

Opening Statement
of

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Chairman

***Subcommittee on Oversight of Government Management,
Restructuring, and the District of Columbia***

Hearing on

"Training Federal Employees to be Their Best"

Thursday, May 18, 2000

Today the Subcommittee on Oversight of Government Management will discuss a critically important element in getting the government to run at peak efficiency, and that is, training federal employees to be their best. This is the fifth hearing we have held as part of our effort to empower Federal employees and address the human capital crisis now facing the government.

Our primary purpose today is to broadly examine the Federal Government's commitment to train and educate its employees to maintain their skills, enhance their performance and ensure they are able to keep pace with the ever-changing needs of the American public. Just like incentives, training is a vital component in making a world-class civil service. It is an investment in our most important resource - our people - and the best way to ensure quality in government programs.

The Federal Government employs nearly two million people in thousands of offices and agencies world-wide. But regardless of occupation, there are workplace trends that affect all Federal employees. For example, I am concerned that some employees may not have the necessary skills - particularly the high-technology skills - that will be necessary to thrive in our technology-driven economy.

There is a realization across the government that technology is transforming the private sector workplace at a pace which the government cannot currently match. (Many of you might be familiar with the initiative that was proposed by the administration back in January to create a "cyber corps" to "bolster the government's ranks of highly skilled computer experts.") We must ask ourselves, does the Federal Government have the strategic plan in place that will allow it to embrace this workplace transformation, and if not, what needs to change?

These are extremely important and timely concerns. As many of you have probably heard me say before, there is a human capital crisis confronting the government. By 2004, 32 percent of the Federal workforce will be eligible for regular retirement, and an additional 21 percent will be eligible for early retirement. Taken together, that's over 900,000 employees.

If the economic expansion continues, the government will be hard-pressed to hire enough new workers to fill the shoes of these baby-boomers who entered government service in large numbers in the 1960s and 70s. Today's graduating college senior is less likely to enter government service than his or her counterpart 30 years ago. The Federal Government must act to counter this trend by offering the training and incentives that will make the Federal Government a more attractive place to work.

When I began to examine the management of human capital, I asked my staff to obtain the training budgets of all Federal agencies so that we could review the level of investment being made in our employees. I was surprised to learn that neither the Office of Management and Budget nor the Office of Personnel Management collected this information.

Therefore, we went directly to the agencies for this information. Through this survey I discovered, to my further surprise, that most Federal agencies don't have "training" budgets. Rather, training money is dispersed throughout agency budgets in "operations" or "administration" accounts. It takes a great deal of effort on behalf of an agency to pull this information together from the different parts of the budget to present a complete picture of training activities.

It was my intention to ask the Office of Management and Budget about this convoluted budget structure and their role in setting agency training budgets. Unfortunately, I cannot ask them these questions today – OMB informed the Subcommittee that "because of scheduling conflicts" they would be unable to provide a witness.

It speaks poorly of the management side of OMB that they have so few senior officials versed in these issues that testifying before the management oversight subcommittee presents a problem. This is the second management hearing (the first was the Subcommittee's March 9th hearing on human capital) to which they have not sent a witness.

I believe the human capital crisis is one of the most urgent problems facing the government, yet we have seen no leadership from OMB. Perhaps this ongoing inattention to human capital is the reason we have a crisis in the first place.

I would like to come back to the survey of training budgets that the Subcommittee is conducting. Through this survey, we hope to develop a more in depth understanding of how training budgets are formulated. If we identify any common weaknesses in training activities, the Subcommittee may consider legislative remedies.

My staff has met with officials from the eight agencies which have received the survey to date. They shared several observations which, although not applicable to the whole executive branch, are nevertheless illuminating.

* Almost all of the agencies said that their employee training budgets were inadequate and that they could use additional training funds.

* When agencies undergo budget cuts, training is almost always one of the areas hit first and hardest. Costs such as administration, payroll, physical plant, and benefits payments are either fixed and cannot be cut or are mandatory.

* As I mentioned earlier, most agencies spread their training dollars throughout their budget. This is often done intentionally so as to make it more difficult for OMB or the appropriations subcommittees to identify training money and reprogram it. In other words, some agencies attempt to hide their training money.

* Historically, most agencies had decentralized training activities. Several agencies are centralizing their training activities to help identify training requirements.

* Several of the agencies are unable to provide information on their training budgets from previous years because their record keeping is poor or non-existent. This begs the question: how can an agency plan its future training activities if it has no reliable records on its past training activities?

* Some agencies find that they need better management succession programs so that they can "grow" future leaders of the agency.

Finally, I would like to take a few moments to discuss today's hearing in the context of the Subcommittee's overall efforts and goals. Any of you who have followed this series of hearings have heard me discuss the human capital crisis and changing the culture of the Federal workplace.

Through five hearings since last July, the Subcommittee has examined union-management partnerships, management reform initiatives, incentives programs and training, which is the focus of today's hearing. Each issue is just one component in building a world-class civil service, and each hearing has built upon the last. There is an important synergy between these elements, and if one is weak, the other components are affected to the detriment of Federal employees and the people they serve.

It has been our goal through these hearings to demonstrate the synergy that exists throughout the federal government and stress that substantial change in all of the areas we have covered in our hearings is necessary if we are to achieve real and lasting improvements in government operations. At the conclusion of this series of hearings, I hope the Subcommittee can issue a report that will identify our findings and, most importantly, recommendations that will correct years of inattention to our human capital.

The first panel is composed of representatives from the executive branch and the General Accounting Office. The Honorable John U. Sepulveda is the Deputy Director of the Office of Personnel Management, and will describe OPM's role in setting training policies and how they work with OMB in this regard.

The Honorable Diane M. Disney is the Deputy Assistant Secretary of Defense for Civilian Personnel Policy. We have asked her to describe how the Defense Department assesses its training and technical requirements for its civilian workforce, as well as the culture of the department which stresses the importance of training.

Mr. Michael Brostek is an Associate Director of Federal Management and Workforce Issues at the U.S. General Accounting Office. We have asked Mr. Brostek to discuss the importance of training in human capital development.

The second panel will provide us with a variety of perspectives. Mr. Bobby L. Harnage, Sr., is the National President of the American Federation of Government Employees. He will provide us with the perspective of Federal workers, the people who I call "the A Team." I am eager to learn if Federal workers think that the training they are provided is adequate. If not, what does AFGE believe needs to be done to improve it and create an environment in which workers can grow and do a better job of serving internal and external customers.

Mr. Thomas J. Mosgaller is the Vice President of the American Society for Quality. Ms. Tina Sung is the President and CEO of the American Society for Training and Development. She is also the former Director of the Federal Quality Consulting Group. We have asked Mr. Mosgaller and Ms. Sung to discuss private sector education and training best practices and how the Federal Government compares in general with leading private sector companies.

Thank you all for coming; we look forward to your testimony.