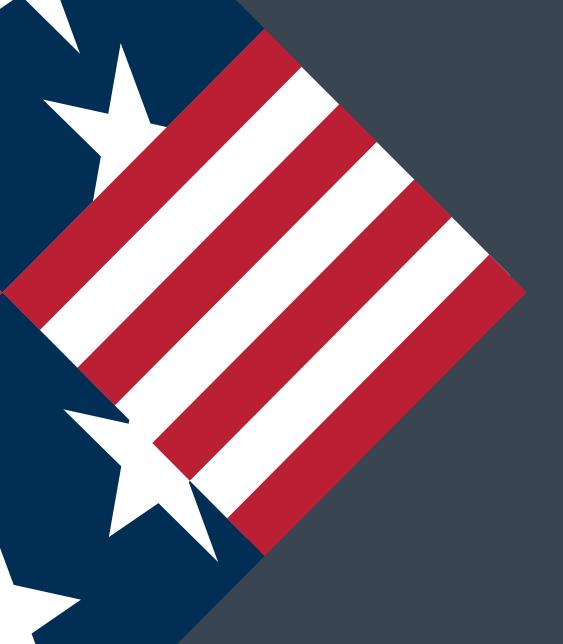
PARTNERSHIP FOR PUBLIC SERVICE 2015 ANNUAL REPORT



Welcome

A Joint Letter from the Chairman and the President



Tom A. Bernstein Chairman



Max Stier
President and CEO

Dear Friends:

Fifteen years ago, Samuel J. and Ronnie F. Heyman founded the Partnership for Public Service, compelled by the belief that our nation's future depends on the quality of our federal government.

The organization's mission was to inspire a new generation to enter public service, and to transform the way government operates.

We have pursued that mission with programs and efforts that have grown ever more sophisticated as our understanding of how best to support a more effective, efficient and responsive government has evolved. This led to our most recent accomplishment, the launch of a new center to support the smooth transfer of power and knowledge during presidential transitions.

In this relatively short span, the Partnership's programs, services and advocacy efforts have established our reputation as the thought leader and nonprofit partner of choice on effective government in areas including management, leadership, innovation and employee engagement. Our nonpartisan stance allows us to operate objectively, bridge administrations and convene leaders across the public and private sectors in ways government often is unable to do.

Over the past 15 years, we have created a track record of success. The Partnership has:

- Built the Call to Serve network to inspire and educate a new generation about public service by connecting more than 1,000 colleges and universities with 80 federal agencies, improving government's ability to recruit and hire a quality workforce
- Established the Samuel J. Heyman Service to America Medals to highlight leaders and innovators in government, and foster a culture of recognition—to date, nearly 6,000 public servants have been nominated and more than 400 have been recognized
- Created the most comprehensive analysis of employee satisfaction and commitment in the federal workspace—the Best Places to Work in the Federal Government® rankings—to turn agency leadership attention to the health of the federal workforce and its role in achieving effective government
- Reached more than 40,000 career and politically appointed leaders through our agency engagements, training programs and events, equipping them with the skills and mindset to improve government from the inside, which ultimately has a multiplying effect on our federal workforce
- Successfully championed 34 laws and resolutions
 that strengthen government management and operations—including major improvements to the presidential
 transition process, enhanced direction for the human
 resources community, advancements in federal intern
 programs and important hiring reforms
- Created an inclusive organization that values a culture of learning, collaboration and respect, leading to consistent recognition as a great place to work by The NonProfit Times and The Washington Post

While this report highlights our most important 2015 achievements, we are looking ahead. The Partnership will:

- Help ensure the incoming administration is ready to govern on day one, and equip and guide those responsible for leading agencies and implementing policy
- Expand our leadership development programs and agency engagements to reach even more federal leaders inside and outside of Washington, D.C., and replicate best practices learned through our work with the U.S. Departments of Education and Labor
- Assist agencies with improving customer service to create a top-quality experience for the tens of millions of individuals who interact with our government every year
- Recruit, hire and retain the best talent for the Partnership's needs, and expand our revenue sources, to help us enhance our work and reach our ambitious goals

From the beginning, the idea that our work is achieved with others was so elemental that the notion of partnership was incorporated in our very name. That commitment continues today.

Although we have grown, we remain a small organization doing our utmost to increase the effectiveness of the federal government—the most important organization in the world. It's an ongoing effort requiring that we make strategic choices and find high-leverage ways to effect broad change. We work toward that end with help from federal agencies and employees; policymakers, colleges and universities; and foundation, nonprofit, individual and private-sector allies.

Thank you for partnering with us. As we celebrate our first 15 years, we look forward to even more impressive achievements in the decades to come, for our government and for the American people.

Tom A. Bernstein Chairman

Max Stier
President and CEO

OUR PROVEN TRACK RECORD

The Partnership has earned a reputation as an objective and reliable actor with the expertise and staying power necessary to drive change in government.

