether the position should be filled in light of potential organizational and mission uncertainties. Such organizations and activities include the military medical enterprise in all Components; the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics; and the Defense Intelligence enterprise.

Until a DoD plan is established to address the reduction of Senior Executive Service (SES) positions, as required by section 1109 of the NDAA for FY 2017, any action to recruit or fill an SES position, including a limited term SES appointment, shall be announced internally to all qualified sitting career members of the SES across the Department, including the Military Departments and the Fourth Estate. Applications received in response to an internal announcement will be evaluated and considered prior to initiating a recruitment action for applicants who are not current career members of the DoD SES corps. This requirement does not apply to SES positions to be filled by a non-career appointment or to Defense Intelligence Senior Executive Service positions.

In addition, Components must operate within the Full-Time Equivalent authorization and funding limits established in the FY 2017 President's Budget, including the Future Years Defense Program profile. Notably, current baselines, divestiture requirements, and hiring limitations applicable to Major Headquarters Activities (MHA) remain in effect. MHA billet adjustments or growth are not authorized unless approved through the program review and budget process.

I urge the use of term and temporary employees, particularly to address emerging missions and short-term critical hiring needs. The use of borrowed military manpower should be avoided and restrictions on the use of funds for contracted services in excess of established organizational baselines remain in effect. Contracted services may not be used to compensate for the impacts of hiring constraints, vacant civilian positions, or emergent requirements that are more appropriately or efficiently met with civilian personnel.

Questions regarding this memorandum should be directed to the Office of the Under Secretary of Defense for Personnel and Readiness, Attention: Acting Deputy Assistant Secretary of Defense for Civilian Personnel Policy.

A handwritten signature in black ink, appearing to read "Kenton", with a stylized flourish extending to the right.