



THE UNIVERSITY OF CHICAGO

**CENTER FOR EFFECTIVE
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Harris School of Public Policy

DEMOCRACY REFORM PRIMER SERIES

Schedule F

A Practical Research Guide

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About the Democracy Reform Primer Series

Narrowing the gap between research and public dialogue, the University of Chicago Center for Effective Government's Democracy Reform Primers responsibly advance conversations and strategy about proposed changes to our political institutions. Each Primer focuses on a particular reform, clarifies its intended purposes, and critically evaluates what the best available research has to say about it. The Primers do not serve as a platform for either authors or the Center to advance their own independent views about the reform; to the contrary, they serve as an objective and authoritative guide about what we actually know—and what we still don't know—about the likely effects of adopting prominent reforms to our political institutions.

In some instances, the available evidence may clearly support the claims of a reform's advocates. In other instances, it may cut against them. And in still others, the scholarly literature may be mixed, indeterminate, or altogether silent. Without partisan judgment or ideological pretense, and grounded in objective scholarship, these Primers set the record straight by clarifying what can be said about democracy reforms with confidence and what requires further study.

About the Center for Effective Government

The University of Chicago Center for Effective Government was founded in 2019 at the University of Chicago's Harris School of Public Policy to help solve the problems of government ineffectiveness with a multi-faceted theory of action. The Center organizes its work and activities around three key areas—ideas, education, and engagement—and builds bridges across differences between scholars, students, practitioners, leaders, journalists, and advocates. Through robust, innovative programming, the Center works to strengthen institutions of democracy and improve government's capacity to solve public problems.

About the Author



Rachel Potter is an Associate Professor of Politics at the University of Virginia and a Senior Fellow at the Miller Center for Public Affairs. Her research focuses on American political institutions, the presidency, and the bureaucracy. Her first book, *Bending the Rules: Procedural Politicking in the Bureaucracy* (University of Chicago Press, 2019), received three awards from the American Political Science Association and one from the National Academy of Public Administration. Her other research has appeared in political science, public policy, public administration, and administrative law journals. Dr. Potter has served as an expert witness before Congress, a consultant to the Administrative Conference of the United States, and as the President of the Midwest Public Administration Caucus. Before becoming a political scientist, she worked in several government bureaucracies.

