

Statement of Senator George V. Voinovich
Senate Committee on Homeland Security and Governmental Affairs
Subcommittee on Oversight of Government Management, the Federal Workforce, and the
District of Columbia

Balancing Act: Efforts to Right-Size the Federal Employee-to-Contractor Mix

May 20, 2010

Good afternoon, and thank you, Mr. Chairman.

I would like to join today's chorus in voicing my support for the Congressionally-mandated work currently underway at the Office of Management and Budget that seeks to clarify the guidelines agencies may use when considering how best to accomplish the tasks assigned them.

We must ensure that federal agencies remain in control of their missions, and I am hopeful that OMB's work will move us closer to that goal.

I am also pleased to see the Administration embracing strategic human capital management for the multisector workforce. I have long sought to encourage greater use of this tool by federal agencies. But as demonstrated by strategic human capital management's appearance on each GAO high-risk list issued since 2001, the Federal government needs improvement in this area. I look forward to hearing from today's witnesses on how this track record will be improved, especially within the context of the multisector workforce.

As today's hearing will demonstrate, bipartisan agreement appears to exist on the objectives of workforce balancing efforts. But the devil will be in the details, particularly in how general guidance issued by OMB is translated into action by front-line contracting officers and hiring managers. I am glad that today's hearing will allow this Subcommittee to begin an examination of this issue.

As agencies progress in workforce balancing efforts, they will be confronted with a variety of challenges. Congress and the executive branch must assist agencies when necessary to overcome these challenges.

First, we must recognize and address the hiring challenges posed by workforce balancing efforts. Many agencies will be required to quickly bring on-board large numbers of federal employees to replace contractors performing inherently governmental functions and other vital tasks.

In some cases though, the current federal hiring process will not be up to this task. Indeed, the Department of Homeland Security has already requested direct hire authority from OPM as part of its workforce balancing efforts. We must ensure that the goals we are asking agencies to achieve with respect to insourcing can be achieved using current hiring tools. If not,

the Administration or Congress must supply agencies with sufficient flexibilities to get the job done.

If we fail in this responsibility, we will see a past trend repeated: agencies will turn to existing hiring authorities, like the Federal Career Intern Program, to hire the personnel necessary to achieve the tasks assigned them by Congress and the Administration. By providing flexibilities specifically designed for the unique requirements of insourcing critical functions, we can avoid such practices and the concern they cause for some stakeholders.

I am hopeful that the Federal Hiring Process Improvement Act, which I joined with Senator Akaka in introducing and which passed the Senate this week, will go a long way toward addressing this challenge.

I also want to direct attention and discussion to the impact proposed OMB guidance on workforce balancing will have on the acquisition workforce.

A host of new actions will likely be required of acquisition professionals as part of workforce balancing efforts. These tasks will be necessary to prevent key functions from being improperly outsourced. But new actions will only increase the burdens placed on the federal acquisition workforce. I would remind those present today that our acquisition workforce grew only 11 percent while contract spending increased almost 60 percent between Fiscal Year 2002 and 2008. Increased responsibilities for the acquisition workforce must be accompanied by increased funding and support for this critical group of federal employees.

Finally, we must ensure that workforce balancing efforts do not override long-standing government practice of securing non-critical, commercially-available services from the private sector unless the performance of such tasks by federal employees is the most cost-effective option. Such decisions must be based on full and complete cost comparisons between the federal and private sectors, particularly under current budget constraints.

Striking the right balance between federal employees and contractors will be a difficult task, but a critical one. I look forward to today's discussion, and to working to ensure the success of this effort.

Thank you, Mr. Chairman.