

GAO

Report to Congressional Committees and
the Director, Office of Personnel
Management

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THE PUBLIC SERVICE

Issues Confronting the
Federal Civilian
Workforce



General Government Division

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The Honorable John Glenn
Chairman, Committee on
Governmental Affairs
United States Senate

The Honorable William L. Clay
Chairman, Committee on Post
Office and Civil Service
House of Representatives

The Honorable Constance Newman
Director, Office of Personnel
Management

This report addresses the key issues affecting the federal public service as identified by our reports and testimonies that we issued during calendar year 1990. It also summarizes, for fiscal year 1991, some significant improvements in federal human resource management and key recommendations, not yet acted on, that we made to Congress, the Office of Personnel Management (OPM), and other agencies. This report was prepared in response to Title I of the Civil Service Reform Act of 1978, which requires us to report annually on the significant activities of OPM.

Federal public service issues are at the heart of effective governance—the assurance that top-quality people carry out the programs of the President and Congress and are held accountable for achieving results. Our work in recent years has identified a number of problems that hinder the effectiveness, integrity, quality, and management of the federal public service. Government programs and services have suffered as a result of these problems. While progress has been made in recent years, the overall message is clear: human resource management in the federal government will need continued attention if the American people are to get the quality of government services that they deserve.

We issued 74 reports and 18 testimonies concerning the federal public service during calendar year 1990. The issues that were discussed primarily affected the federal civilian workforce; they excluded military personnel and income security issues, such as private pensions and social security. Appendix I contains a summary of each of the federal public service-related reports and testimonies issued during calendar year 1990. Appendix II is a bibliographical listing of the reports and testimonies mentioned in this report that were issued before or after calendar year 1990.

Drug Testing

Our work on federal employee drug testing showed that employees were not being treated equitably, program costs among federal agencies varied significantly, and administrative requirements were not being met.³ To address these problems, we recommended that a single agency be given the responsibility for overseeing the implementation of federal employee drug testing. Our recommendation was implemented in February 1991, when the Office of National Drug Control Policy became the lead agency.

Poor Performers

Our work on how the government identifies and deals with poor performers showed that contrary to general perceptions most federal supervisors were using the government's process to deal with their poor performers.⁴ Nevertheless, we identified several problems in how agencies deal with poor performers. For example, we found that supervisors (1) believed that dealing with poor performers took too much of their time, (2) had difficulty using standards to measure performance, (3) perceived a lack of authority to propose performance actions, (4) perceived a lack of management support, and (5) were reluctant to go through the appeal or arbitration process. Moreover, because some supervisors did not want to use the process to deal with poor performers, they sometimes rated poor performers as fully successful.

On the basis of our recommendations, the OPM Director sent a memorandum to agency heads asking them to determine the effectiveness of their performance management programs and to develop ideas that would improve the current governmentwide performance management system. OPM also issued a new chapter in the Federal Personnel Manual (FPM) that emphasizes the need for upper management support, supervisory training, and ongoing communication between supervisors and employees. In addition, OPM has added a course in its nationwide training program to improve supervisors' practical skills in dealing with poor performers. Our report also prompted the Air Force to implement a system for tracking the progress made by poor performers who were given performance improvement plans. This system gives management information on the progress that employees make to improve performance and also gives more accurate information on performance-based actions.

³Employee Drug Testing: A Single Agency Is Needed to Manage Federal Employee Drug Testing (GAO/GGD-91-25, Jan. 18, 1991).

⁴Performance Management: How Well Is the Government Dealing With Poor Performers (GAO/GGD-91-7, Oct. 2, 1990).

of our recommendations and those made by the National Commission on the Public Service, which also examined the education and training of professional personnel in federal service, OPM did a broad review of the policies and issues affecting the training and development of senior executives and other government employees. Consequently, in October 1990, OPM established a new Human Resources Development Group. This group joined together all of OPM's national training and development activities and will deal with, among other things, policy and programs for leadership and the oversight of executive and management training and development.

Agency Hiring Practices

Agency hiring practices have been improved as a result of our work on the use of direct-hire and outside-the-register temporary appointment authorities. For example, OPM developed a model recruitment program that agencies may use as a reference when designing their own individual recruitment programs.⁸ OPM has issued new instructions that include requirements for demonstrating compliance with merit system principles on direct-hire and related activities. It has also issued regulations requiring agencies to notify OPM and state job service offices of vacancies for temporary positions.⁹ OPM has agreed to issue additional FPM guidance now that regulations on temporary appointments outside-the-register have been adopted.

Labor-Management Relations

In the labor-management relations area, in September 1991, DOE accepted our recommendation to reevaluate provisions of a site-stabilization agreement used at the Idaho National Engineering Laboratory.¹⁰ Our recommendation stemmed from our concern that provisions of that agreement might not be in the public's best interest because they tended to favor unionized companies. On a much broader issue, the responsible House Committee has committed itself to giving serious attention to our conclusion that the federal labor relations program, in general, is not working and needs complete reform.¹¹

⁸Federal Recruiting and Hiring: Making Government Jobs Attractive to Prospective Employees (GAO/GGD-90-105, Aug. 22, 1990).

⁹Federal Workforce: Selected Sites Cannot Show Fair and Open Competition for Temporary Jobs (GAO/GGD-90-106, Sept. 5, 1990).

¹⁰Labor-Management Relations: Construction Agreement at DOE's Idaho Laboratory Needs Reassessing (GAO/GGD-91-80BR, May 23, 1991).

¹¹Federal Labor Relations: A Program in Need of Reform (GAO/GGD-91-101, July 30, 1991).

quality-related issues that we believe require congressional action or consideration. These issues included

- increasing options for supervisors to provide incentives for employees to improve their performance;
- clarifying the uses and purposes of the Intergovernmental Personnel Act Mobility Program;
- amending 5 U.S.C. 3109 to provide OPM with regulatory and enforcement authority over the employment of experts and consultants;
- enacting permanent legislation authorizing agencies to incur obligations but not to expend funds when agency appropriations expire;
- improving the administration and effectiveness of lobbying laws and regulations; and
- working toward comprehensive reform of the federal labor-management relations program.

Poor Performers

In October 1990, we suggested that Congress consider ways to ease the difficulties that supervisors encounter when dealing with General Schedule and Wage Grade employees who have performed at the minimally successful level¹⁴. Congress has not yet addressed this matter. We continue to believe that this issue is important because the options currently available to supervisors do not provide employees with sufficient incentives to improve employee performance. This has resulted in employees performing at the minimally successful level for extended periods of time.

Intergovernmental Personnel Act Mobility Program

In June 1989, we reported and testified on the mobility program created by the Intergovernmental Personnel Act (IPA) of 1970.¹⁵ The mobility program allows federal agencies to temporarily assign personnel to and receive personnel from eligible nonfederal organizations. Although federal agencies were using the mobility program in accordance with the act and finding mobility assignments beneficial, the main use of the program differed substantially from the basic purpose set forth in the 1970 act. Congress may want to reassess and clarify the primary purpose of the program. Congress may also want to require OPM to report periodically on issues like program costs and benefits, legislative or regulatory compliance, and program results.

¹⁴Performance Management: How Well Is the Government Dealing With Poor Performers? (GAO/GGD-91-7, Oct. 2, 1990).

¹⁵Intergovernmental Personnel Act of 1970: Intergovernmental Purpose No Longer Emphasized (GAO/GGD-89-95, June 19, 1989).

1991, we testified that a 1946 law addressing congressional lobbying is largely ineffective.¹⁸ Some significant lobbying activities are not covered by the act, and compliance among those persons and organizations that are covered by the act was less than ideal. Subsequently, in September 1991, we testified on the law addressing executive branch lobbying, noting that agencies had initiated efforts to implement the law but that OMB should clarify its guidance to provide more complete and accurate disclosure of lobbying activities.¹⁹

Having held hearings on this matter, the Chairman of the Senate Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, plans to introduce legislation to provide for governmentwide lobbying reform.

Labor-management Relations Reform

In July 1991, we reported on significant problems with Title VII of the Civil Service Reform Act of 1978, which deals with federal labor-management relations.²⁰ The report showed a widely held perception by program experts that collective bargaining in the federal sector is too adversarial and often bogged down by litigation over procedural matters and minutiae. These program experts also believed that some dispute resolution mechanisms are too lengthy, slow, and complex and that ineffective Federal Labor Relations Authority management has further weakened the program. In our opinion, piecemeal technical revisions are not the solution. Rather, we recommended that Congress reconsider the program with a view toward comprehensive reform.

At the Tennessee Valley Authority (TVA), which is exempt from Title VII, we found that unions suffer disadvantaged bargaining positions and have limited avenues for dispute resolution. At TVA, because of our concerns about Title VII, we suggested that issues be resolved through cooperative, voluntary efforts between TVA and its unions. We further suggested that legislative action be taken if cooperative efforts fail.²¹

¹⁸Federal Lobbying: Federal Regulation of Lobbying Act of 1946 is Ineffective (GAO/T-GGD-91-56, July 16, 1991).

¹⁹Federal Lobbying: Lobbying the Executive Branch (GAO/T-GGD-91-70, Sept. 25, 1991).

²⁰Federal Labor Relations: A Program in Need of Reform (GAO/GGD-91-101, July 30, 1991).

²¹Labor-Management Relations: Tennessee Valley Authority Situation Needs to Improve (GAO/GGD-91-129, Sept. 26, 1991).

use of representation indexes to analyze workforce data and estimate the number of people needed to attain full representation.²⁴ EEOC, in its forthcoming revised management directive, is planning to require more focused and specific data collection from agencies. It is reluctant, however, to implement a representation index system because it believes such a system may be interpreted as a hiring quota. We disagree. We believe goals could be set in this area that are not meant to be or managed as quotas.

**Confidential Financial
Disclosure Systems**

Regulations on confidential disclosure were issued by the Civil Service Commission in 1968 and are generally recognized as seriously deficient. Accordingly, we recommended that the Office of Government Ethics (OGE) promptly issue regulations establishing a confidential financial disclosure system for the executive branch and require that financial transactions be reported on confidential financial disclosure statements. OGE agreed with our recommendation and plans to issue regulations.²⁵

**FEHBP Fraud and Abuse
Controls**

In our July 1991 report on fraud and abuse controls in the FEHBP, we recommended that OPM (1) assess the participating plans' internal controls and hold them accountable for correcting weaknesses identified by the OPM Inspector General, (2) increase program oversight, (3) develop and implement an aggressive fraud and abuse prevention program, and (4) implement the authority to penalize health care providers who commit fraud or program-related offenses.²⁶

OPM generally agreed with our recommendations and identified the actions that it planned or had under way to strengthen program controls. However, to effectively implement those actions, OPM will need to request and obtain administration and congressional approval of additional resources. We believe OPM needs to devote more resources toward improving its internal controls in this area.

²⁴Federal Affirmative Action: Better EEOC Guidance and Agency Analysis of Underrepresentation Needed (GAO/GGD-91-86, May 10, 1991).

²⁵Office of Government Ethics' Oversight Role (GAO/T-GGD-90-48, June 5, 1990).

²⁶Fraud and Abuse: Stronger Controls Needed in Federal Employees Health Benefits Program (GAO/GGD-91-95, July 16, 1991).

Abbreviations

ACDA	Arms Control and Disarmament Agency
ADP	automated data processing
CFO	chief financial officer
CFTC	Commodity Futures Trading Commission
DOD	Department of Defense
DOE	Department of Energy
EDA	Economic Development Administration
EEO	equal employment opportunity
EEOC	Equal Employment Opportunity Commission
EPA	Environmental Protection Agency
FAA	Federal Aviation Administration
FBI	Federal Bureau of Investigation
FEHBP	Federal Employees Health Benefits Program
FERS	Federal Employees Retirement System
FPM	Federal Personnel Manual
FRA	Federal Railroad Administration
FWS	Fish and Wildlife Service
GM	General Management
GNP	gross national product
GPO	Government Printing Office
GS	General Schedule
GSA	General Services Administration
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
IG	Inspector General
IPA	Intergovernmental Personnel Act
IRS	Internal Revenue Service
NSF	National Science Foundation
OGE	Office of Government Ethics
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
RIF	reduction-in-force
SES	Senior Executive Service
SIDPERS-3	Standard Installation/Division Personnel System III
SSA	Social Security Administration
TVA	Tennessee Valley Authority
USDA	U.S. Department of Agriculture
VA	Veterans Administration
VOA	Voice of America

Tax Administration: Potential Audit Revenues Lost While Training New Revenue Agents

GAO/GGD-90-77, April 6, 1990

In an effort to increase revenues, Congress provided the Internal Revenue Service (IRS) with funds for 2,500 more examination staff in fiscal year 1987 and another 2,500 staff in fiscal year 1988. Most of these positions were for more revenue agents—the IRS employees responsible for examining complex tax returns. Between 1986 and 1988, IRS hired about 7,300 revenue agents. GAO found that in terms of unrealized audit revenues, the cost of using experienced revenue agents to train these new hires was significant. By the time IRS finishes training the new hires in the five IRS districts GAO examined, IRS could lose about \$980 million in audit revenues. IRS 1989 estimates of such losses were about half as much as GAO's—a difference attributable to various deviations in methodologies used. Regardless, the conclusion is the same—unrealized audit revenues associated with training new revenue agents have been substantial. As a result, IRS is planning to begin contracting out some of its training in fiscal year 1991 and is considering other alternatives to its current training program.

