

February 18, 2016

Dear VA Senior Executives:

At the February 10, 2016, House Committee on Veterans' Affairs hearing on the President's fiscal year 2017 budget request, I addressed the idea of a legislative change to make all VA career senior executives Title 38 employees.

What I envision is a comprehensive employment system that treats Department of Veterans Affairs (VA) career executives more like leaders in the private sector. Running VA like a business requires more flexibility than we currently have in the way we appoint, onboard, assign, develop, appraise, pay, and—if necessary—discipline executives. One way to improve flexibility might be to set up a new VA executive employment system that mirrors the current Title 38 healthcare providers' employment system. The current Title 38 system allows VA to appoint doctors, nurses, and other providers based on qualifications VA sets; to set their pay based on relevant market factors and on their achievement of identified performance goals; and to discipline them according to rules that make sense in the context of the particular work they do. We are working with our oversight committees now to flesh out precisely what such a system might look like for VA senior executives.

Understandably, this proposal has raised questions and concerns among some VA executives who wonder what that change would mean to them. Media reports have focused solely on the disciplinary appeals aspect of this proposal. Some reports have tied it to recent Merit Systems Protection Board (MSPB) decisions that reversed disciplinary actions taken against VA executives. While Deputy Secretary Gibson and I are disappointed in those MSPB decisions, our interest in converting VA executives to a Title 38 employment system pre-dates those decisions and addresses a much broader range of concerns.

As both Sloan and I have stated, no organization can fire its way to excellence. Successful businesses use a broad spectrum of resources to drive organizational performance and improvement through hiring, training, compensating, evaluating, and rewarding exceptional employees—not just disciplining those who are not so great. We are looking for a better way to achieve the same goals, using similar tools and incentives, with our VA career senior executive leaders.

Our success—VA's success—now and in the future, depends on you. We need the very best leaders available to lead our hospitals, benefits offices, national cemeteries, and other facilities and programs to excellence for the benefit of Veterans and their families. We want the flexibility to do what we need to do to recruit and retain extraordinary leaders to transform VA. We are exploring this legislative change with those broad and positive goals in mind.

Thank you for what you do for Veterans and their families each and every day.

Bob