



Congressman José E. Serrano

Chairman, House Appropriations Subcommittee on Financial Services and General Government

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Opening Statement of Chairman José E. Serrano Hearing on the Office of Personnel Management's Fiscal Year 2009 Budget Request April 2, 2008

Today's hearing is on the fiscal year 2009 budget request of the United States Office of Personnel Management. The Director of OPM, Linda Springer, will testify. Director Springer has been at the head of the agency since 2005, and this is the second time she has appeared before this subcommittee. Last year, you testified at our hearing on "Issues in the Federal Workforce" at which we discussed the many challenges the government faces in recruiting, training, and retaining qualified employees. We hope to discuss these important issues again today, as well as get a better understanding of your fiscal year 2009 budget request.

The Federal workforce is changing, and OPM has a leadership role in managing this change. We must, therefore, be certain that OPM has the capabilities and resources to do this job. OPM has asked for a discretionary budget in fiscal year 2009 totaling \$228.9 million, which is a \$15 million decrease from the FY 2008 appropriation. Aside from this relatively small discretionary budget, OPM also has responsibility for managing tens of billions of dollars in retirement, health, and life insurance trust funds for Federal employees.

An important component of OPM's budget request is \$15.2 million to continue the Retirement Systems Modernization project. The goal of the new retirement system – also known as RetireEZ – is to transform OPM's retirement recordkeeping and annuity processing so that Federal employees and retirees are better served. The first stage of implementing RetireEZ occurred in February, and the subcommittee looks forward to discussing how this implementation is moving forward. I'm sure we all share the opinion that the timely and accurate payment of employee retirement benefits is an extremely high priority, and we need to be certain that RetireEZ will deliver on this promise made to employees and retirees.

The success of this new system is particularly important in light of the significant number of retirements from the Federal workforce that are expected in the near future. OPM's retirement systems need to be ready to address this surge.

The increase in retirements will also have an effect on human resource management across the government. The expected loss of experienced employees, or the "brain drain," from Federal agencies means that agencies must work hard now to recruit the best and the brightest people.

The capacity to recruit such talent will depend on the opportunities and work environment agencies have to offer, and also on the ability of this government to provide competitive compensation that is commensurate with employees' abilities. Congress has an important role in this regard since we must ensure that the funds are available to offer competitive salaries and benefits. Congress must also support funds for employee training and advancement, as well as support policies that promote equality and fairness in the workplace.

Unfortunately, the President's discretionary budget request across most government agencies falls short of providing the resources that are needed to ensure a strong Federal workforce. This troubles me, because I believe this budget lacks the recognition that we must invest in a strong Federal workforce now in order to avoid costly problems in the future. I know, Director Springer, that it is not your fault that the overall discretionary budget is inadequate, so this is not a criticism of you or of OPM. However, I raise my concern to you because OPM needs to be a forceful advocate for Federal workers in all respects, including budgeting for human capital needs within the government as a whole.

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Congressman José E. Serrano has represented the Bronx in Congress since 1990. He is the Chairman of the House Appropriations Subcommittee on Financial Services and General Government.