1990 Census: Enhanced Oversight Should Strengthen Recruitment Program

GAO/GGD-90-65, April 13, 1990

Hiring and retaining the 390,000 temporary employees needed to finish the 1990 census was a major challenge. GAO found that almost one-half of the Census Bureau's district offices were unable to meet the 1989 recruiting goal of four applicants for every field position during prec canvass. The Bureau generally was able to overcome its recruiting difficulties and finish prec canvass on time. However, staff shortages in some offices led to delays in completing prec canvass, increased costs, and forced changes in the Bureau's staffing procedures. The problems in meeting 1989 recruitment goals raised concerns about the Bureau's ability to attract enough staff in 1990. There were many obstacles to attracting workers, including the temporary nature of census jobs. Although the Bureau has made progress in developing a recruitment program, more recruiter training is needed on how to manage a major recruitment effort. Local planning also needs to better address the diverse demographic and economic challenges facing the Bureau, such as how to compete in high-employment areas. The

Federal Pay: Comparisons With the Private Sector by Job and Locality

GAO/GGD-90-81FS, May 15, 1990

In looking at how federal recruitment and retention of employees could be improved, one of GAO's research priorities has been federal pay. This fact sheet compares federal and private sector pay by job and geographic area to determine the degree of pay comparability within specific localities. GAO's pay comparison shows that in most cases the private sector paid more than the federal government for the same jobs within particular metropolitan statistical areas. Although most of the occupations in GAO's analysis are classified by the Office of Personnel Management (OPM) as "clerical" or "technical," two occupations (computer programmer and computer systems analyst) are classified as "administrative." The degree of federal/private sector pay disparity was even greater in these administrative jobs.

Peace Corps: Meeting the Challenges of the 1990s

GAO/NSIAD-90-122, May 18, 1990

Despite its historic successes, the Peace Corps faced many challenges as it approached the 1990s. In trying to reach its objective of 10,000 volunteers, the Peace Corps needs to use new ways to attract and retain volunteers with critical skills. The agency has not been fully able to meet countries' requests for volunteers with special skills in fields such as agriculture, education, industrial arts, and home economics. The agency has also had difficulty attracting minorities, which has resulted in a Peace Corps that does not reflect the true ethnic diversity of the American people. The Peace Corps also needs to strengthen its programming of assignments for volunteers. In seven countries GAO visited, some volunteers had little to do, while others were not receiving needed support from host government agencies. GAO found that this inconsistency is one reason that one of every three volunteers leaves the Peace Corps before the end of his or her 2-year assignment. Finally, the Peace Corps has given low priority to teaching Americans about foreign cultures.¹

¹GAO summarized this report in testimony before Congress. See Peace Corps: Meeting the Challenges of the 1990s (GAO/T-NSIAD-90-39, May 22, 1990).

Federal Recruiting and Hiring: Making Government Jobs Attractive to Prospective Employees

GAO/GGD-90-105, August 22, 1990

As an employer, the federal government faces a predicament. Its work is becoming more technical and knowledge-intensive while the labor market from which it must recruit is increasingly competitive. GAO examined federal recruiting and hiring and found two major obstacles facing the government: (1) noncompetitive starting pay—along with a complex and time-consuming hiring process—and (2) limited outreach. Special salary rates are widely used, but federal government starting salaries, even when bolstered by special pay rates, lag behind private and other public sector starting pay. Federal agencies now have little flexibility in setting entry-level starting salaries that are above the minimum entry step. GAO continues to support federal pay reform. Direct hire has become a popular way to make the federal hiring process more flexible. However, OPM's direct-hire procedures do not ensure that merit principles are being met, and GAO believes that additional guidance and oversight are needed. OPM has recruiting initiatives under way and plans to increase its outreach to potential applicants. However, many of the agency recruiters GAO interviewed had little knowledge of these initiatives.

Recruiting and Retention: Inadequate Federal Pay Cited as Primary Problem by Agency Officials

GAO/GGD-90-117, September 11, 1990

Federal law mandates comparability between federal and private sector pay for similar white-collar jobs. However, since the late 1970s, the pay gap has widened to the point where average private sector salaries now exceed federal pay by about 25 percent. GAO reviewed a range of jobs in different agencies and geographic locations across the country and found that low federal pay was the most frequently cited reason for employees to leave the federal government and for applicants to decline a federal job offer. The availability of nonfederal jobs and, particularly for nurses, federal understaffing were also cited as important reasons to decline federal employment. Federal job security was mentioned as the most important reason to stay in or accept a federal job. GAO believes that pay reform, particularly locality-based pay adjustments, would improve recruitment and retention efforts. Agencies seldom kept systematic records documenting how recruitment and retention problems affected their operations. However,

populations they serve. Political considerations, inertia, and short-term budget pressures also can affect location decisions. GAO believes that agencies should consider locality incentives and technology advancements more systematically in making location decisions and that a more consistent and cost-conscious federal location policy is warranted. Because the General Services Administration (GSA) is the central management agency responsible for governmentwide facility management policies, GAO believes that GSA should develop a proposed location policy for congressional consideration that would provide broad guidance for agencies.

EEO at Justice: Progress Made but Underrepresentation Remains Widespread

GAO/GGD-91-8, October 2, 1990

The Justice Department is the Nation's main law enforcement agency, employing over 50,000 people in addition to those working at the FBI. After reviewing the affirmative action program at the Department of Justice, GAO concluded that Justice needs to strengthen the management of its equal employment opportunity program. For instance, GAO found that affirmative action employment plans have been submitted extremely late and that performance plans lacked the specificity to hold high-level executives truly accountable for EEO matters. Further, Justice has been slow in accumulating and analyzing information on its recruiting efforts and has refused to use numerical goals as a management tool for increasing minority and female representation. While GAO believes that Justice has made progress in moving toward full representation, it still has a long way to go. After years of effort, underrepresentation persists in at least 33 of 60 key job categories GAO examined.

Pay and Benefits: Data on Energy Employees Who Retired or Resigned in Fiscal Year 1989

GAO/GGD-91-14BR, October 25, 1990

Questions continue to be raised about the federal government's ability to hire and retain high-quality workers. Many studies by the Department of Energy (DOE), GAO, and others have concluded that noncompetitive federal salaries contribute to federal recruitment and retention problems. GAO collected information on former DOE employees at grade 13 and above who retired or resigned during fiscal year 1989. GAO found that 43 of 78

exceed the national average. However, GAO suggested that it would be more appropriate to compare federal and nonfederal salaries directly and to consider cost-of-living levels in determining locality adjustments. Private sector companies often increase employee salaries on the basis of job performance. GAO suggests that requiring greater accountability from federal workers in return for higher salary levels is an issue that needs serious consideration.

Capitol Police Pay and Personnel Systems: Dual Systems Create Differences, by Milton J. Socolar, Special Assistant to the Comptroller General, before the Subcommittee on Legislative Branch, Senate Committee on Appropriations.

GAO/T-AFMD-90-12, March 23, 1990

GAO testified on the preliminary results of its review of Capitol Police Force personnel administration. Personnel administration of the Force is divided between the House and the Senate, and GAO identified differences in House and Senate treatment of the Capitol Police in the following four areas: retirement benefits and policies, leave policies, hiring of civilians, and grievance procedures. GAO believed these differences affected police operations and were impediments to the unification of the Force.

Legislative Proposals to Establish Professional Acquisition Corps, by Paul F. Math, Director of Research, Acquisition, and Procurement Issues, before the Subcommittee on Investigations, House Committee on Armed Services.

GAO/T-NSIAD-90-27, March 28, 1990

GAO supported the proposal to create a professional acquisition workforce and corps within each military service. GAO believed it is important for "good" people to be recruited into the acquisition workforce, and GAO strongly agreed that clear career paths with requirements for education, training, and experience were needed for all positions. GAO also supported the idea that military and civilian personnel should be considered equally when determining assignments. GAO believes that further clarification was needed in some areas of the proposal, such as the defense acquisition concept and recruitment and retention incentives.

Peace Corps: Meeting the Challenges of the 1990s, by Milton J. Socolar, Special Assistant to the Comptroller General, before the Subcommittee on

modernizing its training. GAO discussed training of FAA's safety-related workforces—air traffic controllers, aviation safety inspectors, and maintenance technicians. In light of FAA's extraordinary training needs, along with the link between deficiencies in safety-related workforce training and impairments in air traffic safety, GAO urged that FAA begin to resolve these issues. GAO believed that continuing to delay would only increase the potential for safety-related problems.

Workforce Effectiveness

Reports

VA Health Care: Nursing Issues at the Albuquerque Medical Center Need Attention

GAO/HRD-90-65, January 30, 1990

GAO looked at several concerns—ranging from inadequate staffing and pay inequities to waste and loss of supplies and equipment—raised by nurses at the Department of Veterans Affairs (VA) Medical Center in Albuquerque, New Mexico. GAO found that management at the Medical Center had resolved many of these issues. Nurse vacancies and overtime had been reduced, pay issues had been addressed, the number of promotions and awards had increased, disciplinary actions had been reduced, the nursing home care unit was being renovated, and the number of beds operated in the facility had been reduced. In addition, VA submitted a legislative proposal to OMB that addressed pay issues that could not be handled at the Center level. While progress had been made in many areas, staff injuries, support services, paperwork, and acuity determinations needed to be addressed more fully during the monthly meetings between management and the registered nurses' union. GAO believed an independent human resources specialist should be brought in to enhance the dialogue between the two groups. GAO also believed that the Medical Center Director should actively participate in the meetings. In addition to the labor-management issues, Center management must improve its internal controls over property. To eliminate any inconsistencies, management also needed to reexamine the physical requirements it placed on nursing hires and nurses returning to work after an injury.

many performance measures existed at lower management levels, less concise performance information was to be found at the directorate level. This lack of concise information limited the director's ability to track how well OPM was doing in many key areas. Finally, linking performance standards and expectation for organizational units more closely to the performance workplans of the unit's managers would make managers more accountable for results.

Management of HHS: Using the Office of the Secretary to Enhance Departmental Effectiveness

GAO/HRD-90-54, February 9, 1990

Secretaries of the Department of Health and Human Services (HHS) shoulder responsibilities for budgets totaling hundreds of billions of dollars, for hundreds of programs, and for decisions that affect the health and welfare of millions of Americans. This management review of HHS concluded that the lack of an effective management system within the Office of the Secretary has hampered the ability of HHS Secretaries to manage their tremendous responsibilities. GAO believed such a system should help Secretaries understand and identify emerging policy and management issues, improve human resource management, establish clear goals and objectives for these issues, and develop strategies to accomplish the goals and objectives. The system must also include accountability dimensions that enable the Secretary to monitor and track the Department's progress in achieving its goals and objectives, oversee the operations of programs and activities that have been delegated to others, and provide feedback to and communicate with HHS components.

IRS' Reorganization: IRS Senior Executives' Views on the Impact of the 1987 Reorganization

GAO/GGD-90-45, March 8, 1990

As an outgrowth of a joint general management review of IRS, GAO and IRS agreed to survey IRS senior executives' perceptions about the effectiveness of a 1987 reorganization of top-level positions. Overall, IRS senior executives found the reorganization to be positive but had mixed views about how well it achieved its stated goals. They believed that it helped organizational communication and decisionmaking but had little impact on strengthening managerial accountability throughout IRS. In October 1989,

improvements under the new Director General. However, GAO did find that some assignment and selection processes were questionable and continued to diminish the credibility of the Service's personnel management system. In addition, the commercial staff levels in Taiwan were not in compliance with the requirements of the Omnibus Trade and Competitiveness Act of 1988.

Inspectors General: Staff Resources of VA's Office of Inspector General

GAO/AFMD-90-6, April 13, 1990

The Department of Veterans Affairs Act established the Veterans Administration as a cabinet-level department in March 1989 and redesignated it the Department of Veterans Affairs. The act also authorized 40 more staff members for VA's Office of Inspector General (OIG) to be phased in during fiscal years 1990 and 1991. OIG provides widespread coverage of VA's operations through its audits and investigations of the agency's facilities, programs, and functions. GAO evaluated OIG's use of its current staff, its planned use of the 40 additional staff members, and its plans to request further staff increases. GAO believed the 40 additional staff members would help OIG provide even more in-depth coverage of VA's operations. However, GAO was concerned that OIG's plans for a future staffing level of 809 were not adequately supported by OIG's workload assessments.

Postal Service: Employee-Management Relations at the Indianapolis Post Office Are Strained

GAO/GGD-90-63, April 16, 1990

In the mid-1980s, the Indianapolis Post Office underwent major organizational and personnel changes. These changes were unpopular with some employees and spawned unrest. Many Postal employees brought complaints about division management to Congress and the media. In this review of employee-management relations at the Indianapolis Post Office, GAO looked at concerns about the displacement of senior black managers, the integrity of promotion decisions, the treatment of workers, the handling of complaints about equal employment opportunities, and the actions taken by management to resolve employee complaints and concerns. GAO found that while the Postal Service had made several efforts to improve employee-management relations, an atmosphere of distrust and dissatisfaction prevailed. GAO noted that the effectiveness of any present or

experience and training of its project managers by establishing a screening panel to select qualified officers to serve as project managers and by sending many of the selected officers to a 20-week acquisition management training course. Officers did not have to have acquisition experience or training to be selected. The average tenure of the current project managers expected to transfer to new assignments in fiscal year 1990 was 3 years. Because project management requires an extensive knowledge of procurement practices, GAO believed that retaining these managers longer would allow the Coast Guard to use their experience and training more effectively.