About the Series Editor

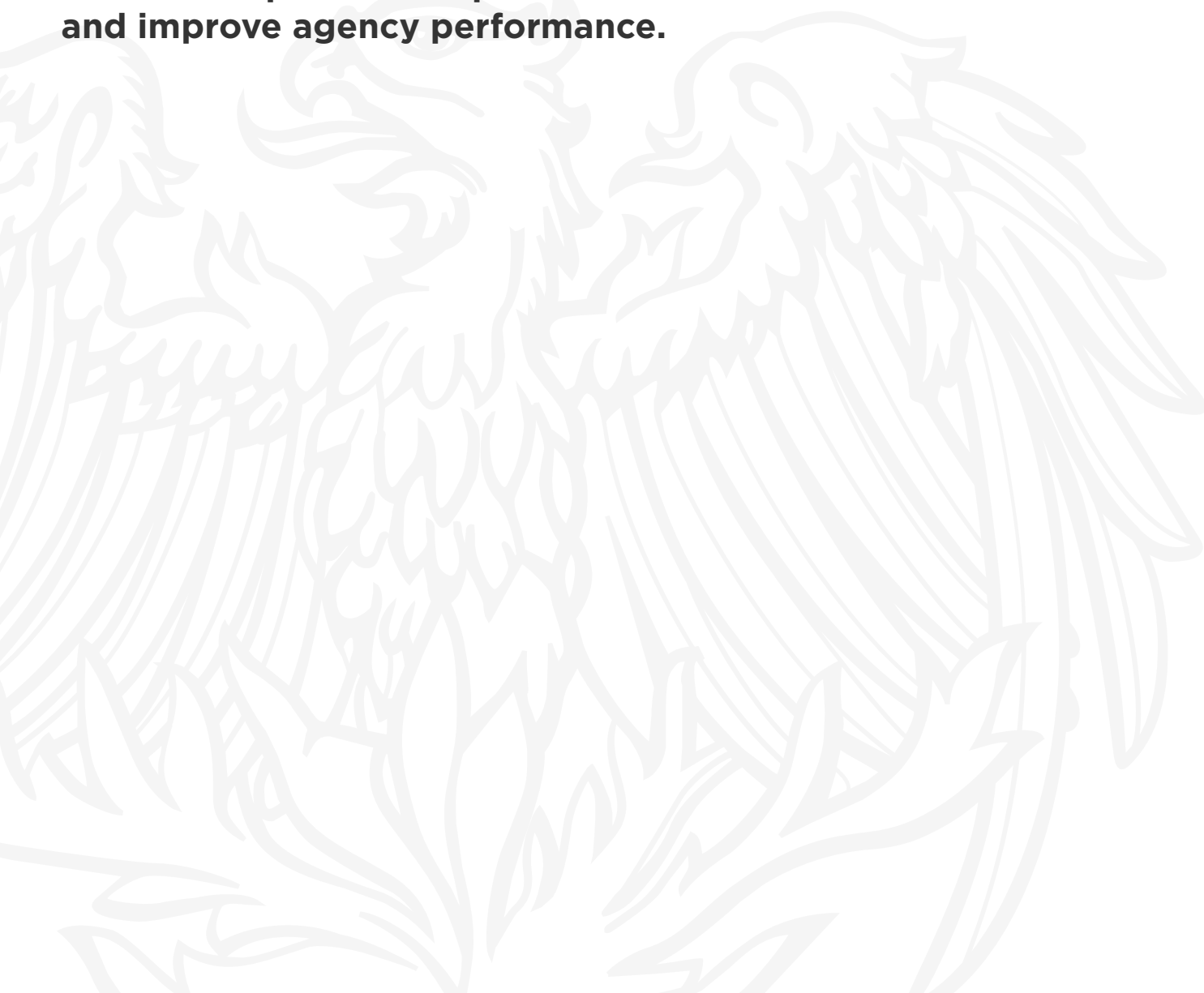


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Summary

Promise of the Reform

Critics contend that the federal bureaucracy is bloated, career civil servants are not responsive to the president's demands, and it is difficult to fire poor performers. Schedule F would convert many mid- to high-level career civil servants to at-will employees. The intended goal of this reform is to increase political responsiveness and improve agency performance.



Key Takeaways from the Research

- Bureaucrats have discretion, and they exercise it. However, it is not clear that this behavior systematically disadvantages presidents.
- Merit-based civil service systems are associated with superior bureaucratic performance and less corruption.
- Bureaucratic leaders who are selected on a political basis rather than a merit basis tend to be of lower quality.
- Increasing the number or relative power of political appointees can negatively impact the attitudes, behaviors, and motivation of career civil servants.

Important Questions We Need Better Answers To

- How would Schedule F be implemented? Would its scale be significant enough to invoke the negative consequences associated in the literature with increased politicization and reduced merit protections?
- Given the diversity of agencies' missions, how can we effectively measure the effects that Schedule F would have—positive or negative—on performance across the bureaucracy?
- What effects would politicization on the scale of Schedule F have on state capacity?
- How would Schedule F affect democratic values? How might it worsen corruption through processes such as contracting?
- What other reforms could be implemented to improve the performance of the bureaucracy?
- In what ways would adopting Schedule F contribute to the growing power of the executive branch relative to Congress?

Introduction

“Some estimates suggest Schedule F could apply to as many as 50,000 federal employees, an increase from the approximately 4,000 positions currently subject to political selection.”