Learn more at ourpublicservice.org/track-record

2015 ACHIEVEMENTS

- Leadership
- Ready to Govern
- Service to America Medals
- Toward a 21st Century Government



Leadership

Leadership is the most important factor influencing federal agency performance and government effectiveness. In 2015, the Partnership substantially increased the scale and impact of our work, helping more than 5,000 leaders from more than 50 agencies develop skills, innovate and lead—a record number for our organization.

Our leadership development programs are making a difference. Federal leaders who completed our programs said they are using their new knowledge to motivate their teams and improve their agencies' overall performance. Program evaluations from participants, as well as their supervisors and employees, indicate that virtually all respondents-98 percent-would recommend our programs to their colleagues.

Additionally, two agencies we have worked with the longest—the departments of Education and Labor-have seen an increase in the level of satisfaction and commitment of their employees, according to the Best Places to Work in the Federal Government® rankings that the Partnership releases each year. The rankings are based on an annual federal employee survey administered by the Office of Personnel Management and which, in 2015, reflected the views of more than 433,300 civil servants from 391 federal organizations. Many studies conclude that employees who report more satisfaction and commitment are more productive and engaged in their work.

We expect program attendance to continue to grow in 2016, and this growth is vital to achieving our mission. Changing an organization as large as the federal government requires real scale. By ever broadening the number of strong and capable leaders who, upon reaching critical mass, can impel great change, we will make our government stronger. To maintain momentum, we will carry out our plans to expand staff, curricula and support, as necessary, to meet our government's need to elevate leadership abilities in federal agencies and derive the benefits that come from improved management.

The Partnership is committed to making the public sector the premier talent group of the American workforce.

CAROLYN COLVIN ACTING DIRECTOR, SOCIAL SECURITY ADMINISTRATION

CASE STUDY

DEPARTMENT OF LABOR FOSTERING INNOVATION AND EFFICIENCY FROM THE INSIDE OUT

For the third consecutive year, the Partnership ran a series of leadership development programs that have energized Department of Labor leaders and managers.

Our collaboration began with an initial one-year commitment for us to assist senior Labor executives with their leadership development. Those leaders soon asked us to provide similar training for their managers. Those managers, in turn, sought expanded programs for the people who report to them.

The programming grew from 53 executives in 2013 to 1,500 new supervisors, senior executives and political appointees two years later.

At the same time, employee satisfaction and commitment levels at the department climbed markedly in 2014 and 2015, according to the Partnership's *Best Places to Work in the Federal Government*® rankings.

In fact, Labor was the "most improved large agency" both years, moving from a rank of 17 in 2013, to 10 in 2014, to eight in 2015—a year in which the agency's scores improved on leadership categories ranging from employees' views of their leaders and supervisors to their perception of leaders' fairness and empowerment.





Ready to Govern

IMPROVING AND ACCELERATING THE PRESIDENTIAL TRANSITION

Recognizing that changes in administration are a time of extreme vulnerability for our national security, economic health and the nation as a whole, the Partnership developed the resources and networks needed to ensure that future presidential transitions—a hallmark of American democracy—are smooth, safe and efficient.

In 2015, we intensified an effort that dates back to 2008, to improve and accelerate the presidential transition. We launched our Center for Presidential Transition and officially introduced it to the public on January 20, 2016. The country already is witnessing a change stemming from our work. Current candidates have started planning for office earlier than ever before, and publicly acknowledge their preparations. The media also have taken notice. Stories on the transition relying on input from our organization have appeared on the front page of the New York Times, and in The Atlantic, ABC News and elsewhere.

The Partnership ... is now providing something that's been completely missing from presidential transitions past. And that is to be a custodian of knowledge and good practice for the people coming in so they don't have to reinvent the wheel every time an administration changes.

JOSHUA BOLTEN, FORMER CHIEF OF STAFF TO PRESIDENT GEORGE W. BUSH

The Center has a four-fold mission to help candidates achieve the goals they set for office. It will assist presidential candidates with planning; engage Congress in reforming the transition process; identify sound management practices; and train new political appointees to lead effectively while providing support to seasoned officials.

We are accomplishing the Center's goals by:

Helping presidential candidates to plan

The Partnership is the first and only organization to create a comprehensive transition guide. It is based on interviews with current and former officials from all three branches of government, and is available to candidates from all political parties. Our online platform offers articles, videos and other original content as well as links to additional information. These resources provide insights into what previous candidates learned during their preparation for office—insights that had never been collected, compiled and made available to presidential candidates until now. The information helps candidates understand, in great depth, the roles federal agencies play in readying incoming administrations, and the vital activities agencies and leaders must complete in the months leading up to the inauguration and afterward.