Tax Administration: IRS Needs More Reliable Information on Enforcement Revenues

GAO/GGD-90-85, June 20, 1990

With continuing high federal budget deficits, can Congress and the administration look to IRS for greater revenues from its enforcement programs? If so, by how much? GAO found strong evidence to suggest that IRS' after-the-fact estimates of amounts collected from its total enforcement efforts have been far too high—on the order of \$20 billion, or about 40 percent, off. GAO was concerned about the absence of sufficient documentation to assess the reasons for the variances. Even more troubling to GAO was IRS' continuing inability to report what revenues actually resulted from its enforcement programs. In response to concerns raised by GAO and others, IRS had several efforts under way to improve information on the results of its enforcement efforts and develop better estimates of future enforcement revenues. To ensure the success of these efforts, GAO believed that IRS and congressional committees needed to exert strong oversight. In the meantime, Congress was still faced with funding and staffing decisions for IRS' enforcement programs. GAO believed that adding more IRS enforcement staff would generate additional revenues, especially over the long run. However, until IRS develops more reliable information on the results of its enforcement efforts, Congress should use the most conservative assumption in its deliberations about additional revenues that can be expected from additional enforcement staff.

Tax Administration: IRS' Improved Estimates of Tax Examination Yield Need to Be Refined

GAO/GGD-90-119, September 5, 1990

Arms Control and Disarmament Agency: Stronger Actions Needed to Improve Personnel Management

GAO/NSIAD-90-259, September 12, 1990

In March 1989, the State Department's Inspector General issued a report characterizing the U.S. Arms Control and Disarmament Agency's (ACDA) operations and activities—including its personnel practices—as “skewed” and lacking organization. Limited development and training programs for career employees at ACDA as well as equal employment opportunity problems were noted. In August 1989, OPM recommended that ACDA develop a new structure and career path for its clerical and technical staff. GAO found that top management at ACDA had not taken adequate action to address the personnel management problems identified in these 1989 reports. GAO believed that establishment of more systematic career development, training, and affirmative action programs would demonstrate to career employees at ACDA that management was actively committed to improving personnel practices, which in turn should result in improved employee morale and enhanced work productivity.

Government Printing Office: Monopoly-Like Status Contributes to Inefficiency and Ineffectiveness

GAO/GGD-90-107, September 26, 1990

From Census forms to top secret manuals, the federal government spends over a billion dollars each year on the printed word. Much of this work falls to the Government Printing Office (GPO), a legislative branch agency that has a monopoly-like role in providing government printing services. Although this arrangement was originally intended to ensure efficiency, it now perpetuates inefficiency by insulating GPO from market forces: GPO has little incentive to improve operations and provide quality services at competitive rates. GAO found that GPO's operations were characterized by (1) costly, sometimes wasteful in-house production that relied on outdated equipment and disregarded efficiency and quality; (2) a procurement system that lacked necessary and readily available performance information and continued to award contracts to poorly performing contractors; (3) poor communication with customers and poor systems for tracking and resolving customer complaints; and (4) weak managerial accountability. This general management review offered recommendations to the Public Printer and to Congress on how to improve GPO's operations. It also

pay-for-performance system. GAO visited six state governments that run pay-for-performance systems and found that the systems varied in terms of funding, rewarding employees whose performance justified more compensation, the number of performance levels used to assess employee performance, and the percentage of the workforce covered by pay for performance. Also, some state pay-for-performance programs were not fully implemented because of inconsistent funding. Foreign countries also have begun using pay for performance. As of September 1988, 13 of 24 countries affiliated with the Organization for Economic Cooperation and Development—a European-based research organization—either had or were proposing a performance-based pay system. It is clear that whatever type of pay-for-performance system is adopted for federal employees, adequate funding is critical if the system is to meet its objectives and achieve credibility among employees.

Testimony

Progress of the 1990 Decennial Census: Some Causes for Concern, by L. Nye Stevens, Director of Government Business Operations Issues, before the Subcommittee on Census and Population, House Committee on Post Office and Civil Service.

GAO/T-GGD-90-44, May 21, 1990

GAO's testimony focused on two important census operations. The first was the Bureau's nonresponse follow-up operation, which sought to obtain questionnaires from households that did not initially respond to the census. The second was the local review program, which gave local governments an opportunity to improve the accuracy and completeness of census counts. GAO specifically discussed the preliminary results of its work on the local review program in New York City. Lower-than-expected mail response rates and the resulting need for more staff, the number of completed cases in the follow-up operations, and missed housing units in New York City were some of the issues GAO touched on in this statement.

Social Security: Many Administrative Law Judges Oppose Productivity Initiatives, by Gregory J. McDonald, Associate Director for Income Security Issues, before the Subcommittee on Social Security, House Committee on Ways and Means.

GAO/T-HRD-90-39, June 13, 1990

plague all major agencies. For years GAO has strongly advocated the creation of a centralized leadership position to direct the government's financial management activities—a chief financial officer (CFO). Overall, GAO believed that legislation introduced in the Senate—S. 2840—best addressed the critical elements needed for reform. This bill would establish a CFO position to lead the development and implementation of a comprehensive, governmentwide financial management improvement plan. The agency CFOs can centralize financial management authority and responsibilities at a senior level within agencies so that financial systems, practices, and reporting can be orchestrated to best meet the agencies' needs. GAO also believed that legislatively mandating for all executive departments and major agencies would help ensure that the financial systems were working, the government's assets were protected, and reliable information was being provided to program managers. In urging passage of CFO legislation, the Comptroller General testified that the government must be willing to make systems and personnel investments or face collapse of the government's financial management structure.

Integrity

Reports

Federal Employees: Commerce Department's Reclassification of Three Managerial Positions

GAO/GGD-90-41, January 18, 1990

GAO looked into allegations about improper classification of three top management positions at the Department of Commerce's Office of Finance and Federal Assistance. In 1984 and 1985 the Commerce Department moved the three positions from the accounting and budget group to the administrative and clerical group. It was alleged that the positions had been improperly classified, at least in part, to put unqualified persons in accounting positions. It was further alleged that the misclassification relegated the top accounting position at the departmental level to too low a level relative to the importance of the accounting functions. GAO asked OPM's opinion on the situation. OPM concluded that two positions—the Director of the Office of Financial Management and the Chief of the Financial Management Division—were more appropriately categorized in the accounting and budget group. Although OPM preferred that the third position—the Director of the Office of Financial Management—also be classified in this group, it accepted Commerce's classification because of

Government Ethics: HUD Financial Disclosure Reports Missing or Not Reviewed

GAO/GGD-90-51, February 6, 1990

As part of its review of the government's use of experts and consultants, GAO looked at whether these individuals had been filing the financial disclosure statements used to identify and avoid conflicts of interest arising from an employee's personal financial interests and his or her federal duties. At HUD, GAO found that the system for obtaining and reviewing disclosure statements was extremely weak, both for regular employees and for experts and consultants. Out of a sample of 62 experts and consultants, HUD never received disclosure statements from 52 of them. While agencies are required to review public disclosure statements within 60 days of filing for possible conflicts of interests, none of the 62 statements had been reviewed more than 100 days after filing. HUD attributed these problems to inadequate staff; however, GAO believed the main cause to be more fundamental—that HUD officials had not adequately discharged their duties. The Secretary of HUD is ultimately responsible for seeing that HUD has an effective program and for holding HUD officials accountable for doing their jobs. Overall, GAO cited the lack of the following as contributing factors to these problems: clearly defined responsibilities, formal written procedures, enough management responsibilities, adequate staff, and adequate leadership to manage the program. HUD said that wholesale improvement of its ethics program was a priority and that it had begun responding to GAO's recommendations. HUD's reforms included the creation of a new Office of Ethics and the complete restructuring of the financial disclosure system.

DOD Revolving Door: Few Are Restricted From Post-DOD Employment and Reporting Has Some Gaps

GAO/NSIAD-90-103, February 27, 1990

Revolving door legislation prohibits certain former Department of Defense (DOD) civilian employees and military officers from accepting compensation from defense contractors for 2 years after leaving DOD. GAO found that DOD and defense contractors have set up procedures to comply with the legislation, including provisions requiring defense contractors to report the names and duties of former DOD personnel to whom they paid compensation for the first 2 years after leaving DOD. GAO found that the legislation limited few DOD personnel from obtaining post-DOD employment with defense contractors. In addition, some employees covered by the

the program, however, responded favorably to GAO's recommendations and initiated many needed improvements.

EDA: Treatment of Blacks at the Economic Development Administration in the 1980s

GAO/HRD-90-148, September 26, 1990

GAO examined allegations concerning the treatment of blacks at the Economic Development Administration (EDA) in the Department of Commerce. These allegations, raised by a former EDA employee, involved (1) personnel and equal employment opportunity matters affecting black EDA employees and (2) programmatic decisions dealing with the award of grant funds and how these activities affected black applicants. GAO could not review allegations about incidents occurring between fiscal years 1981 and 1984 because documentation was unavailable; EDA generally does not keep records and files for more than 3 years. However, GAO discussed the number, bases, and resolutions of formal discrimination complaints filed by black employees at EDA during fiscal years 1985 to 1989. During fiscal years 1986 through 1989, blacks were relatively well represented in all federal job categories and grade levels at EDA when compared with the national civilian labor force, even though EDA's funding and staffing levels had decreased significantly. EDA generally prepared annual affirmative employment plans and accomplishment reports as required, although it did not always follow through on actions stated in these plans. Data on the extent that minorities benefited from EDA grants were unavailable, as were data on the number of jobs created for minorities.

Employee Financial Disclosure: Farm Credit Administration System Is Generally Operating Effectively

GAO/GGD-90-115, September 27, 1990

GAO evaluated the implementation of ethics laws and regulations that govern the conduct and responsibilities of employees of the Farm Credit Administration, an independent executive branch agency. GAO concluded that the Farm Credit Administration had significantly improved the administration of its financial disclosure system but could further strengthen the prevention, detection, and resolution of conflicts of interest. Steps to do so should include more closely monitoring the status and disposition of disclosure reports and more fully implementing requirements of the Ethics in

numbers in the regional workforce. In addition, some files were incomplete regarding how applicants were chosen for the best-qualified list. While HHS headquarters generally followed policies and procedures prescribed by the Equal Employment Opportunity Commission in handling formal discrimination complaints, complaint processing often exceeded the recommended time frame of 180 days, with some cases taking more than 3 years to settle.

Test and Evaluation: The Director, Operational Test and Evaluation's Control Over Contractors

GAO/NSIAD-91-60, December 21, 1990

The Director, Operational Test and Evaluation, DOD, uses contractors to assist with the operational test and evaluation of major weapon systems. Concerns have arisen that some of these contractors may have a conflict of interest; that is, they could be assessing the operational testing of the very weapon systems that they had helped to develop. This report (1) describes the nature and extent of the Director's management controls over contractor support, including measures to address possible conflicts of interest under omnibus contracts; (2) provides GAO's views on the Director's use of Federally Funded Research and Development Centers, particularly the Institute for Defense Analyses; and (3) determines the Director's use of the Institute during fiscal years 1987 through 1989 and identifies any possible conflicts of interest and the Institute's controls to avoid such conflicts. While the Director's policies and procedures for managing contractors complied with existing guidelines, GAO was concerned that the Institute was not required to disclose to the Director possible conflicts of interest arising either from its work for DOD organizations responsible for system acquisitions and development and testing or from its use of consultants.

Energy Management: DOE Needs to Better Implement Conflict-of-Interest Controls

GAO/RCED-91-15, December 26, 1990

DOE has 22 federally funded research and development centers that are managed and run by private corporations and universities under contracts with DOE. In fiscal year 1989, DOE paid these contractors almost \$8 billion; these contractors, in turn, awarded about \$3.2 billion to subcontractors. In response to concerns about subcontractor conflicts of interest, GAO looked into the situation and found that while DOE's written policies and

the employees had alleged. The lack of supportive documentation and/or the lapse in time since some of the incidents occurred prevented GAO from making a determination of the validity of some of the specific allegations. However, GAO's review did find inadequate controls over time and attendance; weaknesses in the administration of certain contracts; differences in grade structures between VOA divisions, which caused dissension; underrepresentation of women and minorities, especially in the senior or supervisory ranks; limited employment rights for noncitizen employees; and inappropriate use of excepted service hiring authority. GAO testified that VOA has responded to several of these issues.

Stewardship

Reports

Air Force Audit Agency: Opportunities to Improve Internal Auditing

GAO/AFMD-90-16, February 20, 1990

This report was the third in a series of GAO reviews of internal audit organizations within the Department of Defense. GAO reviewed the Air Force Audit Agency and found that it was generally providing effective audit service to the Air Force. During fiscal year 1988, the Air Force Audit Agency reported \$339 million in monetary benefits that might be achieved if its audit recommendations were implemented. This figure would bring the total monetary benefits reported by the Air Force Audit Agency over the last 3 fiscal years to \$2.2 billion. Despite significant achievements, GAO believed the Air Force Audit Agency would be capable of greater accomplishments if it changed its method of planning and managing audits. GAO recommended that audit planning consider the relative merits of each audit proposal rather than continue the current method of allocating staff to installation-level work. GAO also recommended that all military auditor positions be converted to civilian positions and that audit quality controls be strengthened.

