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Progress And Problems In Implementing The Intergovernmental Personnel Act Of 1970

Civil Service Commission

*UNITED STATES
GENERAL ACCOUNTING OFFICE*

FPCD-75-85

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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND
COMPENSATION DIVISION

B-157936

The Honorable Robert L. Hampton
Chairman, United States Civil 13
Service Commission

Dear Mr. Hampton:

In fiscal year 1974 we made a limited survey of the implementation of the Intergovernmental Personnel Act of 1970 (IPA) (5 U.S.C. 3371 and 42 U.S.C. 4701). Although the program had been operating only 2 years when our survey began, CSC had made considerable improvements in personnel management and training capabilities of State and local governments.

We conducted our survey at CSC headquarters and its San Francisco regional office. We discussed IPA with grant fund recipients; mobility program participants; and selected Federal, State, and local officials. We also reviewed the Advisory Council on Intergovernmental Personnel Policy's report of January 1973.

Our focus was on the implementation of the act's mobility provisions. We asked officials in 8 Federal agencies involved in selecting 634 of 1,089 individuals participating in mobility assignments through November 30, 1973, about the required procedures and considerations. We also analyzed assignment documentation on each participant through November 30, 1973, and reviewed, in detail, 19 mobility assignments made through Federal activities in the San Francisco regional office area. Because our review was limited, we do not suggest that our findings are representative of the entire program.

Selection processes for mobility assignments vary among agencies and involve a three-way agreement with the employee, the Federal agency, and the State or local government. Although many assignments were arranged properly, others were made to

- resolve personality conflicts within a Federal agency,
- remove employees from specific positions,
- satisfy personal considerations,
- ease out employees nearing retirement, or
- meet manpower planning (ceiling) objectives.

The Bureau of Intergovernmental Personnel Programs (BIPP), CSC, gave us information on its nationwide survey of State and local government users, including comments on the success of assignments and competency of assignees. They said they believed that a vast majority of mobility appointments conformed to congressional intent.

We suggest that, to help insure that IPAs objectives are met, you specify in the mobility assignment regulations that personal considerations and expediencies shall not be overriding factors in selecting and assigning participants.

We suggest that, to provide greater use of the act's mobility provisions, you work with the Director of the Office of Management and Budget (OMB) to give Federal agencies separate manpower ceilings for Federal employees on mobility assignments and for State and local government appointees to Federal agencies.


The disparity between salaries of State and local government employees and the often higher salaries of Federal employees doing similar work impedes greater use of the mobility program. If the Congress acts on your recently proposed amendments to IPA, supplementing the salaries of State and local government employees, it should alleviate this problem.

We discussed our survey results with top CSC officials and obtained written comments on our findings and recommendations. The appendix further discusses IPA's mobility aspects and its other functions.

We appreciate the cooperation our representatives received.

Copies of this report are being sent to the Director, Office of Management and Budget, and the Chairmen of the House and Senate Committees on Appropriations, Post Office and Civil Service, and Government Operations.

Sincerely yours,


Forrest R. Browne
Director

IMPLEMENTATION OF IPA

BACKGROUND

IPA (Public Law 91-648) was enacted to meet growing concerns about maintaining sufficient numbers of high caliber administrative, professional, and technical personnel in State and local governments. The act, administered by BIPP, authorizes CSC to:

- Make financial grants on a matching fund basis to States, cities, counties, and other general-purpose units of local government for personnel administration improvement and employee training.
- Provide grants to support graduate study programs for Governmental Service Fellowships for State and local government personnel.
- Furnish technical assistance on personnel administration to State and local governments.
- Participate in cooperative recruiting and examining programs.
- Coordinate Federal personnel management assistance from all sources.
- Administer the Merit System Standards, formerly in the Office of State Merit Systems, Department of Health, Education, and Welfare (HEW).

Additionally, IPA authorized Federal agencies to develop special training courses or to admit State and local government employees to training courses for Federal employees.