• Assisting with legislation to smooth the presidential transition

In 2015, we worked with Senate supporters on a bipartisan bill to improve aspects of the transition process and help prepare a new administration to lead, resulting in our third legislative success on improving the transition process. The Edward "Ted" Kaufman and Michael Leavitt Presidential Transitions Improvement Act requires the sitting president to plan and coordinate activities for an orderly and efficient handoff of power to a successor, helping to standardize activities throughout government. Each agency is required to designate a senior career executive to oversee its transition activities, and agency heads must identify career executives who can step in to fill critical positions left vacant by departing political appointees. Agencies also must give the new administration's transition team access to agency employees, documents and facilities, under agreed-upon conditions.

• Offering guidance on sound management practices

Good management is essential for achieving a president's goals and enables an administration to implement policy effectively; and transition teams benefit from spending the time and resources to create a robust management agenda. We are working to develop management recommendations for the next administration by convening key government leaders and stakeholders to discuss critical federal management issues.

Equipping new appointees to lead

The Partnership has been testing our onboarding and training program for the next administration, providing educational sessions to hundreds of current political appointees. We are fine-tuning and adding to a curriculum that explains the specifics of how the federal government operates, preparing to scale up to serve the next administration and the 4,000 political appointees who cycle through every administration. These leaders, many of whom have never worked in the public sector, and who typically serve in government for just one to two years, need a rapid boost up a steep learning curve. We will prepare them to lead their teams and use their skills to help run our government effectively.



Service to **America Medals**

The Partnership established the Samuel J. Heyman Service to America Medals in 2001 to recognize exceptional civil servants for their extraordinary accomplishments and to highlight the value and impact of public service.

By spotlighting the many ways federal employees excel, the Samuel J. Heyman Service to America Medals program, or Sammies, encourages federal leaders to create a culture of recognition by identifying and acknowledging the good things happening in government and helping federal employees perform at their best.

Since we began honoring these accomplished individuals, we have received more than 6,000 nominations and recognized more than 400 outstanding public servants who have changed their agencies, our country and the world for the better.

Among the 2015 finalists—and the eight medal recipients—were men and women who are curing cancers, making urban infrastructure resilient to natural disasters, reducing chemical health risks, and improving fire safety for commercial airlines. These remarkable and uplifting stories of federal employees' accomplishments help spark an interest in others to pursue federal careers.

In 2015, stories on the 30 finalists appeared in numerous news outlets, including The Washington Post, the Los Angeles Times and CNN. We also debuted our first annual People's Choice award, asking members of the public to select their top pick for special recognition. More than 21,000 people visited our People's Choice web page and more than 10,000 voted.

To hear the stories of people whose lives have been impacted across America thousands of people through government service—that's impact. And so for me, those are the stories that tell me that the work of the Partnership is vital and is needed in our country.

DARREN WALKER PRESIDENT, FORD FOUNDATION

Toward a 21st-Century Government

The Partnership fosters change in government that spans administrations, and encourages reforms not possible from inside government alone. In 2015, we contributed to critical discussions and actions in Washington and around the country with our reports, advocacy and testimony.

Our thought leadership addressed:

• Improving how our government hires senior executives

On the heels of our 2015 report on the Senior Executive Service—the government's top career executives—President Obama issued an executive order that includes many recommendations we advocated. The intent of the executive order is to strengthen how our government recruits and hires for senior positions and provides these executives with opportunities for professional development. Federal leaders are now putting the executive order's recommendations into action at their agencies.

Moving toward streamlined, government-wide services

Early in 2015, we released two research reports on the need for, and obstacles to, government agencies sharing services in areas such as human resources and financial management. This streamlining can reduce redundancies, decrease costs and improve how services are provided. We based one of the reports on findings from our Shared Services Roundtable, a coalition of more than 50 executives from central policy agencies, federal shared services providers, customer agencies and industry. These findings were instrumental in shaping the administration's approach on the issue and, in October, the General Services Administration announced it had created a new organization to provide ongoing support and guidance to agencies adopting a shared services model.

The federal government needs to be meeting the needs of today's citizens faster, better and more completely than ever before ... that is something that we at the Partnership are deeply committed to helping the government do.

DOUG CONANT FOUNDER AND CEO, CONANTLEADERSHIP FORMER CEO AND PRESIDENT, CAMPBELL SOUP COMPANY MEMBER, PARTNERSHIP BOARD OF DIRECTORS

Smoothing the way for a new generation to enter federal service

A dearth of millennials entering the federal workforce—along with a wave of retirements at the top levels of government—is driving the government's efforts to attract a new generation of young people to serve. We worked with the Office of Personnel Management and dozens of federal HR professionals on improving the government's Pathways Programs-which provide internships for college, university and graduate students, and recent graduates, and make it simpler for interns to move into full-time positions. Together, we produced several resources, including a guide that provides comprehensive information on how to implement the programs and a training course for HR professionals.

