

Opening Statement of

Senator George V. Voinovich, Chairman
Senate Subcommittee on Oversight of Government Management,
Restructuring and the District of Columbia

Joint Hearing with the House Subcommittee on Civil Service and Agency Organization

on

"The National Security Implications of the Human Capital Crisis"

Thursday, March 29, 2001

Good morning, and thank you all for coming. Today, the Senate Subcommittee on Oversight of Government Management and the House Subcommittee on Civil Service and Agency Organization are meeting to examine how the human capital crisis in the federal government is affecting and indeed endangering this nation's national security establishment and the ability of the federal government to defend our nation and its interests around the world. This is especially true with the civilian workforce of the Department of Defense. Today's hearing is the Senate Subcommittee's eighth on the human capital crisis.

The fact that Chairman Scarborough and I are co-chairing this hearing underscores the seriousness of this problem confronting our country. Chairman Scarborough, I welcome you and the members of your Subcommittee to the Senate. I know you share my belief that the human capital challenges of the federal government require our attention, and I appreciate the opportunity for this bicameral and bipartisan discussion.

Last year, Chairman Scarborough and I worked on an amendment to the defense authorization act that provided critically needed flexibility to the Department of Defense to restructure its civilian workforce. Specifically, the amendment gave the Defense Department expanded authority to offer voluntary separation incentive payments and voluntary early retirements to a total of 9,000 employees through fiscal year 2003, for the purpose of reducing high-grade supervisory positions and correcting skills imbalances. The use of these authorities does not require the elimination of these positions, but rather allows the Defense Department to hire 9,000 new employees with the right skills for the future. This has given the Department of Defense extra flexibility to manage its civilian workforce and realign its human capital.

Chairman Scarborough, I look forward to working with you this year on additional measures to address the challenges confronting not only defense civilians but the entire federal workforce. The country is grateful for your leadership on this issue.

As some of you may know, Defense Secretary Rumsfeld is currently conducting a comprehensive review of Department of Defense strategy and force structure. When his review is completed, the debate in Congress will most likely revolve around the wisdom of deploying a national missile defense, the militarization of space, and expensive weapon systems, such as aircraft carriers and fighter jets.

However, the most vital factor in U.S. national security cannot be overlooked: human capital, the men and women of the federal workforce. It doesn't make headlines, but the federal workforce is in crisis. The average federal employee is 47 years old. During the presidential campaign both candidates promised to reduce the number of federal employees. It is an easy promise to keep. By 2005, over half of the 1.8 million non-postal civilian employees will be eligible for either early or regular retirement. An even greater percentage of the Senior Executive Service, the government's core managers, will be eligible to leave.

The amount of knowledge and experience that is literally going to walk out the door by the end of the decade is unquantifiable. Perhaps even more concerning, government service is no longer the career path of choice for young Americans, for a variety of reasons. No government-wide plan exists to reshape our workforce so that it can respond to the problems of today and the challenges of tomorrow.

To some, the departure of so many federal employees is welcome news. But it could bring paralysis to our government and it has ominous implications for our national security.

Current problems within the defense civilian workforce illustrate the point. Despite their critical role in supporting the armed forces, defense civilian employees are often overlooked. Throughout the 1990s, the workforce was downsized by 400,000 positions, largely through attrition and retirements.

Unfortunately, this process paid little heed to reshaping the workforce to meet changing requirements. As a result, the defense workforce faces serious skills imbalances in areas such as linguistics, acquisition, and research and development. For example, Wright-Patterson Air Force Base in Dayton, Ohio, conducts vital scientific research for the Air Force, but workforce reductions threaten its ability to continue to develop cutting-edge technologies. Last year, Senator Cochran's Governmental Affairs Subcommittee examined the shortage of skilled linguists in the Foreign Service, law enforcement and international trade agencies. And the Defense Department already faces a shortage of acquisition personnel which will be exacerbated by anticipated retirements over the next few years. This could severely hinder the ability of the Department to intelligently purchase the equipment and supplies needed by the armed forces.

As national defense is the first responsibility of the federal government, it is my hope that focusing on the human capital challenges in the national security establishment will highlight the need for prompt and comprehensive action, because the requirement for a well-balanced, robust civilian national security workforce is indisputable. If we fail to respond to these formidable human capital challenges in our national security establishment in a thoughtful and deliberate manner, then our best strategies and billion-dollar weapon systems will afford us little protection in an uncertain future.

We have a distinguished panel of witnesses to discuss these issues today. The Honorable James R. Schlesinger was the Secretary of Defense under Presidents Nixon and Ford and the first Secretary of Energy under President Carter. Admiral Harry D. Train, United States Navy, retired, served as Supreme Allied Commander - Atlantic, Commander of the Sixth Fleet and Director of the Joint Staff during his 37-year naval career. Both of them served as Commissioners on the U.S. Commission on National Security in the 21st Century. The Commission, a bipartisan and

independent group, was chartered by Secretary of Defense Cohen to provide Congress and the Executive Branch with "the most comprehensive government-sponsored review of U.S. national security in more than 50 years."

I was gratified to learn that the Commission's final report, which made dozens of recommendations for restructuring and revitalizing our nation's national security establishment, includes the chapter "The Human Requirements for National Security." It states that "The excellence of American public servants is the foundation upon which an effective national security strategy must rest – in large part because future success will require the mastery of advanced technology, from the economy to combat, as well as leading-edge concepts of governance." I have asked the Commissioners to focus their testimony on this chapter.

Also joining us is Mr. Butch Hinton, the Managing Director of Defense Capabilities and Management at the U.S. General Accounting Office. This past January, GAO designated strategic human capital management across the federal government as high-risk. Comptroller General David Walker has tasked all of GAO's teams to examine human capital challenges in their specific areas, and Mr. Hinton will discuss GAO's evaluation of the Departments of Defense and State.

Mr. Robert J. Lieberman is the Deputy Inspector General at the Department of Defense. Over the past twelve months, Mr. Lieberman's office has published numerous reports which address personnel problems at DOD, most notably in the acquisition workforce. He will provide us an overview of the IG's findings.

We thank you all for coming, and we look forward to your insights.