



**DEPARTMENT OF THE ARMY**  
**OFFICE OF THE ASSISTANT SECRETARY**  
**MANPOWER AND RESERVE AFFAIRS**  
111 ARMY PENTAGON  
WASHINGTON, DC 20310-0111

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MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Fiscal Year (FY) 2014 Department of the Army Workforce Guidance

1. References:

a. Memorandum, Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA(M&RA)), 22 January 2013, subject: Department of the Army Hiring Freeze and Release of Terms and Temporary Civilian Personnel (hereby superseded).

b. Memorandum, SAMR-CQ, 27 February 2013, subject: Policy Guidance and Clarification for Army-wide Hiring Freeze and Release of Terms and Temporary Civilian Personnel (hereby superseded).

c. Memorandum, ASA(M&RA), 17 May 2013, subject: Department of the Army Fiscal Year 2013 Administrative Furlough.

d. Department of Defense Instruction 1400.25-V351, *DoD Civilian Personnel Management System: Coordination and Clearance Requirements for Personnel Reductions, Closures of Installations and Reductions of Contract Operations in the United States*, January 19, 2011.

2. The implementation of workforce management measures in FY 2013 prepared the Army for FY 2014 uncertainties and postured it for headquarters reductions beginning in FY 2015. FY 2014 workforce management efforts must be aligned with Army priorities, readiness requirements and year of execution funding guidance. Holistic workload prioritization and reduction of total force (military, civilian and contractor) capabilities, functions and programs must be the basis for implementing manpower adjustments.

3. Civilian Personnel Management.

a. Effective immediately, the Army-wide hiring freeze imposed by references 1a and 1b is terminated, subject to the following terms and conditions. Consistent with law and regulation, the Commanders of Army Commands, Army Service Component Commands and Direct Reporting Units, and the Administrative Assistant to the Secretary of the Army (AASA) for Headquarters, Department of the Army (HQDA) Principal Officials, their staffs and other elements, field operating agencies, staff support agencies and program executive offices, and for the Acquisition Support Center and Arlington National Cemetery, are directed to take appropriate action to manage their FY

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2014 hiring plans consistent with workload prioritization, available funds, and budgeted and targeted full-time equivalent (FTE) levels. As directed, commands and organizations will submit their FY 2014 Workforce Reshaping Plans and workload/workforce planning models to the Office of the Assistant Deputy Chief of Staff for Civilian Personnel (AG-1(CP)), for review and approval. Commanders, supervisors and other leaders will be responsible for achieving the outcomes documented in their approved Plans. Funds for personnel actions must be accounted for within the resources allocated to each command or organization. No additional funds will be provided.

b. As appropriate, commands and organizations will continue to use reshaping tools such as internal hiring restrictions, management directed reassignments and the use of Voluntary Early Retirement Authority/Voluntary Separation Incentive Payments to achieve and sustain approved Plan outcomes. If necessary, commands and organizations may consider reductions in force (RIF) to meet funded personnel levels. Commands and organizations should consult with their servicing Civilian Personnel Advisory Center (CPAC) in considering the use of various reshaping tools.

c. To facilitate effective and efficient workforce management, I hereby delegate to the Commanders of Army Commands, Army Service Component Commands, and Direct Reporting Units, and the Administrative Assistant to the Secretary of the Army (AASA) [for Headquarters Department of the Army (HQDA) Principal Officials, their staffs and other elements, field operating agencies and staff support agencies, and for the Acquisition Support Center and Arlington National Cemetery] the authority to approve RIFs projected to separate less than 25 civilian employees in a specific location. This authority may not be further delegated. Note, however, that approval of a RIF pursuant to this delegation is subject to prior notice to the AG-1(CP) and subsequent receipt of written verification from the AG-1(CP) that all appropriate coordination, including with the Secretary of the Army and the Office of the Secretary of Defense, has been effected, and there are no objections to the proposed RIF.

d. FY 2014 will be a transition year during which the Army will begin to move toward necessary workforce reductions and reshaping slated to begin in FY 2015. Commands and organizations should continue to partner with their servicing CPACs to determine the best recruitment strategy when filling vacancies. In order to be better postured for FY 2015 and beyond, commands, organizations and their servicing CPACs should view current workforce management decisions through the lens of each decision's potential impact on longer-term objectives. Such a perspective may favor hiring term or temporary personnel rather than as permanent employees. Commands and organizations also may find it prudent to restrict the area of consideration when recruiting, with a view to minimizing new additions to overall Army civilian personnel strength while remaining mindful of the requirement to adhere to law, regulation and policy, including the Priority Placement Program, as applicable, in every recruitment action. Due to the turbulence in force structure and basing decisions overseas, CONUS

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based commands should expect to receive employees for vacancies approved for recruitment through management directed re-assignments.

e. Restrictions on the use of overtime work, including compensatory time, imposed by reference 1a are lifted for FY 2014. Nonetheless, commands and organizations will ensure that overtime work is officially ordered and approved, in writing, by the appropriate supervisory authority, before it is performed. Commands and organizations must carefully monitor the use of compensatory time off earned. Compensatory time off must be used by the end of the 26<sup>th</sup> pay period after the pay period in which earned. Funding for overtime pay, including the payment of unused compensatory time, must be accounted for within the resources allocated to each command or organization. Overtime and compensatory time execution will be tracked at the monthly ASA(M&RA) and Assistant Secretary of the Army (Financial Management & Comptroller) (ASA(FM&C)) Workforce Shaping VTCs.

#### 4. Service Contract Management.

a. Army commands and organizations will continue to execute contract services spending reductions initiated in FY 2013.

b. Command and organizational spending for contract services will not exceed budgeted amounts and other limitations imposed by law (e.g., Section 808 of the FY12 National Defense Authorization Act (NDAA) and any subsequent legislation). As commands and organizations reduce service contract efforts in 2014 and beyond, they must update contract spending information and contractor manyear equivalent (CME) adjustments in the Panel for Documentation of Contractors (PDC) module of the Contractor Manpower Reporting Application (CMRA). Commands and organizations will present their Contract Services Management Plans during the monthly Workforce Shaping VTC.

c. In addition to adhering strictly to the mandate not to exceed amounts budgeted for contract services, commands and organizations will assess which contracted functions can be reduced, consolidated or eliminated, while precluding a shift in workload to civilian or military performance.

(1) In accordance with law, regulation and Secretary of the Army guidance, service contracts will not be initiated in order to compensate for reductions in civilian manpower, nor will existing contracts be modified to accommodate work formerly performed by civilian employees.

(2) Commands and organizations may be required to reprioritize contract service spending during the year-of-execution to eliminate the utilization of Borrowed Military Manpower.

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5. In implementing the above, commands and organizations shall fulfill applicable labor relations obligations.

6. The monthly ASA(M&RA) and ASA(FM&C) Workforce Shaping VTCs will continue to be the forum by which HQDA monitors and assesses the progress made by commands and organizations toward achieving necessary workforce reductions and other workforce shaping objectives, carefully managing overtime and compensatory time and service contract execution. HQDA may implement additional reporting requirements and target adjustments as necessary.

  
KARL F. SCHNEIDER  
Acting Assistant Secretary of the Army  
(Manpower and Reserve Affairs)

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