Important first step in civil service reform

In 2015, our advocacy and thought leadership informed the work of federal lawmakers who introduced legislation to modernize our government's outdated hiring system. The law that passed in March 2016 will reduce the obstacles for people seeking to enter public service, allowing agencies to share information about potential job candidates who apply to one agency but are also suited for positions in other agencies. It will help our government recruit top candidates and fill mission-critical positions in important fields such as cybersecurity and veterans health care.

Building Our Future

We gratefully acknowledge the following corporations, foundations and individuals who make our work to transform government possible.

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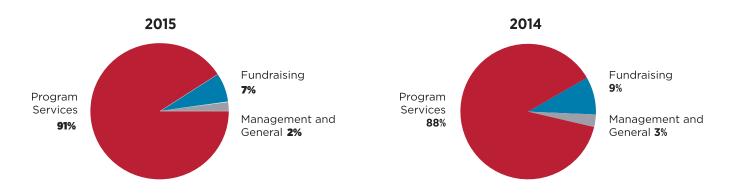
Every effort has been made to ensure the accuracy of contributions received from January 1 through December 31, 2015. Kindly inform the development office at (202) 775-9111 of any oversights or inaccuracies.

FINANCIAL STATEMENTS STATEMENTS OF FINANCIAL POSITION—DECEMBER 31, 2015 AND 2014

		2015		2014
ASSETS				
Current assets:				
Cash and cash equivalents	\$	5,912,536	\$	4,575,261
Restricted cash		386,475		130,936
Accounts receivable		2,045,726		906,644
Pledges receivable		815,710		2,659,342
Prepaid expenses		192,135		193,331
TOTAL CURRENT ASSETS	\$	9,352,582	\$	8,465,514
NET PROPERTY AND EQUIPMENT	\$	2,693,241	\$	1,240,961
Other Assets:				
Investments	\$	12,953,636	\$	13,164,068
Pledges receivable, net of current		200,000		-
Deposits		316,630		394,630
TOTAL OTHER ASSETS		13,470,266		13,558,698
TOTAL ASSETS	\$	25,516,089	\$	23,265,173
LIABILITIES AND NET ASSETS Current liabilities:				
Accounts payable and accrued expenses	\$	861,758	\$	245,604
Refundable advances	Ψ	178,000	Ψ	240,000
Deferred revenue		4,807,393		3,051,026
Deferred rent - current portion		107,385		107,385
TOTAL CURRENT LIABILITIES	\$	5,954,536	\$	3,644,015
TOTAL CONNENT ENDERTIES	Ψ		Ψ	3,011,013
Deferred Rent - noncurrent		1,727,283		1,310,970
TOTAL LIABILITIES	\$	7,681,819	\$	4,954,985
	<u> </u>	-,,		.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Net assets:				
Unrestricted:				
Undesignated	\$	2,962,262	\$	1,950,458
Board designated		12,953,636		13,164,068
TOTAL UNRESTRICTED	\$	15,915,898	\$	15,114,526
Temporarily restricted	\$	1,918,372	\$	3,195,662
TOTAL NET ASSETS	\$	17,834,270	\$	18,310,188
TOTAL LIABILITIES AND NET ASSETS	\$	25,516,089	\$	23,265,173

FINANCIAL STATEMENTS STATEMENT OF ACTIVITIES—YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
REVENUE		
Contributions	\$ 798,149	\$ 445,737
Special events	554,911	447,982
Membership fees	560,652	443,250
In-kind contributions	556,570	100,153
Sponsorship revenue	2,162,497	1,919,796
Grant revenue	420,000	299,500
Fee for service revenue	6,528,276	4,490,946
Investment Income (loss)	(204, 113)	123,357
Other revenue	297,485	140,577
Net assets released from restrictions	3,698,563	2,691,948
TOTAL SUPPORT AND REVENUE	\$ 15,372,990	\$ 11,103,246
EXPENSES		
Program services:		
Education and Outreach	\$ 1,287,669	\$ 1,131,469
Center for Government Leadership	5,357,687	3,585,255
Government Transformation and Agency Partnerships	1,518,631	1,349,748
Policy and research	1,522,839	1,480,447
Communications	1,829,485	1,680,528
Government Affairs	556,766	441,588
Ready to Govern	969,741	-
Other program services	223,836	111,652
TOTAL PROGRAM SERVICE EXPENSES	\$ 13,266,654	\$ 9,780,687
Supporting services:		
Management and General	\$ 334,002	\$ 350,905
Fundraising	970,962	965,284
TOTAL SUPPORTING SERVICES EXPENSES	1,304,964	1,316,189
TOTAL EXPENSES	\$ 14,571,618	\$ 11,096,876
NET INCOME	\$ 801,372	\$ 6,370



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