Air Force ADP: The Personnel Concept III System Is Not Ready for Deployment

GAO/IMTEC-90-22, February 27, 1990

GAO reviewed the Air Force's development of the Personnel Concept III System, an automated system designed to allow users at the unit command

payroll budget. In general, Navy managers said that the increased accountability provided through the program made them more aware of payroll costs. Moreover, officials from the Navy Comptroller's office said that the changes to the payroll budget that occurred were better justified. Since the program's implementation, the Navy's overall payroll expenditures have been either under or within about 1 percent of its budget. Although some problems have been attributed to the program, Navy officials said that these problems were actually caused by budget constraints, hiring freezes, or other factors that did not result from the program.

Retirement System: Concerns About OPM's FERS Automated Processing System Procurement

GAO/IMTEC-90-45, April 4, 1990

GAO reviewed a planned \$54 million procurement by OPM. OPM planned to develop an automated system to support the Federal Employees Retirement System (FERS). OPM also planned to buy hardware compatible with IBM equipment for the new system. GAO found that the technical specifications in the FERS request for proposals were not unduly restrictive. GAO also found that OPM did not act improperly in obtaining assistance from two outside sources in developing the request for the proposal. However, in seeking to reduce project risk, OPM required prospective vendors to meet six experience requirements on a strict go/no go basis. GAO believed that OPM's objective of reducing risk was proper but that the go/no go basis for evaluation may have unnecessarily restricted competition for the procurement. Further, even after complaints by potential offerors that the go/no go requirements were overly restrictive, OPM did not adequately evaluate the effect of these requirements on potential competition. GAO believed OPM should see if a less restrictive approach, such as awarding offerors points for their experience, would meet the agency's minimum requirements.

Drug Testing: Action by Certain Agencies When Employees Test Positive for Illegal Drugs

GAO/GGD-90-56FS, April 6, 1990

In May 1987, GAO testified on OPM's guidelines for establishing a drug-free federal workplace. GAO noted that because of the range of penalties that could be imposed under the guidelines, disciplinary actions could vary from agency to agency or even within an agency. For this fact sheet, GAO

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The Inspector General Act Amendments of 1988 established OIGs in 33 designated federal entities. GAO found that these federal entities have officially established an OIG and have appointed either an IG or an acting IG. GAO found that independence, authority, and capability of the IGs were sometimes constrained by limitations imposed by the entities. While most of these constraints were removed following discussions with officials at the federal entities, problems remained. For example, (1) at least eight of the new OIGs had inadequate resources, and (2) the entity head responsible for supervising the IGs had not been correctly identified at two entities.

Inspectors General: Establishment of the National Science Foundation's Office of Inspector General

GAO/AFMD-90-15, April 27, 1990

The Inspector General Act Amendments of 1988 required the National Science Foundation (NSF) to establish an OIG and designated the National Science Board as the head of NSF for purposes of the act. GAO reviewed whether the Board was the appropriate designee to appoint and generally supervise the newly created NSF Inspector General and whether the Board's resolution establishing and providing instruction to the IG was consistent with the Inspectors General Act and 1988 amendments. GAO also looked at whether heads of 19 agencies with presidentially appointed IGs had issued written supervisory instructions similar to those approved by the Board. GAO contacted seven presidential appointees to obtain their reactions to the Board's instructions.

Government Consultants: Agencies' Consulting Services Contract Obligations for FY87 and FY88

GAO/GGD-90-72FS, May 7, 1990

This fact sheet provided information on the extent to which federal civilian agencies incurred obligations for consulting services contracts for fiscal years 1987 and 1988. GAO found that total obligations for these years were \$4.1 billion and \$4.9 billion, respectively. These amounts were listed by agency in appropriation bill format in the fact sheet.

Inspectors General: Treasury's Office of Inspector General Properly Established

GAO/AFMD-90-70, June 14, 1990

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What effect did the fiscal year 1990 sequester have on federal agencies? GAO looked at five federal agencies that provided a cross section of large and small agencies and various types of programs that affected the public. This fact sheet—one in a series of case studies—examined how the IRS dealt with the \$46 million reduction in its fiscal year 1990 appropriation. It discussed (1) how IRS' resources were reduced by implementation of the sequester and (2) what impact the resource reductions had on IRS' ability to fulfill its mission and on taxpayers dealing with IRS.

Budget Issues: Effects of the Fiscal Year 1990 Sequester on the Department of Education

GAO/HRD-90-150FS, August 3, 1990

What effect did the fiscal year 1990 sequester have on federal agencies? GAO looked at five federal agencies that provided a cross section of large and small agencies and various types of programs that affected the public. This fact sheet—one in a series of case studies—examined how the Department of Education dealt with the \$266.1 million, or 1.1 percent, reduction in its fiscal year 1990 appropriation. It discussed (1) how Education resources were reduced by implementation of the sequester and (2) what impact the sequester had on the Department's ability to fulfill its mission and on those served by its programs.

Computers and Privacy: How the Government Obtains, Verifies, Uses, and Protects Personal Data

GAO/IMTEC-90-70BR, August 3, 1990

Almost every federal agency collects and uses personal information in carrying out its responsibilities. The 178 agencies GAO contacted reported that as of 1989 they maintained about 2,000 predominantly computerized systems containing personal information. This briefing report described how federal agencies obtained, verified, used, and protected personal data; how individuals were made aware of information collected about them; what telecommunications and network facilities agencies' systems were used to transmit data; and what effect new technologies had on the sharing of personal data.

Budget Issues: Effects of the Fiscal Year 1990 Sequester on the Department of Health and Human Services

consultants who worked for both the government and for a defense contractor on matters related to the same weapon system. GAO did find that DOD, because of difficulties in interpreting the definitions of consulting services or other internal control weaknesses, did not accurately identify or report its use of these services. Without improvement in these areas, DOD and Congress will continue to lack accurate information on how much DOD is relying on consultant services to develop its weapon systems.

Federal Workforce: Selected Sites Cannot Show Fair and Open
Competition for Temporary Jobs

GAO/GGD-90-106, September 5, 1990

From a practical perspective, GAO endorses the delegation of appointment authority from OPM to agencies to meet their staffing needs. However, GAO's review at six civilian agencies found that while most temporary appointments were made for appropriate reasons, about one-fourth were not. Agency officials said that they adhered to merit principles in making temporary appointments, yet they lacked records that could prove this. Only by documentation can agencies demonstrate that they have complied with requirements; verbal assurances are not enough. OPM's revised guidance should help agencies better understand when the use of temporary appointments is inappropriate. GAO also believes that agencies must more fully appreciate the need to comply with the documentation requirements. Such documentation should be viewed as more than bureaucratic "make work," particularly since inadequate records precluded an assessment of whether all qualified applicants received a fair and competitive chance for employment. GAO recommended that OPM oversee use of delegated authority on a regular basis until adequate agency oversight existed. If, over time, OPM finds that agencies do not increase oversight and ensure compliance, GAO also recommended that OPM consider revoking the authority from the noncomplying agencies.

Army Automation: Decisions Needed on SIDPERS-3 Before Further
Development

GAO/IMTEC-90-66, September 5, 1990

During its September 1989 review of the Army's Standard Installation/Division Personnel System III (SIDPERS-3), DOD's Major Automated Information System Review Committee raised significant concerns about whether the Army selected the best program available in

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GAO/GGD-90-103, September 13, 1990

To enhance the usefulness of its annual report on the activities of OPM, GAO broadened the scope of its report to include a discussion of key issues affecting the federal public service. Many of these issues involved concerns raised by the National Commission on the Public Service. In GAO's view, the state of the public service was not what it should have been. As a result, some government programs and services had suffered. GAO believed that federal pay reform was the most critical issue. Federal salaries lagged far behind private sector pay in many important occupations; with uncompetitive pay rates, the government was unlikely to attract and retain the good people it needed. In addition, the integrity of the public service needed to be enhanced by curtailing conflicts of interest and by strengthening personnel administrative systems. Overall, GAO concluded that the stewardship of the public service could be improved through more effective OPM leadership in human resource management and civil service administration.

Government Shutdown: Data on Effects of 1990 Columbus Day Weekend
Funding Lapse

GAO/GGD-91-17FS, October 19, 1990

This fact sheet presented the results of a questionnaire GAO sent to federal agencies asking about the effects of the shutdown of some of the government over the Columbus Day weekend (Oct. 6-8, 1990). GAO received responses from 16 executive departments and agencies; USDA and the National Aeronautics and Space Administration chose not to report to GAO. GAO found the total cost of the Columbus holiday weekend shutdown to be \$1,675,586.

Railroad Safety: FRA's Staffing Model Cannot Estimate Inspectors Needed
for Safety Mission

GAO/RCED-91-32, November 21, 1990.

The Federal Railroad Administration (FRA) did not know whether it had enough safety inspectors covering the railroad industry because it had not developed inspection staffing standards for its workforce. Staffing standards were derived from formulas or mathematical models used to determine the number of employees needed to do a job and to distribute these workers. FRA had begun two efforts to gather the data it needed to develop

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processing went smoothly in 1990. GAO applauded the significant increase in the accuracy of IRS' telephone responses to taxpayer tax law inquiries—IRS assistors answered 78 percent of GAO's tax questions—although GAO was troubled by the decreasing ability of taxpayers to get through to the assistors.

Issues to Consider in Consolidating the Library Police Force With the Capitol Police Force, by Brian P. Crowley, Director of Planning and Reporting, before the Subcommittee on Legislative Branch, Senate Committee on Appropriations.

GAO/T-AFMD-90-13, March 30, 1990

GAO testified on the preliminary results of its review of the issues regarding possible consolidation of the Library Police Force with the Capitol Police Force. These issues included the Librarian's authority for security, union representation, compensation and benefits, and training. GAO noted that there were significant differences in the way the two forces were administered and believed it would be prudent to resolve these differences before consolidation took place. GAO also identified a number of actions the Librarian should consider taking to reduce the cost of operating the Library Police.

Observations on GAO's Experience in Implementing an Independent Personnel System, by Joan M. McCabe, Deputy Assistant Comptroller General for Human Resources, before the Subcommittee on Civil Service, House Committee on Post Office and Civil Service.

GAO/T-ACG/OPS-90-1, July 26, 1990

The GAO Personnel Act of 1980 authorized GAO to create its own personnel system—one that is independent of executive branch involvement. An important outcome of GAO's separate personnel system has been the minimization of potential conflicts of interest between GAO oversight of these agencies and the authority that they formerly held over GAO's personnel system. GAO discussed aspects of its personnel system—including recruitment, hiring, pay, and position classification—in which the flexibility to design its own systems and procedures has been particularly beneficial. GAO also discussed aspects of its grievance and appeals procedures.

**Appendix II
Reports and Testimonies Mentioned in This
Report That Were Issued Before or After
Calendar Year 1990**

Federal Recruiting and Hiring: Authority for Higher Starting Pay Useful but Guidance Needs Improvement (GAO/GGD-91-22, Sept. 10, 1991).

Federal Lobbying: Lobbying the Executive Branch (GAO/T-GGD-91- 70, Sept. 25, 1991).

Labor-Management Relations: Tennessee Valley Authority Situation Needs to Improve (GAO/GGD-91-129, Sept. 26, 1991).

