

Testimony of Daniel P. Beard
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U.S. House of Representatives

Hearing on
“Investing in the Future of the Federal Workforce: Paid
Parental Leave Improves Recruitment and Retention”

Joint Hearing Before the
Joint Economic Committee
and
Subcommittee on the Federal Workforce, Postal Service
and the District of Columbia,
Committee on Oversight and Government Reform
March 6, 2008

Chairwoman Maloney and Chairman Davis, Members of the Subcommittee, I thank you for this opportunity to appear before you to discuss the importance of providing paid parental leave for all federal employees, including those in the Legislative Branch.

I want to begin by complimenting Congresswoman Maloney and her co-sponsors for introducing H.R. 3799. This is an important bill and it is my hope this legislation will be enacted promptly.

It is important to note that Section 3 provides for eight weeks of paid Family and Medical Leave for Legislative Branch (Title 2) employees. Too often when legislation like this is offered, it only covers Executive Branch employees. I appreciate the inclusion of our workforce in this legislation.

As the House Officer who would be charged with implementing this legislation, I can assure you we will have no problems implementing it as written and I hope it will be enacted as soon as possible.

Madam Chairwoman, this legislation will fill a significant gap in our employee benefits portfolio. The Legislative Branch, as well as the Executive Branch, is operating in a highly competitive job market. We must vie against other private sector, non-profit and government organizations to attract a talented and diverse workforce.

However, when it comes to salaries, it is difficult for federal agencies to be competitive with private and non-profit organizations. As a result, it is even more vital we have a strong employee benefits package that will enable us to attract a dynamic workforce.

In addition, having strong pay and benefits is absolutely essential for retaining our employees. It is naïve to think we can maintain a first-class workforce without it.

The Legislative and Executive branches must be staffed by capable, committed employees if we are to operate the federal government successfully and to ensure our employees are ready to handle any and all challenges. It is also to our benefit to have a stable workforce because recruiting and training workers is a very costly undertaking.

That's why passage of H.R. 3799 is so important.

Madam Chairwoman, one of the great myths about federal workers is they are "benefits rich," that federal employees are under-worked, overpaid and wallowing in cushy benefits.

False. Federal employees may have had a great benefits package in the 1950s, but that certainly isn't the case today.

Last fall, I hired the consulting firm Watson Wyatt to compare the benefits received by employees of the House of Representatives against employees of 14 other private firms, hospitals, universities and state governments. (See attached charts.)

As you can see from these attachments, our defined benefits retirement plan and our retiree life insurance were ranked first.

However, in every other area, our compensation package did not measure up to our competitors. We have a long way to go before the benefits for our workforce are competitive in attracting and retaining employees.

There is one other misperception I want to raise with respect to paid family and medical leave. A major criticism used to oppose this benefit is that it would cost too much. That simply isn't true.

Salary budgets remain the same whether an employee takes leave or not. The pay for that employee has already been included in the budget. Whether that individual is on paid leave or not doesn't affect the employing authority's bottom line.

It is also incorrect to assume that if an employee takes family or medical leave, that person must automatically be replaced by an equally compensated worker. The question of whether you need to replace an employee for up to 12 weeks is a management decision based on the particular characteristics of an organization. In fact, in most cases, careful management of human resources, which includes the effective absorption of the "on-leave" employee's workload by other staff, can minimize or eliminate the cost of providing such a Family Medical Leave benefit.

I would even argue that this approach *saves* money. Employee morale is always greater when an employer treats employees with dignity, especially in times of crisis.

Thank you again Madam Chairwoman for this opportunity to be with you here today. I'd be more than happy to answer any questions you may have.

**U.S. HOUSE OF REPRESENTATIVES
EMPLOYEE BENEFITS AND WORK LIFE PRACTICE
COMPARATIVE ANALYSIS
SEPTEMBER 2007**

OVERALL BENEFIT COMPARISON AND RECOMMENDATIONS

Benefit	US House of Representatives' Value	Comparison Group Average Benefit Value	US House of Representatives' Ranking in Comparison Group	Benefit Value as a % of US House of Representatives' Total Program
Total	100	94	Tied for 5th	100
Retirement	100	63	2nd	40
Defined Benefit	100	31	1 st	23
Defined Contribution	100	132	10 th	13
Retiree Medical	100	34	3 rd	4
Retiree Life	100	11	1 st	0
Health	100	125	12th	19
Medical	100	114	11 th	19
Dental	0	100	15 th	0
Paid Time Off	100	104	Tied for 8th	40
Vacation	100	109	9 th	23
Holiday	100	107	9 th	13
Sick	100	61	Tied for 6 th	4
Security	100	429	14th	1
Life Insurance	100	226	13 th	1
STD	100	506	13 th	0
LTD	0	100	Tied for 13 th	0

Comparative Group

- The study compares the benefits offered by the House to a cross-section of 14 organizations that the House selected. This “best practice” group of comparators included in the study are:

Baptist Health South Florida	Massachusetts Institute of Technology – Staff
BearingPoint, Inc.	Methodist Hospital System (Houston, TX)
Commonwealth of Pennsylvania	Oakwood Healthcare System
Genentech, Inc.	Robert W. Baird & Co., Inc.
Goldman, Sachs & Co. (2006 data)	Rockwell Automation
John Deere	St. Jude Children’s Research Hospital
Johns Hopkins – Staff	Stanford University – Staff

Note: The peer group was selected from Watson Wyatt’s COMPARISON™ database to include organizations from both the public and private sector, along with academic institutions and a state legislature.