

**OPENING STATEMENT OF  
CHAIRMAN GEORGE V. VOINOVICH  
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL  
WORKFORCE AND THE DISTRICT OF COLUMBIA  
FEBRUARY 10, 2005**

**“UNLOCKING THE POTENTIAL WITHIN HOMELAND SECURITY:  
THE NEW HUMAN RESOURCES SYSTEM”**

This hearing will come to order.

Good morning. Thank you all for coming.

Almost one year ago, on February 25, 2004, this Subcommittee convened a hearing entitled “The Key to Homeland Security: the New Human Resources System.”

The purpose of that hearing was to consider the Department of Homeland Security’s proposed regulations for their new human resources system.

Today’s hearing, “Unlocking the Potential within Homeland Security: the New Human Resources System,” will consider the final regulations.

Before we proceed, I want to say that I understand there are many strong feeling in the room today. However, I expect this hearing to proceed with the respect and decorum that is customary in the United States Senate.

I commend the Department of Homeland Security, the Office of Personnel Management, Department employees, and representatives of Homeland Security employees for the time they have invested in developing this new human resources management system, also known as MAX HR.

I personally would like to thank former Secretary of Homeland Security Tom Ridge and former Director of the Office of Personnel Management Kay Coles James for their commitment to the process.

The two year process the development of the regulations has gone through is a relief to me. Many of us were concerned that these regulations would be rapidly developed and implemented; however that has not been the case. The *Homeland Security Act* was signed by the President on November 25, 2002. Proposed regulations were published in the *Federal Register* on February 20, 2004. The final regulations, the topic of today’s hearing, were published only nine days ago, on February 1.

It is clear that this has been a very deliberative and collaborative process, and I thank the Administration for this.

For example, DHS and OPM used the statutory authority to enlist the assistance of Federal Mediation and Conciliation Service to continue the dialogue with labor organizations and even extended that process beyond the 30 day requirement in law.

It is clear to me when comparing the final regulations to the proposed regulations that DHS and OPM have made many significant changes.

For example, the new system will establish a Compensation Committee to gather input from multiple sources, including employee unions, in determining employee pay.

The final regulations now allow for employee input to the Secretary in determining members of the Homeland Security Labor Relations Board.

Another significant change in the final regulations is the requirement for post-implementation bargaining for employees adversely impacted by management actions lasting longer than 60 days. Some of you may recall that I raised the importance of post-implementation bargaining at the hearing last February.

These examples represent an increase in union involvement from the proposed regulations. In addition, some changes, like the Compensation Committee, creates a role for unions unique to the federal government.

These new regulations represent historic changes to the federal civil service. But I would like to remind my colleagues of the enormous changes the legislative proposal authorizing these regulations underwent in Congress.

My colleagues may remember that the original legislative proposal offered almost a blanket exemption from title 5 for the entire Department - similar to what was authorized for the Transportation Security Administration.

Many of us were concerned with this proposal, including my good friend, Representative Rob Portman. As a result, the legislation finally enacted included far less flexibility than initially sought by the Administration.

I understand that not all parties are satisfied with the final regulations. They will have the opportunity today to explain their concerns to this Subcommittee.

When the Senate was considering the *Homeland Security Act*, I suggested to my colleagues that the law allow for binding arbitration over the six chapters of title 5 that were waived. Based on my experience working with employee unions as the Mayor of Cleveland and Governor of Ohio, I thought that this process would have brought all parties to an agreement on the regulations more quickly and with less friction.

Having an independent third party make final decisions on points of contention could have fostered additional collaboration over the regulations and given more credibility to the process. However, this suggestion did not go over well with my colleagues!

So as part of the largest government reorganization in half a century, we have the new personnel system authorized by Congress. Regarding this, I have this observation for both the Administration and union representatives here today.

Nothing less than the security of our nation is at stake. We must find a way to work together.

To the Administration I say it is your obligation to continue to collaborate with the Department's employees and their unions and to do right by them in the new system.

They must be treated equitably. The merit principles of the civil service that have served our country so well must be upheld.

Managers must receive excellent training so that they can make fair judgments regarding employee performance.

Every employee must receive the training and resources they need to make the most of his or her God-given talent.

To the union leaders, I say it is your duty to roll up your sleeves and work with the Department of Homeland Security and the Office of Personnel Management to make this new system work well.

It is my hope that the collaboration and dialogue the Department and its employees have engaged in over the past two years will continue into the future. I have expressed this sentiment to the President's nominee for the Secretary of Homeland Security, Judge Chertoff, when I met with him a few weeks ago.

As I stated a year ago, there is no doubt in my mind that the only way any organization can be successful is to have the best and brightest minds focused on the important task at hand.

I know the employees of the Department of Homeland Security are hard-working and dedicated. It is my hope that the new human resources management system will assist the Department in fostering a high-performing culture that encourages innovation and supports and rewards these individuals.

It is my unwavering commitment to the employees of the Department of Homeland Security and its mission that I have called this hearing today. I understand the ramifications this system will have on the Department itself and the rest of the federal civil service.

I am committed to ensuring its success. I look forward to hearing the testimony of our witnesses today and a continued dialogue over these important reforms.

I now yield to my good friend, the Senator from Hawaii. This is the first hearing in which Senator Akaka is my Subcommittee's ranking member. Senator Akaka and I have spent many years working together on federal government personnel issues, I appreciate his leadership and commitment to this issue, and I look forward to working with him for at least the next two years.

###