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U.S. HOUSE OF REPRESENTATIVES

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Madam Chair, I am Steve Cohen. I serve as Senior Advisor for Homeland Security at the Office of Personnel Management. I thank you for the opportunity to testify on the design of a modern, merit based human resources management system for the Department of Homeland Security. I have with me Dr. Ronald P. Sanders, Associate Director, Division for Strategic Human Resources Policy, Office of Personnel Management. Dr. Sanders was hired by Director James to the OPM team last year and has served with me on the Senior Review Committee and in a leadership capacity on the design team. I will cover both later in my testimony

For well over a century, our civil service system has served this country and its citizens well. Most importantly, it has served as a source of strength and continuity during periods of crisis in our history and as a model for the rest of the world.

Today, as never before, our basic civil service system is facing a major challenge to its very existence. A system that has served us so well in the past has grown out-of-date and unresponsive to the needs of today and the likely needs of the future.

The Homeland Security Act of 2002 presented to the Secretary of the Department of Homeland Security, Tom Ridge, and to the Director of the Office of Personnel Management, Kay Coles James, an unprecedented opportunity to address that challenge and, by so doing, to demonstrate to the world that what was created 120 years ago can be updated once again to reflect the needs of a new era while still holding true to those ideals that we all value so very deeply-- merit, veterans preference, due process, and protections against prohibited personnel practices, discrimination and reprisal for whistle blowing.

Secretary Ridge and Director James addressed this challenge to our civil service system by creating a Department of Homeland Security human resources management design process that has been, at their direction, inclusive, collaborative, thorough and timely. It has won the praise of the General Accounting Office in a recent study entitled DHS Personnel Design Effort Provides for Collaboration and Employee Participation, top

managers of the Department of Homeland Security, and the Presidents of the three major employee unions within the Department—the American Federation of Government Employees, the National Treasury Employees Union, and the National Association of Agriculture Employees.

The design process has demonstrated that an atmosphere of mutual respect and trust can be created within which labor and management can work effectively together even when that atmosphere was originally one of distrust and animosity and even when disagreements continue to exist. It also will shortly demonstrate that human resource systems can be developed to meet the unique needs of any organization and its employees and, at the same time, serve well the American people and our obligation to preserve the world's greatest civil service system and the core values I mentioned previously.

At the heart of the DHS human resources design process was an outstanding design team made up of managers and employees from DHS, technical experts from OPM and DHS and professional staff representatives from the Department's three major employee unions—AFGE, NTEU, and NAAE. The nature of this highly collaborative design effort has been recognized as being the first of its kind and as a model for others to follow in the future.

To meet the charge of Director James, the team cast a wide net in its research efforts, examining HR policies and practices in private sector companies, non-profit organizations, state and local governments, and other Federal agencies. The team met with many highly regarded human resources experts, academics, and practitioners, and with over 2,000 front-line DHS employees, managers, and supervisors at town hall meetings and focus group interviews.

Relying on that broad approach as its foundation, the team created the 52 human resources options in the areas of pay, classification, performance management, labor-management relations, adverse actions, and appeals that were the subject of three days of intense discussion just last week by a highly select Senior Review Committee. I was honored to serve as co-chair of that Committee along with Janet Hale, Undersecretary of Management for DHS.

The report of that Committee's deliberations is scheduled to be submitted to Secretary Ridge and Director James within the next two weeks. That report will serve as the foundation for the subsequent decisions of the Secretary and the Director that will ultimately result in a human resources management system for the Department of Homeland Security that is both responsive to the uniquely critical mission of the Department and to the need to protect the basic civil service rights of its employees and that will serve as a model for the rest of the government.

Thank you, again, for this opportunity to testify. I will be happy to answer any questions the Committee may have.