

OPENING STATEMENT OF  
SENATOR GEORGE V. VOINOVICH

SUBCOMMITTEE ON OVERSIGHT OF  
GOVERNMENT MANAGEMENT,  
RESTRUCTURING AND THE DISTRICT OF COLUMBIA

HEARING ON  
"EXPANDING FLEXIBLE PERSONNEL SYSTEMS GOVERNMENTWIDE"

TUESDAY, JULY 17, 2001

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Thank you, Mr. Chairman.

I am pleased that the Subcommittee is holding this hearing on expanding flexible personnel systems government-wide. I would like to welcome our two panels of witnesses and thank them for being here today.

Mr. Chairman, today's hearing is the ninth that our Subcommittee has held on the federal government's human capital crisis since July 1999. I would like to thank you for your partnership in the examination of this issue during my time as Chairman of the Subcommittee and for your commitment to continue examining these problems and seeking solutions during your chairmanship.

I consider this a key hearing in the Subcommittee's human capital agenda. When examining the federal government's human capital problems, some are quick to say that an entirely new civil service architecture is needed to address the system's many problems. I am sympathetic to that argument. However, we all know how difficult such an overhaul would be.

That's why it is critical to explore two other options when considering civil service reform. The first option is that we should simply try to use the authorities available under current law more effectively. I have discussed this approach with both Mr. Walker and Mr. O'Keefe, and we all agree that a great deal can be done through better management and use of current law and regulations.

I am pleased to note that Kay James was confirmed by the Senate last Wednesday to be the Director of the Office of Personnel Management. Earlier this year, I discussed with her that OPM should do all it can to relax certain rules and regulations that make some aspects of the civil service system overly bureaucratic. For example, there are certain elements of the hiring system that should be changed. Lieutenant General Robert Flowers, Chief of the Army Corps of Engineers indicated to me that, since the Corps' special hiring authority was rescinded, it takes some four months to hire an engineer. This is unacceptable in such a competitive field.

Second, we should identify the special personnel flexibilities that have been provided to some agencies, such as the Internal Revenue Service, the General Accounting Office and the Department of Defense, examine how effectively they have been employed, and determine if those flexibilities should be extended governmentwide.

The purpose of today's hearing is to explore this second approach. The primary advantage of this approach is that, if it is agreed that a certain flexibility has proved its worth, extending it to the entire executive branch is certainly easier than designing a whole new system, and can help address the human capital crisis until more comprehensive reforms can be agreed upon and implemented.

The General Accounting Office, under the leadership of Comptroller General David Walker, has tried to make itself an example of excellence in government. Its personnel system is a great candidate for our examination today. Authorized over twenty years ago and modified since then, this system offers us a rare window on flexibilities that have developed over time. Mr. Walker, I am eager to hear about your agency's human capital flexibilities and your views on their applicability across the federal government.

The Internal Revenue Service has a relatively newer alternative system, which was authorized by Congress in 1998. The Restructuring and Reform Act directed IRS to establish a performance management system and provided human capital flexibility provisions that covered a wide range of personnel-related functions. Commissioner Rossotti, I look forward to hearing how the system is working.

I am especially pleased that Charles Abell, Assistant Secretary for Force Management Policy for the Department of Defense is with us this afternoon, since the DoD has over three million active duty military, reserve, and civilian personnel combined. Managing this enormous workforce is a tremendous challenge, Secretary Abell, and I am eager to learn what the Bush Administration is doing or will be doing to address the human capital crisis at the Department of Defense.

I would also mention that my staff and I worked closely with Mr. Abell last year to insert language in the FY 2001 Department of Defense Authorization Act to reshape its workforce by offering voluntary separation incentive payments to 1,000 senior employees in this fiscal year.

This provision also authorized an additional 8,000 slots for workforce reshaping through fiscal year 2003. I'm pleased that in its fiscal year 2002 budget submission, the Department of Defense requested the authority to continue this program.

Earlier this year, before his confirmation by the Senate, I had the opportunity to sit down with Secretary Abell to discuss his vision for addressing the human capital crisis in his new position at the Department of Defense. We had a good conversation that day, and I appreciate that he is able to join us today to discuss his perspectives after only a couple of months on the job.

Secretary Abell will be testifying today about personnel demonstration projects at the Department of Defense. I look forward to hearing more about them.

As with GAO, these flexibilities offer us the benefit of two decades of data and experience as to their performance at various Defense Department facilities, including science laboratories.

Mr. Chairman, I cannot express how important it is for the Department of Defense to employ the Nation's best and brightest individuals. Our Subcommittee's most recent human capital hearing in March addressed the national security implications of this government-wide crisis, including imminent retirements and rigid hiring processes.

In his testimony before the Subcommittee this past March, former Defense Secretary James Schlesinger, a member of the U.S. Commission on National Security in the 21<sup>st</sup> Century, discussed the comprehensive evaluation on national security strategy and structure that was recently undertaken by the Commission.

Regarding human capital, the Commission's final report concludes that:

"...fixing the personnel problem is a precondition for fixing virtually everything else that needs repair in the institutional edifice of U.S. national security policy."

Simply stated, the impacts of the human capital crisis on our national security are grave, and serve to further illustrate why this issue must be addressed.

Just last month, I convened a human capital roundtable discussion at Sinclair Community College in Dayton, Ohio with Dr. Vincent Russo – Executive Director, Aeronautical Systems Center at Wright Patterson Air Force Base; Colonel Larry Strawser – Vice Commander, Air Force Research Laboratory, Wright Patterson AFB; and local college students interested in working for the U. S. Government.

I convened the meeting as part of my outreach campaign on this issue – and to highlight how important it is for installations such as Wright-Patterson to recruit aggressively.

Unfortunately, in talking with these students, some of my worst fears were confirmed. While many said they were interested in public service, they indicated that it was difficult to get information about job openings and observed that government salaries weren't as competitive as those in private industry. One student with an electrical engineering background told me he wanted to participate in a work-study program at the Base. He informed me that it would take 5-6 months just to get him on the payroll.

No bright, young student or recent graduate with other options is going to wait that long.

Mr Chairman, we need to do something to help alleviate such problems, not just at one facility or at one Department, but government-wide, and I am hopeful that today's hearing – and our witnesses' input – will help shed some light on how to go about doing that.

Besides the witnesses whom I have already mentioned, we are also joined today by Presidents Harnage and Kelly from the American Federation of Government Employees and the National Treasury Employees Union, respectively. As I have said on numerous occasions, we cannot expect to change the civil service system unless we closely involve those who will be affected most directly. I look forward to their analysis of these personnel systems.

Last, but certainly not least, I look forward to hearing the perspectives of Ms. Shiplett on behalf of the Human Resources Center at National Academy of Public Administration. NAPA has studied these issues closely for many years, and they have a great deal to offer to this discussion.

I thank the witnesses for coming today, and thank you again, Mr. Chairman, for holding this hearing.

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