

**Opening statement of Senator Susan M. Collins  
Chairman, Committee on Homeland Security and  
Governmental Affairs**

**“Critical Mission: Assessing Spiral 1.1 of the National Security  
Personnel System”**

**September 20, 2006**

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Good afternoon. Today, the Committee holds its third hearing to examine the design and implementation of the National Security Personnel System. We will focus on the conversion of approximately 11,000 employees that began earlier this year.

The pay-for-performance systems underway at the Departments of Defense and Homeland Security represent the most significant change in federal employees’ supervision and compensation methods since the General Schedule was introduced in 1949. When fully implemented, the new pay-for-performance systems will cover approximately one-half of the federal civilian workforce.

Debate on the National Security Personnel System for the Department of Defense's civilian workforce started in 2003, when the Department submitted an initial proposal that went too far and failed to provide important provisions to protect good employees. I commend Secretary England for his continued commitment during the past three years to ensuring the new system is credible, and that it appropriately reflects Congressional intent to reward high performers and avoid unfair consequences.

Despite the Department's efforts to provide a robust training program for employees and their supervisors, however, I continue to hear concerns from employees and their representatives that show their lack of confidence in the new system.

Secretary England has previously testified that, “A key to the success of NSPS is to ensure that employees perceive the system as fair with trust between employees and supervisors.” I look forward to learning how the Department is building the trust necessary to achieve success. After all, the real test of NSPS begins next month, when Spiral 1.1 employees receive their first written performance evaluations from their supervisors.

Implementation of the new system will, of course, require honest, accurate, and actionable evaluation, and will continue to be dependent on good management, proper execution, and effective training. Each of these factors requires adequate resources. I am, therefore, also interested to hear what kinds of improvements are planned to ensure that future conversions are properly funded and that managers and supervisors make the proper judgement calls.

Whether the system set forth in the final regulation will achieve the Committee's goal of helping the Department recruit, reward, and retain a highly skilled workforce, and ensuring that employees are recognized for their contributions to the mission remains to be seen. As the Department moves forward, this Committee will continue to scrutinize the system to determine if it meets the goal of supporting the best possible federal workforce.