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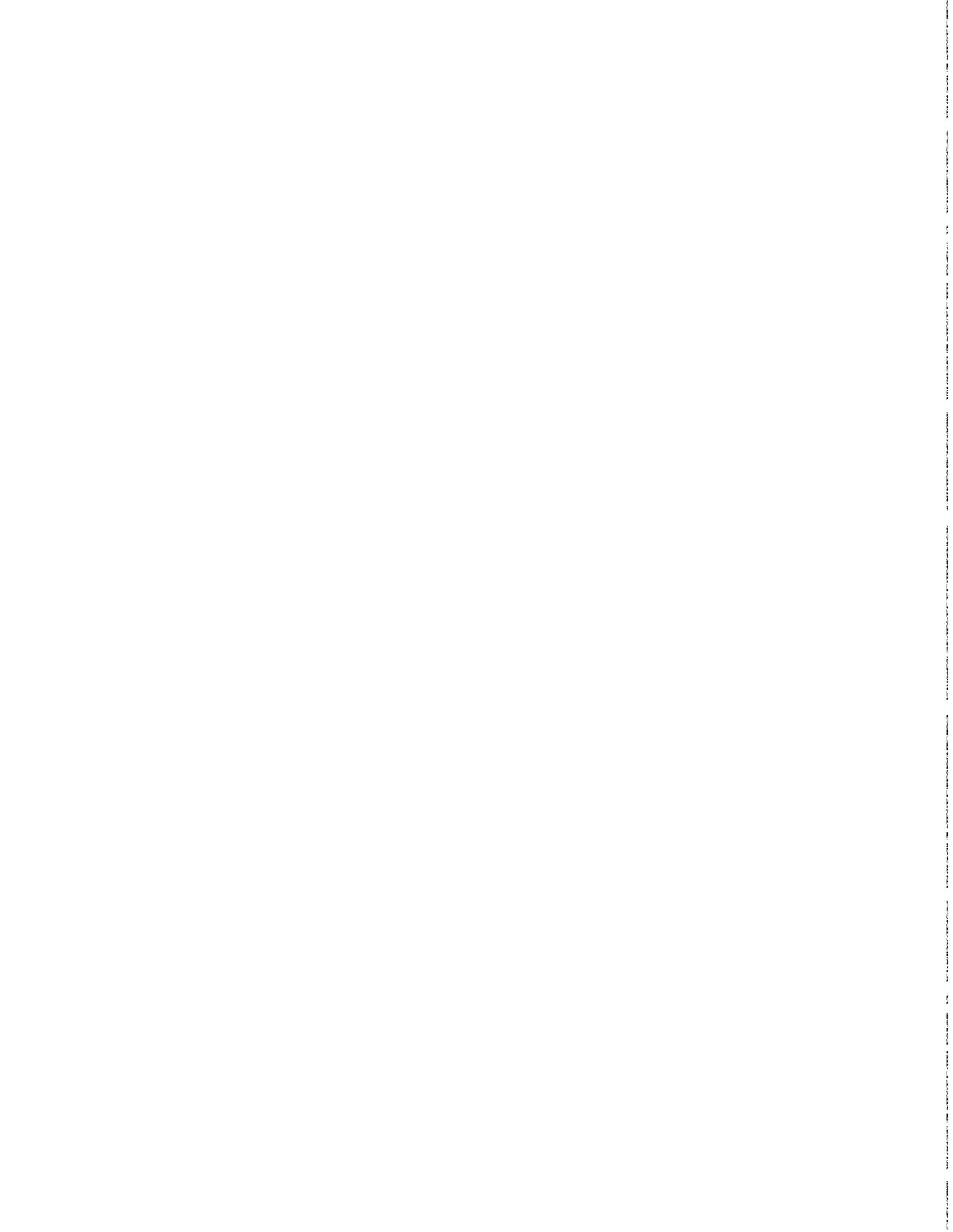
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Reports and Testimonies Mentioned in This Report That Were Issued Before or After Calendar Year 1990

Poor Performers: How Are They Identified and Dealt With in the Social Security Administration (GAO/GGD-89-28, Jan. 28, 1989).

Intergovernmental Personnel Act of 1970: Intergovernmental Purpose No Longer Emphasized (GAO/GGD-89-95, June 19, 1989).

Federal Compensation: Premium Taxes Paid by the Health Benefits Program (GAO/GGD-89-102, Aug. 8, 1989).

Senior Executive Service: Training and Development of Senior Executives (GAO/GGD-89-127, Sept. 29, 1989).

Employee Drug Testing: A Single Agency Is Needed to Manage Federal Employee Drug Testing (GAO/GGD-91-25, Jan. 18, 1991).

Advance Notice: Public and Private Sector Policy and Practice (GAO/T-HRD-91-19, Apr. 18, 1991).

Federal Pay: Private Sector Salary Differences by Locality (GAO/GGD-91-63FS, Apr. 29, 1991).

Federal Affirmative Action: Better EEOC Guidance and Agency Analysis of Underrepresentation Needed (GAO/GGD-91-86, May 10, 1991).

Labor-Management Relations: Construction Agreement at DOE's Idaho Laboratory Needs Reassessing (GAO/GGD-91-80BR, May 23, 1991).

Government Shutdown: Permanent Funding Lapse Legislation Needed (GAO/GGD-91-76, June 6, 1991)

Fraud and Abuse: Stronger Controls Needed in Federal Employees Health Benefits Program (GAO/GGD-91-95, July 16, 1991)

Federal Lobbying: Federal Regulation of Lobbying Act of 1946 is Ineffective (GAO/T-GGD-91-56, July 16, 1991)

Federal Workforce: Inappropriate Use of Experts and Consultants at Selected Civilian Agencies (GAO/GGD-91-99, July 17, 1991)

Federal Labor Relations: A Program in Need of Reform (GAO/GGD- 91-101, July 30, 1991).

such standards. Once inspection coverage standards were developed, FRA would need to incorporate them—along with an inspection strategy based on targeting high-risk railroads—into its existing staffing model or some other analytical method. Incorporating these standards would help in the development of staffing standards that would calculate the number of types of safety inspectors FRA needs to fulfill its safety mission.

Command and Control: Defense's Use of Engineering Contractors for Acquiring Automated Systems

GAO/IMTEC-91-19, December 27, 1990.

The Department of Defense relied on both in-house and outside technical expertise to design and develop highly complex command, control, communications, and intelligence systems. GAO examined the extent to which DOD used engineering support contracts for advice and direction in acquiring automated data processing systems. DOD data showed that for the five fiscal years from 1985 through 1989 DOD spent about \$3.4 billion for engineering and technical support of system acquisitions. The Air Force was by far the largest user, accounting for over \$2 billion of the \$3.4 billion spent. DOD's annual expenditures went from \$494.5 million in fiscal year 1985 to \$891.7 million in fiscal year 1989, an 80-percent increase.

Testimony

IRS' Budget Request for Fiscal Year 1991 and Status of the 1990 Tax Return Filing Season, by Jennie S. Stathis, Director of Tax Policy and Administration Issues, before the Subcommittee on Oversight, House Committee on Ways and Means.

GAO/T-GGD-90-26, March 22, 1990

Faced with funding shortfalls of about \$825 million during fiscal years 1989 and 1990, IRS imposed a hiring freeze, curtailed promotions, cut back support services, and reduced compliance programs. These decisions affected IRS' ability to do its job. GAO believes IRS' fiscal year 1991 budget laid a foundation for improving the agency's fiscal environment. More importantly, it appeared that the events of the past 2 years heightened IRS' sensitivity to the need to better manage its resources and maintain stricter accountability for the use of those resources. GAO was especially encouraged by the leadership of IRS' Chief Financial Officer in bringing more direction and oversight to the budget execution process. GAO noted that with the exception of a few problems that delayed some refunds, returns

terms of system cost, hardware, and software. SIDPERS-3 is an automated personnel management system intended to automate organizational and personnel recordkeeping, manpower accounting, and personnel management reporting. In spite of these concerns, the committee let the Army continue system design and development. GAO believed that the committee instead should have had the Army stop additional work until its concerns were resolved. Moreover, the Army still had not adequately addressed committee concerns about the use of Ada versus an alternative programming language. In the meantime the Army had paid a contractor about \$6 million for continuing technical design and software development of SIDPERS-3. Finally, this automated personnel system may be contrary to a recent DOD initiative to establish single systems, such as one for personnel, for all military services and Defense agencies.

The Budget Deficit: Outlook, Implications, and Choices

GAO/OCG-90-5, September 12, 1990

The burgeoning federal deficit has ominous implications for the long-term health of the U.S. economy. The deficit has doubled as a percentage of gross national product (GNP) every decade since the 1950s. In the 1980s, however, deficit spending reached such levels that the size of the debt relative to the economy increased dramatically. The explosion of deficit, along with the decline in the U.S. savings rate, bodes ill for future investment and economic growth. Ultimately, the future standard of living of the American people may be called into question. In GAO's view, an agreed-upon multi-year budget plan is the key to future fiscal responsibility. GAO examined various options to provide a basis for constructive dialogue leading to an agreement between the executive and legislative branches on a long-term structural solution to the deficit problem. Because of rising deficits and borrowing, increasingly larger portions of federal revenue were being used for debt service rather than for more productive purposes. GAO recommended that this trend be reversed by a \$300 billion fiscal policy swing that would result in total budget surpluses of about 2 percent of GNP annually by 1997—and close to a balance in the general fund. GAO provided scenarios and packages covering defense and nondefense spending, as well as revenues, for achieving such a fiscal target. Federal retirement and disability benefits were among the several sources of nondefense spending reductions discussed.

The Public Service: Issues Affecting Its Quality, Effectiveness, Integrity, and Stewardship

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GAO/HRD-90-156FS, August 9, 1990

What effect did the fiscal year 1990 sequester have on federal agencies? GAO looked at five federal agencies that provided a cross section of large and small agencies and various types of programs that affected the public. This fact sheet—one in a series of case studies—examined how the HHS dealt with the 1.4 percent reduction in its fiscal year 1990 appropriation. It discussed (1) how HHS resources were reduced by the sequester and (2) what impact the sequester had on HHS' ability to fulfill its mission and on the people served by its programs.

Budget Issues: Effects of the Fiscal Year 1990 Sequester at HUD

GAO/RCED-90-217FS, August 10, 1990

What effect did the fiscal year 1990 sequester have on federal agencies? GAO looked at five federal agencies that provided a cross section of large and small agencies and various types of programs that affected the public. This fact sheet—one in a series of case studies—examined how HUD dealt with the \$175.3 million reduction in HUD's fiscal year 1990 appropriation. It discussed (1) how HUD resources were reduced by the sequester and (2) what impact the sequester had on HUD's ability to fulfill its mission and on the people served by its programs.

Consulting Services: Role and Use in Acquiring Three Weapon Systems

GAO/NSIAD-90-119, August 20, 1990

As part of its ongoing effort to assess the government's use of consulting services, GAO reviewed three DOD weapon systems to determine how DOD used consulting services in acquiring these systems; how the systems' contractors used consultants; and whether consultants worked for both the government and defense contractors on these systems, and if so, whether any conflicts of interest existed. The three weapon systems were the Army's Fiber Optic Guided Missile, the Navy's V-22 tiltrotor aircraft, and the Air Force's Peacekeeper Rail Garrison missile basing system. DOD used consultant services in developing system specifications, preparing cost estimates, and reviewing requests for proposals. GAO found that defense contractors for these systems used consultants to obtain a variety of services, ranging from advice on government business to technical assistance in preparing bids for defense contracts. There was no indication of any conflicts of interest in the three instances in which GAO identified

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GAO found that the Treasury Department had taken steps specified in the Inspector General Act of 1978 to establish an Office of Inspector General and found no evidence that OIG had any improper operational responsibility concerning the Department's four law enforcement bureaus (Bureau of Alcohol, Tobacco and Firearms; U.S. Customs Service; Secret Service; and IRS). Also, GAO found no prohibitions of OIG audits or investigations.

Defense Budget Issues: Effect of Civilian Hiring Freeze on Fiscal Year 1991 Budget

GAO/NSIAD-90-232BR, June 29, 1990

DOD announced a civilian personnel hiring freeze on January 11, 1990. DOD estimated that it would save about \$780 million in fiscal year 1991 because of the freeze. However, DOD officials cautioned that this figure may have included about \$300 million from Defense Management Review initiatives that had already been incorporated into the total fiscal year 1991 budget, but not yet allocated to specific amounts. GAO analyzed the effect of DOD's civilian hiring freeze on its fiscal year 1991 budget. GAO concluded that DOD's methodology for calculating savings was reasonable and that its savings calculations were accurate.

Budget Issues: Effects of the Fiscal Year 1990 Sequester at EPA

GAO/RCED-90-196FS, July 26, 1990

What effect did the fiscal year 1990 sequester have on federal agencies? GAO looked at five federal agencies that provided a cross section of large and small agencies and various types of programs that affected the public. This fact sheet—one in a series of case studies—examined how the Environmental Protection Agency (EPA) dealt with the \$73 million, or 1.3 percent, reduction in its fiscal year 1990 appropriation. It discussed (1) how EPA's resources were reduced by implementation of the sequester and (2) what impact the resource reductions had on EPA's ability to fulfill its mission and on those served by EPA programs.

Budget Issues: Effects of the Fiscal Year 1990 Sequester on the Internal Revenue Service

GAO/GGD-90-101FS, July 30, 1990

visited three federal agencies to determine what action employers take when their employees test positive for illegal drugs. The findings confirmed GAO's earlier testimony. Actions taken against employees ranged from firing them after the first positive testing to transferring them—without rehabilitation—to positions in which they were no longer subject to random testing.

Pay and Benefits: Contract Court Security Officers Compared to U.S. Deputy Marshals

GAO/GGD-90-67FS, April 16, 1990

GAO compared the pay and benefits of court security officers—contract employees who provide routine court security services in federal court buildings—with the pay and benefits of U.S. Marshals Service deputy marshals, who could alternatively fill this role. GAO found that the contract cost for court security officers' pay and benefits generally was lower than the cost of using deputy marshals. With the exception of basic life insurance, retirement and health benefits for court security officers also were generally less costly than those provided to deputy marshals.

Due Process: Procedures for Unfavorable Suitability and Security Clearance Actions

GAO/NSIAD-90-97FS, April 23, 1990

People who have been denied a security clearance or who have been deemed unsuitable for federal employment have certain appeal procedures available to them. Administrative due process procedures generally give such individuals the right to receive notice of any proposed unfavorable determination, the opportunity to respond to the proposed action, and the right to appeal any final decision. This fact sheet presented the results of GAO's review of applicable statutes, executive orders, and regulations at six agencies: the Departments of Commerce, Defense, Energy, Justice, State, and the Treasury.

Inspectors General: Progress in Establishing OIGs at Designated Federal Entities

GAO/AFMD-90-46, April 24, 1990

level automated access to an existing personnel system at Air Force bases. The Air Force planned to begin deployment at the first of 125 bases in the spring of 1990. The Air Force intended to deploy the system, estimated to cost \$550 million, despite the fact that the system (1) was only partially developed and tested, (2) had not yet passed significant parts of these tests, (3) was based on a hardware design selected without full analysis of requirements or alternatives, and (4) was justified on the basis of unsupported claims of personnel savings. GAO recommended that DOD delay procurement of the system until it was fully developed and tested and the hardware chosen was shown to be the best to meet requirements.