IPA also provides for personnel mobility through temporary assignment of personnel between Federal Government and State and local governments and institutions of higher education. (In this report, we are including institutions of higher learning under State and local governments.)

MOBILITY BETWEEN STATE
AND LOCAL GOVERNMENTS

An August 25, 1971, executive memorandum urged the heads of Federal agencies to respond to mobility assignment requests from State and local governments and emphasized

the importance of assigning people able to work effectively with State and local government personnel. As of June 1974 about 900 Federal employees and 600 State and local government employees had participated in the program. Although many appointments were properly arranged, we found others which indicated questionable assignment practices; examples follow.

1. A Federal official in an agency involved in 162 mobility assignments said that, following top-level management changes in his agency, personality conflicts had occurred and some IPA assignments were made to alleviate the situation.

2. Another agency official said that, of five assignees to State and local government agencies, two were sent because of direct management efforts to "get rid" of them and three were sent with "relief." One assignment was still in process. For the four completed assignments, one person returned to his prior position, two assumed other positions in the agency, and one resigned.

In one agency, some employees with long periods of time-in-grade and/or eligible for retirement were placed on IPA assignments. The agency's handbook on this subject, in fact, stated employees eligible for trial retirement could benefit from intergovernmental personnel assignments. We were unable to assess the potential for completing the assignments because most were still in process. However, it is likely that they have less chance for completion of the IPA assignment and for mutual benefit than many others.

3. In some cases, personal considerations took priority over IPA objectives. For example:

--An employee eligible for retirement accepted an IPA assignment to return to the San Francisco area, not intending to return to the Federal Government.

--Another used his assignment to make contacts at the State and local government levels should his agency undergo a reduction-in-force.

--An employee nearing retirement said his Federal position had been abolished and, because he did not want to relocate to agency headquarters in Washington, D.C., he was offered a mobility assignment. He did not intend to return to Federal service and indicated that his case was not unusual.

Six of 19 mobility assignments reviewed in CSC's San Francisco office were self-initiated. Four of these assignees, and three others did not, or had no plans to, return to Federal employment. Although this practice is not necessarily contrary to regulations, CSC guidelines governing its own participation in the program clearly state that its employees should not initiate their own mobility assignments.

EVALUATION OF MOBILITY ASSIGNMENTS

We examined procedures for evaluating assignments. A January 1972 CSC bulletin recommended, but did not require, that each agency establish a system to evaluate mobility assignments and suggested criteria for developing effective evaluation mechanisms. We found little evidence that agencies either carried out or used evaluation reports. Only three of seven agencies we visited required an evaluation; however, these agencies did not appear to make much use of them.

In another agency, regional and headquarters level personnel did review quarterly reports from the participants and conducted meetings with and periodically sent evaluative questionnaires to mobility assignees and their State and local government supervisors.

BIPP said that its objective in fiscal year 1975 was to begin a more consistent evaluation effort. It also said that a field test of an evaluation questionnaire, to be sent to individuals finishing mobility assignments, would be made by September 30, 1974, and that the questionnaires would be in final form by the end of 1974.

PAY DIFFERENTIALS BETWEEN FEDERAL AND STATE AND LOCAL GOVERNMENTS

Officials in five of seven Federal agencies said it was difficult to attract State and local government employees for detail to Federal positions where their Federal counterparts received higher salaries or where the cost of living was greater. Other officials mentioned State and local government employees who might benefit from the program but could not afford to participate without reimbursement for additional expenses.

To decrease salary differentials between Federal and State and local governments, some Federal agencies authorized payments, under IPA, for both relocation expenses and per diem; fringe benefits, such as retirement and life and health insurance payments; and overhead expenses associated with assigning employees to Federal agencies.

