

Department of Homeland Security
Statement of Kay Frances Dolan
on
Federal Law Enforcement Personnel In the Post 9/11 Era
before the
Subcommittee on Civil Service & Agency Organization
and the
Subcommittee on Criminal Justice, Drug Policy, & Human Resources
Committee on Government Reform
July 23, 2003

Good morning Chairman Davis, Chairman Souder, and distinguished members of the Subcommittees. I am pleased to appear today at this joint hearing of the Subcommittee on Civil Service and Agency Organization and the Subcommittee on Criminal Justice, Drug Policy, and Human Resources on Federal law enforcement personnel in the Post 9/11 era. The Department of Homeland Security appreciates the support we have received from both Committees as we move to create a human resource system.

The Department has been provided an historic opportunity to design a 21st century human resource management system that is fair, performance-based, and flexible. We have a responsibility to create a system that is flexible and contemporary while preserving basic civil service principles. The Homeland Security Act of 2002 provided DHS the opportunity to improve and streamline the Federal personnel system in the following key areas:

- Hiring: bringing in the best and the brightest to work for DHS
- Pay: providing for pay determined by individual merit and value to the organization
- Classification: creating a system that is fair and distinguishes the value of work to DHS
- Bargaining: creating a cooperative, positive work environment
- Accountability: linking individual performance to organizational goals and balancing recognition and rewards with ability to identify and remove repeat poor performers

This is one of the most exciting challenges facing any government agency – to design a human resource management system which supports the goal of Homeland Security. The Secretary and the Director of the Office of Personnel Management are committed to creating a model system in that is responsive to DHS employees and the mission of the Department, and accountable to the American people. This is not a simple task, nor is it one to be taken lightly, and the Secretary and the Director have asked us to take the time to do it right.

Working with OPM, we are following a process that ensures maximum collaboration with our employees and their representatives, stakeholders, and subject matter experts. I am pleased to note that the next panel includes several union leaders who have joined with us in the design process. Their commitment and their contributions to the process have been invaluable.

We have established a Design Team that includes human resource professionals both from the Department and OPM, DHS front line managers and employees, and union representatives. The Design Team has been conducting research and outreach since the first of April. The Design Team has recently completed town hall and focus group meetings in nine cities across the county – meeting with over 2,000 front line employees and managers to elicit their input to the design of the new system. The results of those sessions are still being compiled – we can say, however, that participants are proud of the work they do on behalf of our country and they believe very strongly that they be treated fairly. We are committed to that concept.

The Design Team has researched human resources practices in the public and private sectors. Design Team members have met with close to one hundred individuals and organizations to discuss promising and successful practices and lessons learned.

The Design Team is now beginning to develop a range of options in each of the six areas of flexibility granted to the Department: pay, classification, performance management, adverse actions, appeals and labor relations.

Secretary Ridge charged the Design Team with developing options that first, support both the mission of the Department and the people charged with implementing it. He asked that the Design Team make sure the system is truly national -- meeting the needs of inspectors and analysts, law enforcement officers, intelligence specialists, scientists, and medical experts. Second, he directed the Design Team to leave any preconceived notions at the door. He insisted that the Design Team develop options where all employees can be confident they will be hired based on merit, will receive fair treatment without regard to political affiliation and equal pay for the same type of law enforcement work, and will not be retaliated against for whistleblowing. Finally, he asked the Design Team to develop options which hold people accountable for their performance – at every level – linking individual performance to organizational goals, with the ability to identify and reward exceptional service and discipline chronic poor performances.

A Senior Review Committee (SRC) has been established to determine which options should be presented to the Secretary and the Director of OPM for their consideration. The SRC will hold its first meeting later this week – Friday, July 25th – the meeting is open to the public. This meeting is intended to outline the

research strategy, present guiding principles for the design, and provide guidance to the Design Team.

Around the beginning of October, the SRC will meet again to review and narrow the range of options for presentation to the Secretary and the Director. The Director and the Secretary plan to issue proposed regulations for the new system later this calendar year.

The Design Team has begun to develop options. One of the most significant challenges is the issue of pay (and benefits) disparities for the over 50,000 employees who are covered by law enforcement retirement benefits or who are in positions with some law enforcement type duties. Section 881 of the Homeland Security Act required the Department to address this issue. Because it is so integral to the larger design process, we intend to address these pay and benefit issues during the development of the new human resource management system.

As Members and the panelists today know, the differences can be very significant and include differences in base pay, overtime and other premium pay, retirement, and special pay supplements. I would like to provide you with just one example of the extent and complexity of the problem.

Full implementation will eventually eliminate the need for travelers to undergo three separate inspections for immigration, customs, and agriculture. Significant cross training is being provided, as is counterterrorism training to create a better understanding of terrorist issues. However, the three legacy organizations are governed by different rules for setting overtime pay, commuting time pay, Sunday pay, night pay, and holiday premium pay. They are also subject to different premium pay caps and creditable pay for retirement purposes. These differences complicate ability of local managers to make assignments. And while these differences have long been troubling, they now are exacerbated by our move to integrate operations. These differences need to be resolved. The Homeland Security Act envisioned "one face at the border".

The Section 881 Report, which was submitted in March, provides many more examples of differences which we inherited when the Department was created. Not all differences constitute unwarranted disparities. The Design Team will help identify those instances where changes need to be proposed. Both Committees have generously invited the Department to make proposals where legislation may be necessary. We envision any such proposals to emerge from the design process late this year or early next year.

Thank you for the opportunity to appear before you today. I look forward to any questions or observations you may have.