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## **\$23 Million Cut In DHS MaxHR Funds, Contract Scrutiny Provision Will Increase Accountability In DHS, NTEU Leader Kelley Says**

**Washington, D.C.**—The leader of the union representing thousands of Department of Homeland Security (DHS) employees today applauded a House-Senate conference committee decision to reduce by some \$23 million—as called for by the union earlier this year—from the DHS 2006 fiscal year appropriation for implementing a proposed new personnel system referred to as MaxHR.

The report also includes language backed by the National Treasury Employees Union (NTEU) which directs DHS to submit to Congress a report detailing all contract obligations and expenditures both by department contractor and by year, along with the purpose of such contracts. NTEU and senior members of Congress have raised serious questions about the need for a \$175 million DHS contract with Northrop-Grumman to implement its new personnel system.

From the beginning of the budget process for fiscal 2006, NTEU has been arguing that proposed spending of some \$53 million by DHS for its untested MaxHR system was an inappropriate use of the money, given the department's other pressing needs—including the recent need for more front-line resources to help in the recovery from Hurricanes Katrina and Rita.

“The decision of the conference committee on the DHS appropriations bill recognizes that funding the troubled MaxHR system should take a back seat to other more pressing DHS priorities,”

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said NTEU President Colleen M. Kelley. NTEU has been leading the fight against the MaxHR system, saying that it lacks credibility with employees and threatens to seriously undermine their morale by significantly eroding collective bargaining, due process and appeal rights.

As a result of a federal court suit brought by NTEU, the department has been enjoined from implementing key parts of the system. In addition, DHS recently announced that it was delaying the start of the new pay system by one year.

The conference committee report provides \$38 million for the DHS Human Capital Officer, of which \$30 million is earmarked for the MaxHR system. Initially, the department sought \$53 million to implement MaxHR.

NTEU is the largest independent federal union, representing 150,000 employees in 30 agencies and departments, including about 14,000 in DHS's Bureau of Customs and Border Protection.

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