U.S. Department of Agriculture: Need for Improved Workforce Planning

GAO/RCED-90-97, March 6, 1990

This report was the second stemming from GAO's management review of USDA. Because USDA was faced with managing new technologies and cross-cutting program issues as well as rapidly changing workforce demographics, GAO believed the time was right to begin systematically planning for USDA's workforce needs. The report described the need for improved workforce planning and recommended that a framework be developed at the departmental level to guide USDA agencies in developing consistent and effective workforce plans.

Inspectors General: Information on Vacancies and Previous Experience

GAO/AFMD-90-64FS, March 7, 1990

GAO gathered information on vacancies in statutory inspector general (IG) positions. Specifically, GAO looked at which IG positions were vacant and how long they had been vacant. GAO also identified the immediate previous positions held by then current IGs.

Federal Personnel: Observations on the Navy's Managing to Payroll Program

GAO/GGD-90-47, March 27, 1990

In response to the congressional criticism of the Navy's management of its civilian personnel budget, the Navy established the Managing To Payroll Program in October 1986. GAO found that the program provided the Navy with better information to use in monitoring and controlling its civilian

procedures provide guidance on how to spot and avoid conflicts of interest among subcontractors, DOE field offices have not been implementing these internal management controls. Contrary to DOE regulation, the DOE Albuquerque field office abdicated responsibility and allowed the research centers to make conflict-of-interest determinations themselves. Although GAO was unable to determine whether DOE's policies and procedures were effective in practice, GAO noted two management control problems. First, Albuquerque relied extensively on subcontractor self-certification in making conflict-of-interest decisions even though certifications may not always have been accurate. Second, Albuquerque's documentation of conflict-of-interest decisions was limited. GAO also found that neither Albuquerque nor DOE headquarters exercised effective oversight to ensure that conflicts of interest were avoided in the subcontracts awarded by the Los Alamos and Sandia National Laboratories.

Testimony

Office of Government Ethics' Oversight Role, by Bernard L. Ungar, Director of Federal Human Resource Management Issues, before the Subcommittee on Oversight of Government Management, Senate Committee on Governmental Affairs.

GAO/T-GGD-90-48, June 5, 1990

GAO testified on the OGE oversight of executive agency ethics programs. GAO specifically discussed OGE's overall approach to auditing executive agencies' ethics programs and the extent to which it has complete audits of those agencies. GAO also discussed the recommendations that OGE made to USDA, HUD, and the Department of State between 1981 and 1989; the status of those recommendations; and steps OGE should take to better ensure that agencies implement its recommendations.

Selected Personnel Practices of the Voice of America Warrant Management Attention, by Joseph E. Kelley, Director of National Security and International Relations Issues, before the Subcommittee on International Operations, House Committee on Foreign Affairs.

GAO/T-NSIAD-90-49, June 19, 1990

In response to employee complaints, GAO reviewed personnel practices at the U.S. Information Agency's Voice of America (VOA) and Radio Marti to see if there were systematic personnel practices that management should address. GAO testified that in some cases, the problems were not as dire as

Government Act of 1978 and related Office of Government Ethics (OGE) regulations.

Employee Financial Disclosure: CFTC System Affords Reasonable Protection Against Conflicts of Interest

GAO/GGD-91-3, November 7, 1990

In GAO's view, the Commodity Futures Trading Commission (CFTC) has established a system of controls that, under current requirements, should adequately protect against conflicts of interest. In addition to restricting employees' outside financial interests, CFTC—an independent regulatory agency—requires all employees to report annually any outside interests for CFTC's review or to certify that they have no interests that might conflict with their CFTC duties. As specified in CFTC's Code of Conduct, commodity futures contracts and certain investment transactions involving an actual commodity are the types of financial interests that all CFTC employees are to avoid. Although the disclosure system worked well overall, GAO believed that CFTC could improve its administration of the system. Specifically, CFTC needed to (1) make conflict-of-interest decisions in a more timely manner, (2) ensure that confidential reports contain all the information necessary for conflict-of-interest decisions, and (3) establish an ethics training program for all CFTC employees.

Health and Human Services: Hispanic Representation and Equal Employment Practices in Region VIII

GAO/HRD-91-6, November 20, 1990

GAO looked into allegations of discrimination against Hispanics in hiring and promotion at HHS' region VIII, located in Denver, Colorado. GAO found that during fiscal years 1981, 1985, 1987, and 1989, the overall representation of Hispanic employees in the region VIII workforce—including Indian Health Service employees—exceeded the Hispanic representation in the regional civilian labor force. GAO's review of 19 competitive vacancy announcements, issued from January 1987 to January 1990, showed that region VIII generally processed them in accordance with federal policies and procedures and that Hispanic applicants fared well in the competitive selection process. Except for SSA, however, the region has not compiled and analyzed race, national origin, and gender data on internal job applicants (those already employed at HHS). Consequently, the region lacked data on whether Hispanics applied for jobs commensurate with their

legislation may have been granted permission to accept contractor employment through a misinterpretation of the post-DOD employment restriction. Further, GAO found that some contractors' reports did not include all the former DOD personnel covered by the reporting requirement. GAO recommended that DOD further clarify and define the term "indirect compensation" to ensure uniform reporting by defense contractors of former DOD personnel who work for consulting firms.

Government Civilian Aircraft: Use of Government Aircraft by the Attorney General and FBI Director

GAO/GGD-90-84, June 15, 1990

GAO reviewed travel by the Attorney General and the Director of the FBI on government aircraft. These planes are made available for security reasons. Each year the Attorney General and the FBI Director receive numerous death threats. During the period GAO reviewed, the Attorney General and FBI Director took 75 trips on government aircraft. Most of the trips were to give speeches, attend meetings, or visit field locations. During their trips, the Attorney General and FBI Director were often accompanied by their wives or other passengers who were not Justice employees. While GAO believes that providing for executives' security may be an inherently governmental function, transporting them on Justice aircraft is not. GAO's analysis found that private lease or rental aircraft services could satisfy concerns about ensuring personal safety and providing secure communications.

Financial Disclosure: USDA's Systems Limited by Insufficient Top Management Support

GAO/GGD-90-100, July 13, 1990

Every American has the right to expect that public servants will abide by high ethical standards and will not use their offices for personal gain. To ensure these standards, the government requires certain employees to disclose outside financial interests and to resolve any conflicts between those interests and their official duties. GAO looked at the Department of Agriculture's (USDA) systems for obtaining and reviewing financial disclosure reports and questioned whether they adequately detected and resolved conflicts of interest. Weaknesses have persisted in the systems for more than a decade because key USDA officials have not made establishing effective systems a high priority. The current USDA official responsible for

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the authority agencies have in classifying Senior Executive Service positions. Commerce, saying it had misinterpreted the classification guidelines, reclassified the two positions in the accounting and budget group in July 1989. GAO was concerned that Commerce, when filling the position of Director of the Office of Financial Management, may have given an employee an unfair promotion advantage, thereby violating merit principles regarding fair and open competition. Because the Office of Finance and Federal Assistance provides technical supervision over Commerce's seven accounting systems that control over \$2 billion annually, GAO believed the Director of the Office of Financial Management—now a grade 14—should be at a higher management level and should be qualified to do technical supervision. Commerce said it created and filled a new chief financial officer position.

Personnel Practices: Questionable Personnel Practices at the U.S. Fish and Wildlife Service

GAO/GGD-90-43, January 23, 1990

In a controversial move that prompted protests from 20 Members of Congress, Frank H. Dunkle, the former director of the Fish and Wildlife Service (FWS), removed the Portland, Oregon, regional director and reassigned his two assistants in March 1989. That same month, Mr. Dunkle was reassigned from his position as Director to another position within the Service. GAO reviewed Mr. Dunkle's personnel policies and actions and identified 72 positions that were created during his tenure. Of the 72, 31 were special/confidential assistant and senior executive positions, more than twice the number of such positions created by his immediate predecessor. GAO has concerns about the propriety, necessity, position descriptions, and supervisory relationships of 22 of the 72 positions. These 22 positions were still occupied at the time of GAO's work, and FWS was paying about \$1.6 million in salary and benefits for them. According to most top-level FWS executives, Mr. Dunkle did not create an environment in which employees believed that positions were being created and filled to improve the organization. GAO also had concerns about the authority used to appoint the former Director to his next position in the agency. Since the Department of the Interior indicated that it did not plan to stop the practices that GAO found questionable or inappropriate, Congress may wish to intercede.

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SSA employs more than 700 administrative law judges in 132 hearing offices around the country to hear appeals of applications for Social Security or Medicare benefits that have been denied. These judges are unique federal employees in that they make decisions on administrative proceedings of the agency that employs them. Historically, SSA has used a monthly disposition goal to encourage the judges to decide more cases. Many of the judges, however, complained that SSA's emphasis on productivity has had a negative effect on their work. GAO's testimony focused on the issues of (1) performance goals and (2) staffing levels of both administrative law judges and support staff.

Analysis of 1990 Census Operations, by L. Nye Stevens, Director of Government Business Operations Issues, before the Senate Committee on Governmental Affairs.

GAO/T-GGD-90-55, July 13, 1990

GAO testified that the Census Bureau faced many difficult challenges in completing the 1990 census, including adjusting to a reduced level of public cooperation, dealing with recruiting and staffing shortages, funding the census, and improving the quality of census data. Although the Bureau acted to address these problems and appeared to have generally put the census back on schedule, GAO noted that the census was not over and much remained to be done in the months ahead. Important coverage improvement operations were either just beginning or would begin in late summer. GAO believed that the quality of the census data was heavily dependent on how well the Bureau carried out the remaining census operations. The 1990 census experience demonstrated the fundamental need to rethink how future censuses should be taken. GAO urged Congress to maintain a strong and continuing interest in early planning for the 2000 decennial census.

Financial Management Reform, by Charles A. Bowsher, Comptroller General of the United States, before the House Committee on Government Operations.

GAO/T-AFMD-90-31, September 17, 1990.

The recent scandal at the Department of Housing and Urban Development (HUD) conjures images of gross financial mismanagement. However, according to the Comptroller General, HUD does not hold membership in an exclusive club; serious internal control and accounting deficiencies

provided a framework for defining GPO's future role in government printing.

Performance Management: How Well Is the Government Dealing With Poor Performers

GAO/GGD-91-7, October 2, 1990

For years, the common public perception has been that the federal government does little to deal with poor performers. This report, a follow-up to an earlier GAO report on the Social Security Administration (SSA), provided a governmentwide perspective on two key questions: (1) to what extent are federal supervisors identifying poor performers and (2) are supervisors who do identify poor performers able to deal with them. GAO surveyed a random sample of government supervisors and found that—contrary to widely held views—they were generally willing to deal with their poor performers. Although implementing the process was considered unduly difficult and time-consuming, supervisors were generally able to correct or otherwise deal with performance problems. The main problem was with the small minority of government workers (about 5 percent) rated as “minimally successful”—the level between “fully successful” and “unacceptable.” Because the law now limits the actions supervisors can take with employees who perform at this level, the government has had to tolerate less than fully successful performance for extended periods of time. In implementing the process for dealing with poor performers, about half of the supervisors cited one or more obstacles, such as the potential lengthiness of the process and a perceived lack of management support. GAO believes that motivation is the key to dealing with poor performers. Accordingly, GAO recommended that agency management focus on creating an environment within which supervisors are encouraged and motivated to identify poor performers and supported when they try to deal with them. GAO also identified four options that Congress may wish to consider in easing the difficulties supervisors encounter in dealing with poor performers in the government.

Pay for Performance: State and International Public Sector Pay-for-Performance Systems

GAO/GGD-91-1, October 12, 1990

Although several state governments have adopted pay for performance, there is no clear consensus as to what constitutes an ideal

IRS' fiscal year 1991 budget included several initiatives to increase or modify IRS compliance efforts, thereby generating more tax revenues. One initiative called for increasing IRS' examination staff by 750 revenue agents and 290 support staff. IRS estimated that these new staff members would yield an additional \$1.1 billion in tax revenues by the end of fiscal year 1995. This report examined the methodology IRS used to estimate these additional audit revenues and its plans to track the results of the staffing increase—if the increase was authorized by Congress. Although the revised methodology was more realistic than its predecessor in its expectations of additional revenues, GAO considered some of the assumptions IRS used in applying the methodology to the proposed fiscal year 1991 staffing increase to be overly optimistic. IRS planned to monitor the impact of the staffing increase if it was authorized. However, because IRS had not yet computed the baseline from which it would begin tracking results, GAO could not assess its validity.

Defense Acquisition: Fleet Ballistic Missile Program Offers Lessons for Successful Programs

GAO/NSIAD-90-160, September 6, 1990

The fleet Ballistic Missile System—the U.S. sea-based deterrent against the Soviet nuclear threat—is one of the few major weapon system acquisitions that, over the years, has consistently met or bettered its cost, schedule, and performance goals. GAO identified five factors that contributed to the system's success: (1) funding and program stability; (2) program responsibility over the system's entire life cycle from development through operations support; (3) continuity of key personnel; (4) program office technical expertise; and (5) good management practices, such as open communications, independent internal evaluation, and on-site management representation at contractor plants. In examining other defense acquisition programs, GAO did not discover any "cookbook" approach to a successful weapon system acquisition; however, successful programs generally shared more of the Fleet Ballistic Missile program's features than did unsuccessful programs. Similarly, successful programs reflected more elements of the Packard Commission model. For example, successful programs generally had stability, high-quality staff, and good communication with users.

future initiatives would depend largely on the sustained cooperation of both management and employees.

