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# Defense Primer: DOD Appropriated Fund Civilians

## Background and History

The Department of Defense (DOD) workforce consists of military personnel, civilian employees, and contractors. A DOD civilian does not serve in the military but is instead appointed to the federal civil service. DOD civilians work for the military departments (i.e., Army, Navy, and Air Force) as well as other defense agencies and field activities (e.g., Defense Health Agency). Federal civilians have supported the armed forces as far back as the American Revolution. For example, in World War II, civilians provided medical and logistics support to military personnel. The DOD civilian workforce has evolved over time to meet the growing needs of the department and the changing landscape of national defense.

Appropriated fund white-collar employees comprise a large portion of the DOD civilian workforce. They are distinct from other categories of DOD civilians, such as nonappropriated fund civilians and those covered by the Federal Wage System (e.g., blue-collar employees).

## Roles and Responsibilities

DOD civilians contribute to the defense and protection of the nation. They provide direct and indirect support to the warfighter across numerous disciplines, such as engineering, supply management, information technology, cybersecurity, intelligence, financial management, and law. For example, some civilians directly support military operations by training, advising, and assisting military personnel from other nations to build defense capacity in areas such as ground logistics, cybersecurity, and combat readiness. Other civilians help procure, build, test, or maintain major weapons systems used by military personnel in operations.

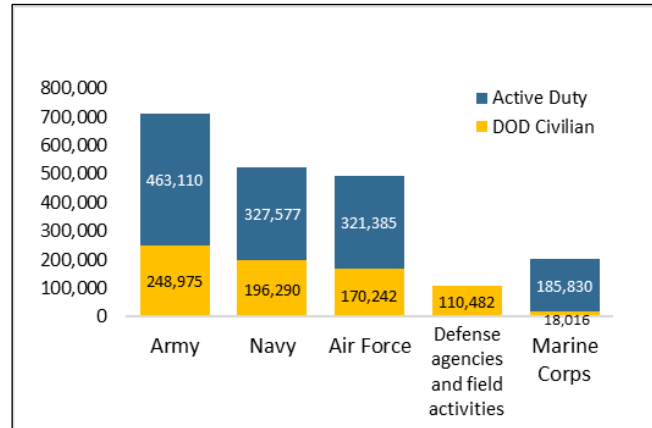
## Workforce Statistics

DOD employs one of the largest civilian workforces in the federal government. As shown in **Figure 1**, DOD employed 744,005 appropriated fund civilians as of December 31, 2018. The Army housed the largest portion (33%) of all appropriated fund civilians, whereas the Marine Corps housed the smallest portion (2%).

## Distinguishing Characteristics

In many cases, DOD civilians possess the same or similar characteristics as other federal employees. In some cases, however, DOD civilians possess characteristics that distinguish them from certain federal civilians and military personnel. Examples are described below.

**Figure 1. DOD Civilian and Active Duty Personnel**  
As of December 31, 2018



**Source:** CRS analysis of Defense Manpower Data Center data.

**Notes:** The figure depicts permanent, appropriated fund civilians (which may include blue-collar employees paid under the Federal Wage System). It does not include nonappropriated fund civilians, U.S. Coast Guard employees, reserve components, or contractors.

**They can provide continuity.** Civilians provide continuity within DOD, which may be unique at the department due to the rotational nature of military personnel assignments. Many civilians remain in the same positions and duty locations for their entire careers, which enables them to build and retain institutional knowledge of programs and operations that are critical to the success of DOD’s mission. Military personnel, by contrast, often rotate to different duty locations every few years throughout their careers and possibly to different positions within their respective career fields.

**They can deploy.** Some DOD civilians deploy—either voluntarily or as a condition of their employment—to overseas locations such as Iraq or Afghanistan. They work alongside deployed military personnel to ensure the success of combat, post-combat, or humanitarian operations.

**They have longer probationary periods.** Many DOD civilians must complete a probationary period of at least two years, compared to a one-year period for other permanent civilian employees in the competitive service. For example, DOD cybersecurity positions operating under 10 U.S.C. Section 1599f require a three-year probationary period.

**They must obtain DOD-specific certifications.** In some cases, statutes require DOD civilians in certain career fields to meet special, DOD-specific credentialing and certification standards. For example, pursuant to 10 U.S.C. Section 1599d, DOD financial management personnel must

obtain one of three applicable DOD financial management certifications to qualify for their respective civilian positions, which require mastery of related competencies.

