

Press Release of Senator Voinovich



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**VOINOVICH HUMAN CAPITAL
LEGISLATION ADDED TO
HOMELAND SECURITY BILL**

Wednesday, July 24, 2002

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Today the Senate Governmental Affairs Committee approved legislation introduced by U.S. Senator George Voinovich (R-OH) to help the federal government better compete with the private sector in recruiting and retaining skilled workers as half of the 1.9 million federal employees become eligible for retirement in 2004.

Voinovich's legislation was approved as an amendment to a bill being debated by the committee today to combine federal law enforcement and security agencies into a new cabinet-level Department of Homeland Security. "So many things have gone wrong recently in the federal government because we lacked the right people in the right job. Providing the taxpayers with the services they need and want in an efficient way means having the smartest, brightest people on the job. With better tools for recruiting, retaining and training people, we can make sure that the best and brightest are fighting terrorism, protecting our air and water, monitoring the safety of our food and drug supply, and doing the many other necessary but unsung jobs we all depend on everyday," said Voinovich.

Today's committee approval of Voinovich's human capital amendment comes after three years of work during which management experts, academic leaders, and federal employee unions provided critical input. Included in the bill are provisions to:

- Establish a chief human capital officer at each agency to oversee recruitment, retention and training efforts and raise the profile of human capital needs within agencies; and create an inter-agency council of the officers to exchange best practices, similar to those that exist for chief financial and chief information officers;

Better Recruiting and Retention Tools

- Reform the competitive service hiring process to allow federal agencies to rank applicants in categories while maintaining veterans' preference and merit principles;
- Help retain more experienced managers at the highest ranks of agencies by revising outdated rules on performance bonuses that currently force some managers to spread bonuses out over two years. This requires increasing the limit on total annual compensation from level I of the Executive Schedule (\$166,700) to the vice-president's salary (\$192,600);
- • Permit agencies to offer a transit subsidy to student volunteers and interns;
- Authorize use of voluntary separation incentive pay and voluntary early retirement across the executive and judicial branches of the federal government for the purposes of workforce restructuring, a critical requirement given the downsizing of the executive branch during the 1990s, the current skills imbalances in the federal workforce, and the large percentage of federal employees who will be eligible for early or regular retirement in the coming years;
- Repeal the re-certification of senior executives, a complicated process that achieves no significant result that is not also achieved through annual performance evaluations;
- Require inclusion of human capital planning, including training, in Government Performance and Results Act (GPRA) performance plans and annual performance reports.

Expanded Training Opportunities

- Give agencies greater flexibility to pay for job-related academic training, including studies leading to an academic degree;
- Expand the types of federal jobs National Security Education Program (NSEP) grant recipients could accept to fulfill their service requirements to the federal government.

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- Improve out-dated hiring procedures to help expedite recruitment of new employees while still preserving veterans' preferences and merit hiring principles;
- Authorize the use of voluntary severance pay and early retirement across the executive and judicial branches to address the current skills imbalances in the federal workforce that resulted from poorly-planned downsizing during the 1990s;
- Help retain more experienced managers at the highest ranks of agencies by revising outdated rules on performance bonuses that currently force some managers to spread bonuses out over two years;
- Require human capital planning activities to be included in annual agency performance and management reports mandated by the Government Performance and Results Act. "There are still significant changes we need to make to our federal workforce policies to make sure that as we beef-up our homeland defense agencies we have the people to staff them. This is a good start, however, and I'm grateful for all the input we've received to improve this bill and move it along." Committee consideration of the underlying bill to create the new Department of Homeland Security continues. Once it is sent to the Senate floor and passed then differences between the House-passed version must be ironed out in a conference committee before it can be sent to the President for his signature.

U.S. Senator George Voinovich Federal Human Capital Amendments to the Homeland Security Bill Fact Sheet

Senator George Voinovich secured approval in the Senate Governmental Affairs Committee of several provisions designed to help the federal government better compete with the private sector in recruiting and retaining skilled workers as half of the 1.9 million federal employees become eligible for retirement in 2004. These provisions were originally introduced as part of S. 2651, the Federal Workforce Improvement Act of 2002.

New Chief Human Capital Officers

- Establish a Chief Human Capital Officer (CHCO) at major federal departments and agencies, similar to that of the Chief Financial Officer (CFO) or Chief Information Officer (CIO) established in the 1990s;
- Codify the Human Resources Management Council as the CHCO Council, an interagency advisory and coordinating body similar to the CFO and CIO Councils;