



National Association of Hispanic Federal Executives

P O Box 23270, Washington, DC 20026
Voicemail: 202-315-3942 * Fax 202-478-0806

*Promoting the
Senior Executive Service
for Hispanics*

April 23, 2008

Congressional Hearing Testimony on SBA Executive Diversity

Chairman Gonzalez and Members of the House Subcommittee on Regulations, Health care and Trade of the House Committee on Small Business, thank you for the opportunity to appear before you today.

My name is José Osegueda and I am the President and Chief Executive Officer of the National Association of Hispanic Federal Executives, or NAHFE. I recently retired from the Federal government and I am a live witness of the difficulties facing Hispanics in our quest to reach the highest ranks of Public Service. NAHFE represents all senior level Hispanics in the Federal workforce and speaks on their behalf here today. The mission of the organization is to identify, develop and support initiatives for Hispanics to achieve senior level, policy-making positions in the Federal government.



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The current selection methodology for senior level positions in the federal government has not produced any improvements of Hispanic representation at the senior levels of the federal government workforce. Hispanics represent 3.6% of the career SES cadre while making up 13.8% of the national civilian labor force. Using the most conservative calculations, this means that Hispanics today are underrepresented by close to 500 career SES positions.

To make matters less encouraging, Hispanic representation at the feeder positions leading to the career SES level, the GS 13-15 grades, is declining. According to the most recent OPM reports, Hispanic representation declined by 2.8%, or 579 positions, from 2006 to 2007.¹ Without a robust presence in the feeder pipelines, and strong measures of accountability, future Hispanic representation at the senior level positions of government will only get worse.

¹ Office of Personnel Management, Federal Equal Opportunity Recruitment Program (FEORP) Annual Report, September 30, 2007



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NAHFE believes one answer to successfully diversifying the senior level ranks of government is to set in place and to enforce meaningful systems of accountability, so that managers and supervisors may be held accountable for effectively carrying out their legal mandate to implement and promote equal employment opportunity and diversity programs. In fact, a number of accountability tools are already in place, they just haven't been effectively monitored or enforced. For example, the EEOC has failed to enforce the Uniform Guidelines on Employee Selection Procedures to monitor agency selection practices; OMB and OPM have seemingly rubber-stamped Agencies' progress in implementing the diversity component of the President's Management Agenda for the Strategic Management of Human Capital; and OPM has failed to effectively monitor and enforce agencies' implementation of Executive Order 13171, *Hispanic Employment in the Federal Government*. In short, no agency is enforcing diversity practices in the hiring, development, retention and promotion of Hispanics in the federal workforce. This culture of non-accountability has resulted in disgraceful levels of Hispanic representation at SES levels in federal agencies that should be leaders in diversity.



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That Hispanic underrepresentation in the federal workforce has reached crisis proportions clearly illustrated by these telling statistics: Hispanics remain the only underrepresented ethnic group, at 7.7%, in the overall government workforce. When compared to their present level of representation in the national civilian labor force, 13.8%, there is a Hispanic underrepresentation gap of 6.1% in the federal workforce, which represents the loss of 120,000 jobs, or \$5.5 billion in salaries alone, to the Hispanic community each year.

This dismal picture of underrepresentation, with an average annual hiring rate of 0.13% over the past 40 years, Hispanic representation in the federal workforce will never reach parity with their numbers in the national civilian labor force unless dramatic measures are taken to improve the broken federal personnel hiring system.



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NAHFE fully supports this Subcommittee's initiative to introduce legislation to establish an Executive Resource Office within the Small Business Administration to ensure that SBA executives reflect the Nation's diversity. NAHFE also supports the establishment of diverse executive evaluation panels which members will evaluate and certify the qualifications of each candidate for career SES positions. NAHFE has consistently emphasized the need for accurate and timely data of current SES positions filled, vacant and candidates for career SES positions.

The responsibility for accountability in diversity selections rests with the recruitment and selection process. And, the record speaks loud and clear that leaving independent authority for ensuring diversity in career SES selections with agencies will not improve the dismal bottom line. One need only look at the current levels of Hispanic representation in several key executive agencies to understand why it is time to abandon the failed SES selection methods of the past and turn to new, creative ideas for improving diversity at the senior levels of government.



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At the Department of Education and the General Services Administration, each agency has but one Hispanic in their career SES cadre, or a representation level of 1.4%; The Department of Transportation, with two Hispanics at the career SES level, has a representation level of 1.0%; The Department of State, with two Hispanics at the career SES level, has a representation level of 1.8%; and the Department of Defense, with over 1200 career SES employees, has but 1.4% Hispanic representation at the career SES pay level.² Nearly all other Executive and Legislative Branch Agencies have similar levels of Hispanic representation at the career SES levels.

For these reasons, NAHFE supports and commends the Subcommittee for introducing legislation that will create the accountability part of the process that has been missing all along: The Executive Resource Office, inclusion of minorities and women in executive evaluation panels, and the collection of data on executives by race, ethnicity, gender, age and persons with disabilities

² "Diversity in the Federal SES and the Senior Levels of the U.S. Postal Service", GAO Report, May 10, 2007



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NAHFE shares the goal of bringing greater diversity to the federal executive corps, and support the inclusion of women and minorities in the SBA executive evaluation panels. We do not believe that continuing to rely on the failed SES selection methodology of the past will yield different, more positive results. It is time to turn over a new leaf and dramatically improve the SES selection process. We believe that they will signal a welcome change toward improving diversity at the senior levels of government.

Chairman Gonzalez and Members of the House Subcommittee on Regulations, Health care and Trade of the House Committee on Small Business, we thank you for the opportunity to share our views and support for the "SBA Executive Diversity Act". We look forward to continue to work with you, other committees, and with federal agencies to ensure that our federal workforce truly reflects the diversity of America's population at all levels, but especially at the senior ranks of Public Service