Presidents have long lamented the difficulties of managing the federal bureaucracy. Some like President Richard Nixon—who once complained that “We’ve checked and found that 96 percent of the bureaucracy are against us; they’re bastards who are here to screw us”¹—consider the career bureaucracy to be insufficiently attuned to presidential priorities. Other presidents find the executive apparatus too unwieldy and inefficient to accomplish presidential goals. These issues can drive presidents to make reforms to the federal bureaucracy.

President Donald Trump’s “Schedule F” executive order proposed one such major overhaul.² Issued in October 2020, this presidential directive created a new category of federal employees, called Schedule F. Unlike most merit-protected civil servants in the federal government, Schedule F employees would be subject to at-will employment. This policy would make it so that some current federal bureaucrats would lose their civil service protections and potentially be terminated without cause, opening the possibility that these positions could become subject to politically motivated hiring and firing. In essence, Schedule F workers would become political appointees.

Schedule F targeted high-level civil servants—those whose positions were of a “confidential, policy-determining, policy-making, or policy-advocating character.”

It was not immediately clear which workers would be covered, although some estimates suggest it could apply to as many as 50,000 federal employees. Currently, the U.S. federal bureaucracy has approximately 4,000 positions subject to political selection (about 0.2% of the total federal workforce). These appointees are primarily in top agency management posts; presumably, the career civil servants who work immediately under those appointees would be subject to conversion into Schedule F positions.

Schedule F was issued at the tail end of the Trump administration and was never fully implemented. President Joe Biden revoked the executive order immediately upon assuming office. However, Schedule F continues to be a topic of conversation since leading Republican candidates and conservatives have proposed reinstating the policy whenever a Republican next wins the White House.

This primer examines how academic research on civil service reform can inform our understanding of the potential impacts that implementing Schedule F could have on the bureaucracy and the American political system. Since Schedule F has yet to be enacted, no study can definitively assess its effects. Instead, the research discussed here draws parallels from similar reforms or comparable situations to explore potential consequences.

Research on Reforms to Civil Service Systems

All developed democracies have merit-based bureaucratic systems. Under a merit system, civil servants are competitively hired based on their qualifications, promoted according to their job performance, and provided with tenure and due process protections.

Countries embrace these practices because they are understood to ensure the selection of high-quality workers, foster the development of expertise, and reduce turnover in the bureaucracy. Research that explores reforms and changes to these systems, both from theoretical and empirical angles, can be a useful guide for unpacking Schedule F.

The U.S. adopted a merit system for civil servants beginning with the Pendleton Act of 1883. Although some observers have characterized Schedule F as a return to the spoils system, the system of patronage that operated prior to this law, this comparison is not especially helpful from a research perspective. American society has transformed immeasurably since the 19th century, and these changes are reflected in the size, scope, and professionalism of the contemporary administrative state.

Instead, more useful research comparisons can be drawn from two places within the U.S.: the U.S. states and from cross-agency comparisons at the federal level. More than two decades ago, a handful of U.S. states adopted “at will” employment systems for their state employees. Scholars have scrutinized these changes, with reforms in Georgia, Florida, and Texas as focal points. However, much of this scholarship draws on one-time surveys of state employees’ attitudes about their organizations in the wake of reforms, and the reforms occurred in a less polarized political climate. Given the lack of comparable survey data prior to the adoption of civil service reform in these states, it is difficult to make pre-post inferences about the effects of the reforms.

“Given the lack of comparable survey data prior to the adoption of “at-will” civil service reform in certain states, it is difficult to make pre-post inferences about the effects of the reforms.”

The most direct research applications for understanding the effects of Schedule F are studies examining variation in the numerical presence or power of political appointees across U.S. federal agencies. This work has the advantage of being relatively contemporaneous and concentrating on a key component of Schedule F: the increased presence of politically hired agency personnel.