Performance Management: Appraisal and Promotion Results at the U.S. Customs Service

GAO/GGD-90-40, May 18, 1990

GAO tested the feasibility of analyzing relationships among employee demographics, performance ratings, and promotions. Because of the exploratory nature of this study, GAO limited its work to one agency—the U.S. Customs Service, which had computerized personnel data available for the fiscal year 1987 performance rating period. This report examined two types of pay plans: General Schedule (GS)—employees in nonsupervisory positions in grades 1 through 14—and General Management (GM)—employees in managerial and supervisory positions in grades 13 through 15. GAO found that age was directly related to GS employee ratings, whereas other variables (sex and ethnicity, sex and grade, and step in grade and grade) had indirect relationships. With respect to GM performance ratings, GAO found that age, grade, and years in grade each had direct relationships with ratings, whereas sex and ethnicity had indirect relationships. For promotions, GAO found mostly indirect relationships in GS employee data; only step had a direct relationship with GS promotions. In contrast, GAO found only direct relationships with GM promotions: ethnicity, sex, rating, age, grade, years in grade, and location all had direct relationships with the odds of promotion. GAO believes these findings should not be used to draw cause-effect conclusions. However, they could provide useful insights into the potential dynamics of ratings and promotion decisions and indicate directions for more in-depth work.

Coast Guard Acquisitions: Formal Criteria Needed to Ensure Project Manager Qualifications

GAO/RCED-90-178, June 19, 1990

The Coast Guard buys ships, aircraft, and other major systems to carry out its wide-ranging missions. These missions include enforcing federal laws on the high seas and U.S. waters, maintaining aids to maritime navigation, protecting the marine environment, search and rescue, and icebreaking. GAO assessed efforts by the Coast Guard to increase the qualifications and tour of duty, or tenure, of personnel chosen to manage the acquisition of its major systems. GAO found that the Coast Guard had increased the

IRS created three new positions—Chief Information Officer, Chief Financial Officer, and Controller—to further strengthen managerial accountability.

Personnel Practices: The Department of Energy's Use of Schedule C Appointment Authority

GAO/GGD-90-61, March 8, 1990

Schedule C positions are excepted from the competitive service because they are either policy determining or involve a close and confidential working relationship with a key official. As of February 1, 1990, the Department of Energy had 8 Schedule C positions in its Office of Public Affairs and 11 in its Office of Congressional and Intergovernmental Affairs. DOE complied with OPM regulations and guidelines in establishing these 19 positions. However, DOE—even though it was required to do so—had not reported to OPM changes to Schedule C positions in these two offices that it made during 1989. After GAO brought the matter to their attention, DOE officials said they would notify OPM of these changes. DOE also used Schedule C appointment authority to hire three permanent employees and detail them directly to the White House. GAO believed such action was inappropriate since DOE had certified that the positions and the appointees would be located within DOE. GAO recommended that OPM (1) require agencies to certify that Schedule C positions were not being established solely or primarily for details, (2) disapprove applications that did not contain this certification, and (3) periodically monitor agencies' use of Schedule C employees for compliance with its regulations and guidelines.

Export Promotion: Personnel Management Issues in the U.S. and Foreign Commercial Service

GAO/NSIAD-90-51, March 16, 1990

This report (1) updated GAO's 1987 review of personnel management issues in the U.S. and Foreign Commercial Service, the export arm of the International Trade Commission; and (2) identified new personnel management issues affecting service provided to the U.S. business community. Since the 1987 review, GAO found that the Service had improved the administration of its personnel system. Assignment, selection, and appraisal policies had been clarified or revised, and more documentation was being required to support personnel decisions. GAO did not find evidence of morale problems as was the case in its 1987 review. In addition, senior officials GAO spoke with seemed optimistic about the prospects for more

Infection Control: VA Programs Are Comparable to Nonfederal Programs but Can Be Enhanced

GAO/HRD-90-27, January 31, 1990

The Centers for Disease Control estimate that 5 percent of all patients who enter a hospital contract an infection during their stay. Thus, about 60,000 veterans could get infections each year while being treated at VA hospitals. The 159 medical centers that VA operates throughout the United States are required to have an infection control program to identify existing infections and prevent future ones. In the course of its work, GAO found that the program guidance that VA issues to its medical centers was too broad to be helpful in assessing the infection control programs. GAO also discovered that no other U.S. health care organization had up-to-date and specific guidance. Working with an infection control expert and with representatives of nine organizations, including the Centers for Disease Control, GAO put together a list of 56 basic elements of an effective infection control program. GAO found that both VA and nonfederal infection control programs were using most of these elements. Several of GAO's infection control elements, however, should be used by more practitioners in both the public and private sector. These elements—such as coursework in hospital infection control programs and reporting surgical wound infection rates to practicing surgeons—are generally more labor intensive than those in widespread use. To be most effective, VA programs also needed management attention. VA infection programs were generally understaffed, not coordinated at the central office, and inadequately monitored by regional offices.

Office of Personnel Management: Better Performance Information Needed

GAO/GGD-90-44, February 7, 1990

OPM is a main source of services for the federal government; people seeking federal jobs; and 9 million federal employees, retirees, and their dependents. But how well does OPM assess the quality, effectiveness, and efficiency of the services it provides its customers? GAO looked at OPM retirement and health insurance programs, employee background checks, recruitment and training, and evaluations of personnel activities at other agencies. Although GAO found that OPM already had performance measures and standards in most areas, certain improvements were possible. For instance, many key services lacked the full range of potential performance measures and standards. In particular, there were very few performance standards for efficiency or customer satisfaction. In addition, although

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Legislation and National Security, House Committee on Government Operations.

GAO/T-NSIAD-90-39, May 22, 1990

The subject of this testimony was also issued as a report. See Peace Corps: Meeting the Challenges of the 1990s, GAO/NSIAD-90-122, May 18, 1990, on page 19.

H.R. 4716, "Federal Pay Reform Act of 1990", by Richard L. Fogel, Assistant Comptroller General for General Government Programs, before the Subcommittee on Compensation and Employee Benefits, House Committee on Post Office and Civil Service.

GAO/T-GGD-90-45, May 21, 1990

In GAO's opinion, certain elements of H.R. 4716 could lead to meaningful pay reform. First, the proposed legislation advocated locality-based pay schedules for technical and clerical employees and geographic differentials for professional and administrative employees who would continue to be paid on a national schedule. This would replace the current practice of paying the same salary rates nationwide. Second, the legislation added state and local governments to the surveys of prevailing nonfederal salaries as GAO has long suggested. Third, the bill incorporated a form of performance-based pay adjustments for individual employees. Although GAO supported the overall objectives of pay reform as embodied in H.R. 4716, it remained concerned that unlimited presidential prerogatives over salary schedule adjustments may not keep federal salary rates at competitive levels.

Serious Shortcomings in FAA's Training Program Must Be Remedied, by Kenneth M. Mead, Director of Transportation Issues, before the Subcommittee on Transportation, Aviation, and Materials, House Committee on Science, Space, and Technology. GAO/T-RCED-90-91, June 21, 1990. Also before the Subcommittee on Investigations and Oversight, House Committee on Public Works and Transportation.

GAO/T-RCED-90-86, June 6, 1990

A safe and efficient air traffic control system depends on well-trained FAA staff. However, GAO testified that FAA's training program was not meeting the needs of employees and that FAA had made little progress in

employees who left DOE that year took private sector jobs that paid more than the government did—up to \$15,000 more in some cases.

Testimony

Staffing, Training, and Funding Issues for FAA's Major Work Forces, by Kenneth M. Mead, Director of Transportation Issues, before the Subcommittee on Aviation, House Committee on Public Works and Transportation.

GAO/T-RCED-90-42, March 14, 1990

Several times over the past few years, GAO has reported that the Federal Aviation Administration (FAA) needs to improve its hiring and training of three workforces critical for air safety—air traffic controllers, aviation safety inspectors, and maintenance technicians. In this testimony, GAO reiterated some of its concerns and discussed a range of needed management improvements. Although FAA has made progress in developing adequately trained workforces, GAO was concerned that the scope and cost of this undertaking was still not fully appreciated. A high level of air safety demands not only a commitment to fund increases in the controller, inspector, and field-maintenance workforces but also a concurrent commitment to adequately train these workforces to do their jobs. FAA senior management needs to sustain its commitment to addressing emerging human resource issues, as well as to initiatives already begun.

Federal White-Collar Employee Salary Reform, by Richard L. Fogel, Assistant Comptroller General for General Government Programs, before the Senate Committee on Governmental Affairs.

GAO/T-GGD-90-27, March 21, 1990

Also before the Subcommittee on Compensation and Employee Benefits, House Committee on Post Office and Civil Service.

GAO/T-GGD-90-22, March 14, 1990

GAO strongly endorsed efforts to reform federal white-collar employee pay-setting principles and processes. Noncompetitive salaries are the major cause for federal recruitment and retention problems, especially in high-cost, high-paying localities. GAO believed federal salaries must be restored to competitive levels in a fiscally responsible way. The Federal Pay Comparability Reform Act of 1990 (S.2274) seeks to accomplish this objective by adjusting basic pay rates in areas where nonfederal pay rates

agencies commonly indicated that these difficulties had reduced service delivery and had caused productivity losses. Thus, while restoring federal pay to competitive levels will be costly at first, GAO believes that the cost will be offset to some degree by savings and improvements in government operations. GAO also believes that those costs are preferable to further deterioration of government services.

Federal Pay—Special Rates: Effect on Recruitment and Retention for Selected Clerical Occupations

GAO/GGD-90-118, September 24, 1990

Congress is considering proposals to reform the General Schedule (GS), the largest white-collar employee pay system in the federal government. The goal is to make federal salaries more competitive with private sector pay and to institute a locality-based pay approach in which salary rates would vary by geographic area. In some locales, federal agencies are relying on special rates for certain jobs to counteract recruitment problems caused by higher private sector pay and other factors. GAO examined the effectiveness of special rates in recruiting and retaining employees in selected localities for clerical positions. GAO found that higher salaries paid under the special rates program appear to have helped retain employees in the four clerical occupations GAO reviewed, at least in the short term. Although GAO concluded that special rates may be a partial solution to recruitment and retention problems, they are not a substitute for comprehensive reform of the federal pay system that would increase basic salaries to more competitive levels.

Facilities Location Policy: GSA Should Propose a More Consistent and Businesslike Approach

GAO/GGD-90-109, September 28, 1990

The location of government agency facilities can have a profound effect on operating costs and on recruitment and retention of employees. Developments in telecommunications have given employers more flexibility in making location decisions. Although agencies are required to give first priority to rural areas, GAO found that this has not been an important factor in location decisions. Almost 88 percent of federal civilian workers are located in metropolitan areas—an increase of 3 percent since 1980. Agencies that grew during the 1980s attributed rise in urban locations to the demands of agency missions and to the need for proximity to the

Law Enforcement: Recruitment, Retention, and Compensation of Support Staff

GAO/GGD-90-60, May 22, 1990

This report supplements the National Advisory Commission on Law Enforcement's study of federal law enforcement personnel issues. (See GAO/OCG-90-2, Apr. 25, 1990.) Law enforcement support staff are white-collar employees, other than agents, who do professional, administrative, technical, and clerical work in agencies such as the Federal Bureau of Investigation (FBI), Drug Enforcement Agency, and the Bureau of Prisons. Although available data on support staff problems were limited, federal law enforcement officials believe it was increasingly difficult to attract and retain qualified support staff. They pointed to noncompetitive federal pay as the underlying cause of the problem. Law enforcement officials said that these recruitment and retention problems led to increased recruiting and training expenses and lost productivity. Noncompetitive salaries cause recruitment and retention problems in all federal agencies. However, law enforcement managers said that low starting salaries along with strict security clearance requirements have created special problems for their agencies. GAO found that quit rates for law enforcement agencies—excluding the FBI—are about comparable to those in nonlaw enforcement agencies. Turnover is much higher when FBI statistics are included. GAO also found that turnover varies by occupation and location, with the greatest turnover occurring in clerical occupations in high-cost cities.

D.C. Government: Information on the Police Recruit Training Program

GAO/GGD-90-68FS, May 24, 1990

GAO looked at the District of Columbia's police recruit qualifications and training program to determine (1) if there have been changes in the police academy course of study and academic requirements, (2) how many recruit termination recommendations have been overturned by officials above the Director of Training level, (3) how the police academy selects and trains its instructors, and (4) how the Metropolitan Police Department could proceed to acquire accreditation. GAO also reported on changes made to and the results of the police entry-level qualifications test administered by McCann Associates, Inc. This test is used by the D.C. Office of Personnel to select potential recruits for the Metropolitan Police Department.

Bureau's regions are addressing these problems, but headquarters needs to make sure the improvements are consistent and sufficient.

