

**Senate Homeland Security & Governmental Affairs Committee Subcommittee  
on Regulatory Affairs and Federal Management**

**October 22, 2015**

**“Improving Pay Flexibilities in the Federal Workforce”**

**OPENING STATEMENT OF**

**RANKING MEMBER HEIDI HEITKAMP**

Thank you Chairman Lankford. I am so pleased to focus today on a topic that is so important to my home state of North Dakota. As many of you know, I have been fighting to address the challenges faced by the federal workforce in the Bakken region of western North Dakota and eastern Montana since taking office in 2013. This is a topic that I care deeply about, and I greatly appreciate our witnesses’ testimony on this subject.

The Bakken region is a prime example of the drastic impact that unique economic situations can have on local and regional employment markets. The energy boom has brought new jobs and opportunity to my state, but has also caused the cost of living to skyrocket in the Bakken, leading to the inability for the federal workforce to keep up with the private sector. The federal pay system just wasn’t flexible enough to remain competitive with the private sector – this greatly hurt the ability of federal agencies to recruit and retain the workforce they needed.

Working in close conjunction with the Office of Personnel Management (OPM), special pay rates became the most effective path for federal agencies in the Bakken region to improve their recruitment and retention efforts. Since bringing the Director of the Office of Personnel Management (OPM) to North Dakota last year, I am pleased to say nearly 500 federal employees across North Dakota were helped through special pay rates, ensuring they are treated fairly.

But there is much more work to be done in the pay flexibility realm. The Bakken is not the last time the federal workforce will be forced to respond to such a unique situation, and it is critical that the federal workforce is adequately prepared the next time that something of a similar magnitude strikes.

I am particularly interested in exploring whether OPM and federal agencies have enough flexibility through locality pay, special pay rates, recruitment, relocation, and retention bonuses to meet unique federal workforce challenges. For example, the special pay rate process proved laborious at times for agencies in North Dakota. Can this, and other processes, become more flexible so agencies can respond quicker?

I am also interested in exploring how we can attract more federal employees to remote locations—particularly along the Northern Border. This is a different issue than what occurred in the Bakken, but it is one the Department of Homeland Security must tackle every day.

Understanding the roots of the General Schedule and Federal Wage pay systems will help us appreciate how pay flexibilities were meant to be used. It is also essential that we understand the ways that pay and locality freezes have shaped the federal workforce climate we are experiencing today.

I am looking forward to a productive dialogue this morning on the best ways for the federal workforce to address unique economic challenges, how we can improve the current pay flexibility system, and what we can do to make sure federal agencies have all of the necessary tools at their disposal to keep the federal workforce as vibrant as possible. I look forward to hearing the witnesses' testimony.