Changes to civil service systems in other countries also provide useful reference points. Following a wave of populism in recent years some countries have experimented with broad reforms to their civil service systems that may speak to the changes that Schedule F could precipitate. For example, in Hungary, populist leader Viktor Orbán attempted to reduce the power of the bureaucracy and roll back merit protections for civil servants. Because developments like this are relatively recent and ongoing (in some cases), studying the effects in real time can be challenging for scholars. Research may also be premature, as the consequences may take longer to fully unfold. Additionally, some caution is warranted; comparing other systems to the U.S. can be difficult given the potential for confounding institutional and economic factors, such as the presence of a parliamentary system (rather than a presidential one) or expectations about corruption.

Research on Reforms to Civil Service Systems

“Across all these studies, one persistent challenge is that there is no agreed-upon way to evaluate the performance of bureaucratic organizations.”

Across all these studies, one persistent challenge is that there is no agreed-upon way to evaluate the performance of bureaucratic organizations. Unlike private sector firms that seek to increase revenue, government agencies have no corresponding “maximizing principle.” Bureaucracies focus on multiple goals and are subject to competing principles regarding equity, efficiency, and justice. Nevertheless, scholars have adopted creative approaches to studying performance in these organizations.

Do Civil Service Protections Limit Bureaucratic Responsiveness?

Proponents of Schedule F argue that the current merit system limits the bureaucracy’s responsiveness to the president. They claim that tenure enables bureaucrats to pursue their own policy interests, which may not align with the priorities of the current presidential administration, and that merit protections insulate bureaucrats from receiving sanctions. Empirical and theoretical research suggests that bureaucrats have discretion and exercise it; however, there is no agreement on whether the president is systematically advantaged or disadvantaged by this behavior.

One study on U.S. federal agencies finds that bureaucrats time their regulations strategically to avoid negative repercussions like having their regulations overturned or receiving political reprimands.³ As a result, regulations are sometimes slow-rolled, and at other times they are fast-tracked. The implications for administration preferences, however, are less clear. This behavior can sometimes stymie presidential preferences, but also benefit the administration at times. Building on this finding, another study finds that regulatory delay is not driven by strategic action, but rather by agencies adopting a more cautious posture in the face of intra-agency ideological disagreement.⁴ The study develops measures of the ideology of both agency careerists and agency heads. As ideological conflict between the two groups within an agency increases, the rulemaking process slows, and fewer rules are promulgated. The paper attributes this slower pace to the agency gathering additional information and digesting feedback.

In contrast, another study finds potentially damaging effects of political disagreement between careerists and the current administration. The study examined party registration data for career civil servants in the federal bureaucracy.⁵ The authors report that when procurement officers serve under a president of a different political party, they are more likely to oversee procurement contracts that result in cost overruns or contract delays. The authors attribute this behavior to a general “morale effect,” where bureaucrats who feel out of sync are less inclined to commit to the agency’s mission.

Research on Reforms to Civil Service Systems

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These latter two studies both touch on the moderating and stabilizing role of career civil servants in the bureaucracy. The former analysis finds that career civil servants tend to be more ideologically moderate than political appointees, who tend toward extreme liberal or conservative positions depending on the party in power. The latter study shows that while there are significant partisan cycles and turnover among political appointees, there is no evidence of partisan cycling among career civil servants. This finding of careerists' continuity across administrations is supported by other work.⁶

Theoretical research also suggests that job security for bureaucrats can lead to situations in which bureaucrats implement policies in suboptimal ways to undermine political leaders they disagree with.⁷ However, this inclination can be tempered by allowing top agency posts (where strategic behavior is most likely) to sit outside of the civil service as appointees, a practice already implemented in the U.S. bureaucracy.