**They have distinct reduction-in-force procedures.** A reduction-in-force, or layoff, often occurs due to a shortage of funds or a reorganization within an agency. Unlike other civilian employees, DOD civilians may be retained during a reduction-in-force based on individual performance rather than tenure.

## Workforce Management

DOD manages its civilian workforce according to total force management and civilian personnel management requirements in Title 10 of the *U.S. Code*.

**Total force management (10 U.S.C. §129a).** The Secretary of Defense must determine “the most appropriate and cost efficient mix” of military, civilian, and contractor personnel to perform DOD’s mission. In so doing, the statute states that functions performed by civilian personnel “should not be performed by military personnel,” with some exceptions. The statute further requires the military department secretaries to reserve military personnel for functions that “are required to be performed by military personnel to achieve national defense goals or in order to enable the proper functioning of the military department.”

**Civilian personnel management (10 U.S.C. §129).** DOD must manage its civilian workforce consistent with (1) the total force management policy established pursuant to 10 U.S.C. Section 129a, (2) the workload required to carry out departmental functions, and (3) available funds each year. The statute requires any limitation on civilian end strength, full-time equivalent positions, or maximum number of employees to be made according to these factors.

## Recruitment, Hiring, and Pay

Recruitment, hiring, and pay procedures for white-collar DOD civilians can vary depending on their governing statutes. Many DOD civilians operate under **Title 5** of the *U.S. Code*, which governs the majority of federal civilian employees. Others, however, operate under separate statutes, such as **Title 10** (e.g., cybersecurity), **Title 50** (e.g., intelligence), and **Title 32** (e.g., National Guard dual status technicians). Procedures can also vary depending on whether a civilian is appointed to the competitive service, excepted service, or Senior Executive Service (SES).

### Recruitment

DOD recruits civilians through a variety of methods. Many civilians enter the department’s workforce through USAJOBS, the federal government’s official website for federal employment opportunities. Others may enter through special recruitment programs—both government-wide and department-specific—such as developmental programs (e.g., internships, fellowships, and scholarships); personnel exchange programs; and interagency hires.

### Hiring

Many non-SES DOD civilians are appointed to positions through the traditional competitive hiring process mandated

in Title 5 of the *U.S. Code*. The process requires procedures such as posting the position on USAJOBS, rating and ranking applicants against position qualification requirements to determine who is best qualified, and application of veterans’ preference.

Other non-SES civilians, however, are appointed to DOD positions under special hiring flexibilities that are intended to simplify and/or accelerate the hiring process. In general, hiring flexibilities may waive or alter the application of some or all Title 5 competitive hiring requirements.

### Pay and Classification

DOD civilians operate under government-wide or agency-specific personnel systems. Many of DOD’s white-collar employees operate under the General Schedule (GS). GS employees are classified into different occupational series (e.g., engineer), as well as one of 15 pay grades that each have 10 tenure-based steps with individual pay rates. Other white-collar civilians operate under separate government-wide pay and/or personnel systems, such as the SES, Senior Level, and Scientific or Professional systems.

Civilians in certain career fields operate under DOD-specific alternative personnel systems that feature unique occupational and pay structures and deviate from the GS. For example, employees covered by the DOD Civilian Acquisition Personnel Demonstration Project (AcqDemo) are classified into one of three career paths (which include multiple occupations). Each career path has three or four pay bands that span wider ranges compared to GS grades.

## Performance Management

In April 2016, DOD began a phased implementation of the Defense Performance Management and Appraisal System (DPMAP) as part of the New Beginnings initiative—a cooperative labor-management initiative intended to improve DOD human resources policies to better recruit and retain talent. New Beginnings was created in response to P.L. 111-84, which required DOD to promulgate regulations that provide a “fair, credible, and transparent performance appraisal system,” among other things.

DPMAP prescribes a method to manage, rate, and reward employee performance, with an aim to clearly link employee performance to organizational goals. Employees create performance objectives that specify their projected contributions to the organization’s mission and subsequently receive one of three ratings (outstanding, fully successful, or unacceptable) based on those contributions. DOD stated that DPMAP will cover the majority of DOD civilians, though some are excluded, such as employees covered under alternative pay systems (e.g., AcqDemo).

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