Federal agencies authorized payment of both relocation expenses and per diem in 56 assignments. Assignees may receive either per diem in lieu of subsistence or authorized change-of-station allowances, but not both. We reaffirmed this principle in our decision B-170589, August 8, 1974, 54 Comp. Gen. CSC on January 2, 1974, said that, to the best of its knowledge, this practice had been stopped and that the decision's full text will be part of a Federal Personnel Manual Bulletin.

While initially questioned, payments for fringe benefits, such as retirement and life and health insurance, were deemed reimbursable in our decision B-157935, September 16, 1974, 54 Comp. Gen.

Federal agencies reimbursed States and local governments for overhead expenses 1/ associated with employees detailed to Federal agencies in 97 cases, amounting to about \$100,000. Our decision B-157936, September 16, 1974, 54 Comp. Gen. reaffirmed our prior position regarding nonpayment of overhead costs. CSC said that, to the best of its knowledge, this practice had stopped and the decision's full text is part of an upcoming Federal Personnel Manual Bulletin.

MANPOWER CEILING RELIEF

A State or local government employee may be appointed or detailed to a Federal agency. Such an employee is, for purposes such as pay and manpower ceilings, considered an employee of that agency. A detailed assignee, however, remains a State or local government employee, not entitled to Federal pay. A Federal employee detailed to a State or local government does not count against his agency's manpower ceiling provided the State or local government pays more than 50 percent of his salary.

About 75 percent of all mobility assignments are on detail. Federal agencies, urged by executive memorandum to encourage State and local governments' use of IPA, have hindered such use by not allowing employees to be detailed unless the State or local government paid more than half the salary. In some agencies this was written policy.

One agency made all assignments on detail rather than appointment. Another agency reimbursed the sending jurisdiction for all detailed assignment expenses rather than appoint the employee.

1/ Eg.: Employer's cost of maintaining employee's records.

There has also been widespread detailing of State and local government employees to Federal agencies because they do not count against the agencies' manpower ceilings. Many State and local government employees would lose tenure and other rights under a Federal appointment. Many agency officials cited ceiling relief as a major factor in their decision to participate in the IPA program.

Because OMB determines maximum yearend employment ceilings, we discussed with OMB officials the possibility of Federal agencies budgeting separately for mobility assignments. They felt that the number of mobility assignments was too small to materially affect employment ceilings.

OTHER IPA FUNCTIONS

Training

CSC is responsible for prescribing regulations for training State and local government employees, coordinating training support, making training grants, and collecting and maintaining data to avoid duplication of training.

During fiscal year 1973, 22 Federal agencies reported training 44,608 State and local government employees; 17,509, or about 40 percent, were trained primarily by CSC on a reimbursable basis.

CSC's goal is to increase annual State and local participation in its training courses by approximately 33 percent. CSC projects that, by 1977, over 50,000 State and local participants will attend its training courses annually.

CSC is authorized to give grants to State and local governments for training and educating professional, administrative, and technical employees when training is not adequately furnished under grants-in-aid or other statutes. This requires that BIPP, in its administration of IPA, identify other training programs.

During fiscal year 1973 about \$5.7 million, or 40 percent, of total IPA grant funds were awarded for training State and local government employees.

Additional information needs to be collected for BIPP to perform its coordination responsibilities. BIPP said this information would be available in fiscal year 1975. It also said that, to guard against duplicative training courses and programs, regional grant staffs regularly route training grant applications through the regional training centers for comment and coordination.

Technical assistance

In fiscal year 1973 CSC, under its broad authority to furnish technical advice and assistance, on request, on either a reimbursable or nonreimbursable basis to State and local governments, furnished technical assistance valued at \$956,400, of which \$157,800 was reimbursable. Projects included designing and implementing a classification and compensation program, assessing training needs, and helping to develop equal employment opportunity programs.

During fiscal years 1972 and 1973--the first 2 years of the IPA program--CSC furnished about \$307,000 of reimbursable technical assistance to State and local governments to improve their personnel administration systems. IPA grant funds were used for some of this assistance. Thus, CSC encourages State and local governments to seek technical assistance agreements with CSC while simultaneously distributing IPA funds to pay for such assistance. This makes CSC appear to be competing with private consulting firms. The Congress intends that private enterprise provide services obtainable through ordinary business channels.