Setting aside responsiveness to the president, the available research indicates that Schedule F is likely to make agencies less responsive to the public, and only selectively more responsive to Congress. One audit study found that U.S. federal agencies with more politically oriented leadership structures were slower to respond to requests for information from academic researchers.⁸ The authors submitted freedom of information requests to 132 federal agencies and recorded response times and the quality of the response. Response times slowed when the office responsible was directly under a politically appointed leader's supervision or the agency was subject to greater supervision by the president. Importantly, however, these political considerations did not affect the quality of the responses. Another study evaluated how federal agencies responded to requests from Congress for information. The results showed that agencies with a higher proportion of politically appointed managers were less responsive to members of Congress when they requested information than agencies with relatively more career civil servant managers.⁹ Politicized agencies also showed evidence of partisanship, as they were more responsive to members of Congress who shared the president's party and less responsive to those from the opposing party.

Research on Reforms to Civil Service Systems

How does Merit Protection Affect Agency Performance?

Another argument supporters of Schedule F make is that enabling agencies to fire poor performers will enhance agency performance. However, across a wide variety of research designs, empirical research consistently suggests that reducing merit protections is associated with lower performance and even corruption.

The best empirical evidence comes from a meta-analysis that examined the effects of merit principles from 96 peer-reviewed studies principles across more than 150 countries.¹⁰ The results showed that recruiting, appointing, promoting, and offering tenure protection to bureaucrats was positively and consistently associated with government performance and negatively associated with corruption. While the meta-analysis did not consider the strength of the research designs of the included studies, it did incorporate research from a variety of methodological perspectives, a feature that bolsters the study's overall credibility.

Some research leverages the uneven adoption of merit systems across the federal government and states. Using historical data, one study compares Post Office service in cities that had merit-selected postal workers with those that had not yet adopted the reform and still relied on the prior patronage system.¹¹ The authors report that civil service reform reduced postal delivery errors and increased productivity. The reform also reduced turnover among postal workers. Another study compared per capita state highway spending under a patronage system and subsequently after the adoption of an employee merit system.¹² They found that under a patronage system, state highway spending spiked by 12% in election years and 9% in the year preceding the election; in contrast, under a merit system spending was smooth year over year. These results suggest that merit-protected civil servants can serve as a stabilizing force in budgetary politics.

“Recruiting, appointing, promoting, and offering tenure protection to bureaucrats was positively and consistently associated with government performance and negatively associated with corruption.”

Research on Reforms to Civil Service Systems

“There is a higher risk of procurement-related corruption in regions where bureaucratic systems are perceived to be less meritocratic (and more politicized)”

Two studies evaluate the role of the merit system in procurement corruption and find that more merit-oriented systems exhibit less favoritism. One study compared procurement outcomes in U.S. agencies with a higher proportion of political appointees in management positions to those with a lower proportion of politically appointed managers.¹³ The authors find that a one standard deviation increase over the mean proportion of politically appointed managers is associated with a 51-63% increase in the probability that a contract will be awarded in a non-competitive fashion or with only one single bidder. The second study examined how the quality of meritocratic systems across European regions affects corruption risks.¹⁴ Using survey-based perceptions of bureaucratic merit, the study found that there is a higher risk of procurement-related corruption in regions where bureaucratic systems are perceived to be less meritocratic (and more politicized).

How Could Schedule F Affect Bureaucratic Personnel?

Increasing the number of politically appointed personnel in an agency and removing civil service protections for a class of workers has the potential to affect the composition, quality, and attitudes of bureaucrats. Studies show that political appointees tend to be of lower quality and that increasing political appointments results in adverse outcomes for career bureaucrats.

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Research indicates that politically appointed personnel often exhibit lower quality compared to their counterparts who are selected on a merit basis. One study compared federal managers in the U.S., reporting that careerist managers had more experience with agency programs and longer tenures. In contrast, appointed managers tended to have higher education levels and more private sector experience.¹⁵ The qualifications of careerist managers were positively associated with program performance, while the qualifications of politically appointed managers were not. Another study explored how municipal elections in Brazil affected personnel selection into bureaucratic posts.¹⁶ When employees were selected based on political considerations, they tended to be less competent. This result held across three different measures of employee quality.

