

1.0 BACKGROUND

- The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2010, Public Law 111-84, repealed the statutory authority for the National Security Personnel Program and provided the Secretary of Defense authority to establish a new performance appraisal program, redesigned appointment procedures and, at the Secretary's discretion, a DoD Civilian Workforce Incentive Fund.
- The Department established joint labor-management teams that were tasked with developing recommendations for the Department's consideration. This labor-management group was known as the "New Beginnings" Design Teams. The Department approved the vast majority of the recommendations from the teams.
- Section 1102(b) of the National Defense Authorization Act for Fiscal Year 2012, Public Law 112-81, required the Secretary of Defense to report semiannually, beginning the end of June 2013, on the progress on the design and implementation of the Department's plans for a new performance management program and workforce incentives for flexibilities relating to appointments.
- The USD (P&R) signed out the Department's initial plans for a new performance management program, workforce incentives, and flexibilities relating to appointments, on March 29, 2013. Subsequent bi-annual progress reports are submitted to Congress in June and December of each year.

2.0 MAIN POINTS

- In December 2013, the Department submitted its second semi-annual progress report to Congress, noting modest progress since the first semi-annual report due to unprecedented events, i.e., sequestration and furlough, which drove competing priorities. However, in the December 2013 report, the Department notified Congress that it had decided on a multi-level performance appraisal program.
- Since December 2013, the Department has submitted three additional semi-annual progress reports.
 - The June 2014 semi-annual report notified Congress of the Department's decision to implement a 3-level performance appraisal rating pattern. The Department also notified key stakeholders, including the Department's national consultation rights unions, of the decision.
 - The December 2014 report notified Congress of the Department's plan for a phased implementation of the Defense Performance Management and Appraisal Program, with Phase 1 tentatively starting in April 2016.
 - The June 2015 report highlights the Department's continued work on the Defense Performance Management and Appraisal Program, which is proposed to consist of a rating cycle of April 1 through March 31, a minimum period of 90 days required to be eligible for a rating, and a minimum of three performance review discussions required between the supervisor and

employee. Additional highlights include new automated enhancements incorporated into USAJOBS and USA Staffing to streamline the DoD hiring process, development of a supervisory training framework, and the publication of DoD Instruction 1400.25, Volume 410: Training, Education, and Professional Development Plans.

Moving forward, the Department will continue to meet its statutory congressional reporting requirement and will continue to make progress on implementing the personnel authorities through engaging representatives from the Department's ten national consultation rights unions and Component representatives.