BIPP said that it has been very conscious of the need to avoid any real or apparent conflict of interest. The subject was covered in detailed instructions provided to the regions in August 1971 and in the Technical Assistance Manual. BIPP also referred to a CSC Operations Memorandum, sent to regional directors in March 1974, on avoiding competition with business in intergovernmental personnel programs.

CSC regulations require that its regional offices prepare postproject evaluation reports. BIPP acknowledged that, until recently, few evaluations had been prepared. It said:

"In our order of priorities, the first was to get the technical assistance program underway and the second, to implement a three part evaluation program which had already been provided for its improvement."

It said that initial evaluations of products and assessments of self-evaluation were underway and instructions for a technical assistance impact study were issued in March 1974.

CSC administration of Merit System Standards

Federal statutes authorize the application of the Standards for a Merit System of Personnel Administration (Standards) for certain federally funded or assisted programs

of State and local governments. The Standards help determine whether a State or local government is using an acceptable merit system of personnel administration. IPA transferred responsibility for administering and evaluating the Standards from HEW to CSC.

CSC supplies advice and technical assistance to State and local governments to assure compliance with the Standards. The Standards were applied to more than 30 major Federal programs during fiscal year 1972, including IPA, involving about half the total grant funds awarded by the Government.

The ultimate sanction for noncompliance with the standards, which has not been invoked, is terminating funds by the grantor agency. (CSC can terminate funding only for IPA grants.) Federal agencies were reluctant to attempt enforcement in the personnel area because of overriding concerns with the total program or concern that those penalized would be the recipients of the program's benefits, not the violators. CSC was therefore limited to persuading grant-aided agencies to adhere to the Standards. A task force instituted by CSC in March 1973 concluded CSC needed broader authority to:

- Publicly disclose its efforts to reach an agreement with jurisdictions not conforming with the Standards.
- Join grantor agencies to seek court injunctions against particular violators of the Standards.
- Be able, during the grant application process, to accept personnel plan materials and indicate to State agencies when a plan is unacceptable.

BIPP said it is carefully reviewing this issue.

Grant funds

CSC, authorized to make IPA grants to State and local governments for up to 75 percent of the cost of developing and carrying out projects to strengthen personnel administration, received \$12.5, \$15, and \$10 million for fiscal years 1972, 1973, and 1974, respectively, from the Congress.

In fiscal years 1972 and 1973, about 40 percent of the IPA grants were for training projects and about 60 percent for personnel management improvement. State and local governments contributed almost \$7 million, or about one-third of the total cost, in fiscal year 1973.

CSC's authority to approve and manage IPA grants, except for those carried out on a national basis or across regional lines, has been delegated to CSC regional directors.

Because of the limited number of completed grants, we could not assess the effectiveness of the grant program. One CSC regional office, however, had some minor shortcomings in administration, including inadequate documentation of in-kind matching funds, limited use of systems for coordinating grant projects, and delayed recoupment of unexpended grant balances. BIPP said it has since taken corrective steps.

Limited use of Government Service Fellowships

Government Service Fellowship grants are available to provide educational costs, travel expenses, and as much as one-fourth the salary for up to 2 years of full-time graduate study for employees. Only nine such grants had been made at the time of our survey. This cost was \$37,379, less than 0.3 percent of fiscal year 1973 IPA grant funds.

The Advisory Council on Intergovernmental Personnel Policy report of January 1973 recognized the financial and other hardships encountered by jurisdictions choosing to use the Government Service Fellowships. It recommended a substantial increase in both number of Government Service Fellowships and in the proportion of Federal funding of salary costs from 25 to 75 percent. CSC supports these recommendations and has proposed legislation to implement them.

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