Research on Reforms to Civil Service Systems

Beyond appointees themselves, theoretical research identifies potential downstream effects on careerists' motivation. One formal model explores the effects of reducing civil service protections on bureaucratic motivation.¹⁷ Comparing bureaucrats with high and low levels of motivation, the model shows that reduced merit protections can drive highly motivated bureaucrats to leave the government service and make it harder to recruit highly motivated workers. Another model shows that without tenure and discretion, only unmotivated bureaucrats would accept jobs in the bureaucracy.¹⁸ Therefore, political overseers are better served by establishing these civil service practices, as they yield higher quality workers, even if those workers exhibit biased expertise rather than impartial expertise.

Survey data also suggests that bureaucrats have negative behavioral and attitudinal responses to the perceptions that their agencies are subject to political influence. In a survey of high-level U.S. federal bureaucrats, respondents who perceived their agency

as “politicized” reported an increased likelihood of leaving the agency and a decreased likelihood of building policy expertise by attending training seminars or consulting outside policy experts.¹⁹ And in a 2006 survey of agency human resource professionals in Georgia—10 years after the state moved to at-will employment in the civil service—those who perceived the hiring system to be politically motivated expressed distrust in management and the organization overall.²⁰ They were also less likely to believe that managers treated employees fairly and consistently.

Finally, one study in Brazil looked at how changes wrought by President Bolsonaro, particularly the replacement of career civil servants with political appointees, impacted the behavior of bureaucrats.²¹ Combining interview and survey data, the authors show that career civil servants perceived politically appointed leaders to be less legitimate and even abusive. Additionally, employees reported that having less qualified politically appointed leaders led them to silence their voices, either from fear or resignation.

“Political overseers are better served by establishing merit protection, tenure, and discretion, as they yield higher quality workers, even if those workers exhibit biased expertise rather than impartial expertise.”

Conclusion

Empirical and theoretical research provide strong evidence in favor of the existence of strong merit systems in bureaucracy; merit systems increase performance and reduce corruption.

Politically appointed bureaucrats tend to be less qualified than merit selected bureaucrats, and increasing their strength adversely affects the motivation, attitudes, and behavior of career civil servants. The results are more mixed regarding whether the discretion afforded to bureaucrats by the merit system makes executive leaders better or worse off.

None of this research speaks directly to the adoption of the Schedule F reform. One challenge is that there simply has not been the scale of politicization that Schedule F envisages in the post-Pendleton Act era. Nevertheless, the research does not forecast positively with respect to the potential normative consequences of Schedule F. To fully predict the effects of Schedule F, we would need to know specific information about how the reform would be implemented, including how many employees it would cover, the quality of the individuals selected to fill Schedule F positions, and the types of positions that would be categorically included and excluded from consideration.

In addition, more work is needed to help us better understand the status quo and alternative means by which we might improve it. The research outlined above suggests that the merit system in the U.S. functions reasonably well: there is no partisan cycling among civil servants and career managers outperform their politically appointed peers. However, it is also well understood that the insulation induced by the system may reduce motivation and impede performance. Future research should identify other reforms—beyond Schedule F—that might be adopted within a merit system to mitigate these concerns.

“Politically appointed bureaucrats tend to be less qualified than merit selected bureaucrats, and increasing their strength adversely affects the motivation, attitudes, and behavior of career civil servants.”

Finally, existing research does not speak to how Schedule F would affect the institution of the presidency more broadly. Although not directly implicated in the order, some have linked the proposal to the Unitary Executive Theory.²² This legal theory emerged in the 1980s and has been advanced by conservative legal scholars. It argues that the Constitution puts all executive authority in one person—the president—and, accordingly, the president should be able to fully control the executive branch. Schedule F could increase the president’s powers by centralizing the hiring and firing authority for career civil servants and rolling back civil service protections for some employees. What this means for presidential power and the separation of powers writ large remains to be explored.

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