Report of the National Advisory Commission on Law Enforcement

OCG-90-2, April 25, 1990

Congress created the National Advisory Commission on Law Enforcement, chaired by the Comptroller General, to study the adequacy of compensation and benefits for federal law enforcement personnel. The Commission's study showed that federal pay is too low at the entry level—particularly in certain high-cost cities—when compared with what state and local law enforcement personnel are paid. The Commission also found differences in the premium pay and benefits offered federal law enforcement personnel versus state and local personnel. Officials from the majority of federal law enforcement agencies involved in this study said they had recruiting and retention problems. All agencies that cited recruiting problems noted them at the entry level; some reported them at the full-performance level as well. The Commission made recommendations—including the need to increase federal law enforcement starting salaries and to introduce locality pay—designed to remedy the inequalities between federal and state and local law enforcement personnel.

1990 Census: Costs Are Uncertain Because Wage Rates May Be Uncompetitive

GAO/GGD-90-78, May 1, 1990

GAO believes the Census Bureau's use of geographic pay rates for temporary positions during the 1990 census is an important advance over earlier pay plans and should help the Bureau compete for needed staff. Although the Bureau has identified ways to pay for the additional \$50 million that the geographic wage program will cost, these estimated costs were based on a 70-percent response rate to the census questionnaire. Because the public's response rate was substantially lower—63 percent—the Bureau will have to hire more staff to handle the increased workload for follow-up work on nonrespondents. This low response rate could increase costs by an additional \$70 million. The geographic wage program is vulnerable to further cost increases as census hiring continues. For example, because the Bureau did not have a chance to test its geographic pay rates beforehand, the rates may ultimately prove uncompetitive in some parts of the country.

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Equal Employment Opportunity: Representation of Minorities and White Women at Fort Lee Army Post, Virginia

GAO/GGD-90-27, January 17, 1990

GAO reviewed the equal employment opportunity (EEO) program for civilians assigned to the U.S. Army Post at Fort Lee, Virginia, and found that for the overall workforce only blacks were underrepresented. However, for employees in pay grades 13 through 15, blacks and white women were underrepresented. Fort Lee has taken several actions since 1987 to reduce this underrepresentation. For example, it started an EEO affirmative action plan for fiscal years 1988 to 1992 to eliminate underrepresentation, particularly at grades 13 through 15. Between December 1986 and June 1989, the representation of black men, black women, and white women in grades 13 through 15 in professional and administrative occupations generally improved. Fort Lee has also started issuing written policies and procedures to govern the EEO program and has started clarifying the EEO performance standards that apply to managers and supervisors. GAO endorses completion of these actions and believes that Fort Lee should also look at ways to reduce the time taken to resolve formal discrimination complaints.

District's Workforce: Annual Report Required by the District of Columbia Retirement Reform Act

GAO/GGD-90-70, April 4, 1990

This report contains GAO's comments on a report by an actuary on the disability retirement rates of District of Columbia police officers and firefighters. The District of Columbia Retirement Reform Act provides for annual federal payments to the D.C. Police Officers and Fire Fighters' Retirement Fund. These payments, however, must be reduced when the disability retirement rate exceeds an established limit. This is to encourage the D.C. government to control disability retirement costs. In GAO's opinion, the determination made by the enrolled actuary meets the requirement of the law in all material respects. Since the disability retirement rates calculated by the actuary are both less than 0.8 percent, no reduction is required in the fiscal year 1991 payment to the District's police and firefighters' retirement fund.

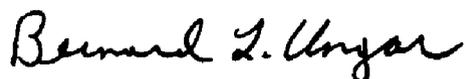
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We did not obtain agency comments on a draft of this report because it is based on previously issued products.

We are sending copies of this report to interested Members of Congress and other parties interested in the federal public service.

Carol Henn, Project Manager, Federal Human Resource Management Issues, was the principal contributor to this report. Please contact me on (202) 275-5074 if you have any questions concerning this report.



Bernard L. Ungar
Director, Federal Human
Resource Management Issues

Agency Hiring Practices

We made recommendations to OPM in two reports for improved FPM guidance to help agencies (1) decide whether to grant higher than usual initial salaries to superior job candidates and (2) determine which duties could be considered operational and thus inappropriate for experts and consultants.²² With respect to experts and consultants, we further recommended that personnel officials receive training on procedures for making such appointments. In both reports, we also recommended that agencies be required to review their appointments as part of their internal personnel management evaluation program. OPM is in the process of improving its FPM guidance and revising its training program to address expert and consultant employment requirements.

Affirmative Employment Programs

Our reports and testimony on the federal affirmative employment program have shown that additional efforts are needed to eliminate the underrepresentation of women and minorities in the federal government. Consequently, we made several recommendations to improve the federal affirmative employment program.

We recommended that the Department of Justice add numerical goals to its affirmative employment plan where the level of underrepresentation is severe and increase the accountability of appropriate SES members by including the responsibility for setting ambitious goals and taking the vigorous actions needed to achieve affirmative employment plan goals, both numerical and narrative in their performance workplans.²³ The Justice Department, however, has a long-standing policy against any use of numerical goals and said that it will not depart from that policy. Justice Department officials have further stated that SES workplans reflect this policy against numerical goals.

In our May 1991 report, we recommended that the Equal Employment Opportunity Commission (EEOC) strengthen the emphasis on improving minority and female representation in upper grade levels by expanding data collection and analysis requirements to include major occupation workforce data by grade level or grade groupings and by the systematic

²²Federal Recruiting and Hiring: Authority for Higher Starting Pay Useful but Guidance Needs Improvement (GAO/GGD-91-22, Sept. 10, 1991); and Federal Workforce: Inappropriate Use of Experts and Consultants at Selected Civilian Agencies (GAO/GGD-91-99, July 17, 1991).

²³EEO at Justice: Progress Made but Underrepresentation Remains Widespread (GAO/GGD-91-8, Oct. 2, 1990).

Experts and Consultants

Under 5 U.S.C. 3109, agencies may appoint experts and consultants to obtain specialized opinions and advice that are unavailable in the agency or other agencies. These appointments are not subject to the usual civil service laws and regulations that require competitive examination, job classification, and the General Schedule pay grades.

As part of its mission to protect the integrity of the civil service, OPM is responsible for setting governmentwide policy for the appointment of experts and consultants and for monitoring the use of these appointments. However, OPM believes that its oversight efforts have been hampered because it lacks explicit authority to issue regulations on the use of experts and consultants. In a governmentwide review of experts and consultants, we found that about 35 percent of these appointments were inappropriate.¹⁶ To achieve better control over the use of experts and consultants, in July 1991, we recommended that Congress amend 5 U.S.C. 3109 to explicitly authorize OPM to develop regulations governing these appointments and to take necessary action to enforce compliance with the regulations.

Government Shutdown

In the absence of a continuing resolution to provide funds after October 5, 1990, federal agencies were directed by the Office of Management and Budget (OMB) to close down operations over the Columbus Day weekend. In October 1990 and again in June 1991, we reported that this partial shutdown of the government was costly to the taxpayers. In June 1991, we recommended that Congress enact permanent legislation authorizing agencies to incur obligations but not to expend funds when agency appropriations expire. The Chairman, House Subcommittee on Civil Service, Committee on Post Office and Civil Service, said that he was working toward developing a bipartisan plan for implementing the recommendation.¹⁷

Lobbying Reform

In 1991, we made seven recommendations to Congress to improve the administration and effectiveness of lobbying laws and regulations. In July

¹⁶Federal Workforce: Inappropriate Use of Experts and Consultants at Selected Civilian Agencies (GAO/GGD-91-99, July 17, 1991).

¹⁷Government Shutdown: Data on Effects of 1990 Columbus Day Weekend Funding Lapse (GAO/GGD-91-17FS, Oct. 19, 1990); and Government Shutdown: Permanent Funding Lapse Legislation Needed (GAO/GGD-91-76, June 6, 1991).

Health Benefits Program

In conjunction with our review of the FEHBP, we suggested that Congress consider exempting participating health plans from premium taxes imposed by states and other nonfederal entities.¹² The Omnibus Budget Reconciliation Act of 1990 enacted the exemption, effective calendar year 1991. We estimated that for fiscal year 1991, the exemption from premium taxes reduced the expenses of the Employees Health Benefits Fund by about \$42 million. The tax exemption will begin to affect agencies' premium payments into the fund starting in calendar year 1992. From a budgetary perspective, because the fund's net income offsets the deficit, lower premium income received by the fund will result in less of an offset to the deficit. For fiscal year 1992, we estimated that net budget savings will be about \$20 million and that the Postal Service, the District of Columbia government, and enrollees will additionally save about \$42 million.

Performance Measures

OPM established a customer survey that addresses services provided to civil service annuitants in response to our recommendation that OPM should have greater customer focus on its organizational performance measures.¹³ The initial survey results were reported in March 1991. OPM intends to use the initial survey as a baseline for measuring the quality of its future service. In addition, OPM is designing a flexible performance monitoring system for the directorate level that will highlight areas needing attention. OPM hopes to have this system operational by January 1992.

Key Open Recommendations

In fiscal year 1991, the President, Congress, OPM, and other agencies acted to improve human resource management in the federal government. Because OPM has a special role in overseeing the management of the federal workforce, we continue to believe that Congress needs to better hold OPM accountable for meeting legislative goals and for establishing a clear record of OPM's plans, programs, and results.

We made numerous recommendations to OPM and other agencies to improve the quality of the federal workforce. For example, we recommended changes to improve certain aspects of agency hiring practices, affirmative employment programs, financial disclosure systems, and health benefit programs. We also reported on workforce

¹²Federal Compensation: Premium Taxes Paid by the Health Benefits Program (GAO/GGD-89-102, Aug. 8, 1989).

¹³Office of Personnel Management: Better Performance Information Needed (GAO/GGD-90-44, Feb. 7, 1990).

60-Day RIF Notices

Deciding on an appropriate period of notice of a RIF for federal workers largely requires striking a balance between available funding and the time needed to identify the specific employees that are to be separated and to arrange alternative employment assistance. Previously, OPM regulations required at least 30 days advance notice, although private sector companies were required to give at least 60 days advance notice. In our April 1991 testimony, we supported a bill that would require a minimum 60-day advance notice period but recommended that a provision be made for allowing a shorter time period in certain cases. We also recommended that federal agencies be required to notify state dislocated workers units, which help provide job placement assistance to displaced workers, of their RIF plans in certain cases.⁵ OPM revised its regulations in September 1991 consistent with our findings. Agencies are now generally required to give at least 60 days specific written notice, except in situations caused by not reasonably foreseeable circumstances. The new regulations also included our suggestion that when 50 or more employees receive RIF notices, the agency must notify, among others, the appropriate state dislocated worker units.

Schedule C Appointees

We reported that the Department of Energy (DOE) made inappropriate use of its Schedule C appointment authority by hiring individuals into Schedule C positions and immediately detailing them to the White House.⁶ This and earlier related work we did convinced Congress to pass legislation prohibiting the use of appropriated funds for the salary of such Schedule C appointments.

OPM Training

In September 1989, we reported that participation by federal executives in executive training and development courses was uneven.⁷ For example, from a statistically valid sample of Senior Executive Service (SES) members, nearly one-fourth reported no training or development experiences since becoming executives; half of these reported none in 5 years. A factor contributing to this unevenness was the lack of criteria for the amount and the content of executive training and development. We made several recommendations to the Director of OPM to improve leadership and oversight over executive training and development programs. On the basis

⁵Advance Notice: Public and Private Sector Policy and Practice (GAO/T-HRD-91-19, Apr. 18, 1991).

⁶Personnel Practices: The Department of Energy's Use of Schedule C Appointment Authority (GAO/GGD-90-61, Mar. 8, 1990).

⁷Senior Executive Service: Training and Development of Senior Executives (GAO/GGD-89-127, Sept. 29, 1989).

Improvements in Federal Human Resource Management

During fiscal year 1991, significant improvements in federal human resource management occurred. Our recent work dealing with the federal public service has contributed to the enactment of pay reform legislation, a framework for a better managed employee drug testing program, additional guidance for identifying and dealing with poor performers, an extension of the notification period for reductions-in-force (RIF) from 30 to 60 days, legislation affecting the proper use of Schedule C appointees, improved training and development of federal employees, new instructions relating to the use of certain appointment authorities, the identification of labor-management relations problems that need to be addressed, and a Federal Employees Health Benefits Program (FEHBP) exemption from premium taxes (saving over \$40 million in fiscal year 1991). OPM is also developing a system to provide better management information on its performance.

Pay Reform

Our work contributed to the enactment of comprehensive pay reform legislation. We consistently showed that uncompetitive pay was the most important reason for employee recruitment and retention difficulties. For example, in a review of a range of jobs in different agencies and geographic locations around the country, we found that low federal pay was the most frequently cited reason employees left the federal government and applicants declined federal job offers.¹ We also showed that federal and private sector pay differences varied significantly by locality.² Other products that supported a need for pay reform are summarized in appendix I (see pps. 18-26).

OPM, the National Commission on the Public Service, the National Advisory Commission on Law Enforcement, the Advisory Committee on Federal Pay, and several unions were also among the many organizations that contributed toward the enactment of this legislation. The new legislation established a framework for corrective action that if properly followed will go a long way toward making the government a more attractive employer.

¹Recruiting and Retention: Inadequate Federal Pay Cited as Primary Problem by Agency Officials (GAO/GGD-90-117, Sept. 11, 1990).

²Federal Pay: Private Sector Salary Differences by Locality (GAO/GGD-91-63FS, Apr. 29, 1991).
