



Highlights of [GAO-06-324](#), a report to congressional requesters

Why GAO Did This Study

Under the Chief Human Capital Officers (CHCO) Act of 2002, an agency may request authority from the Office of Personnel Management (OPM) to offer employees voluntary separation incentive payments (buyouts) and voluntary early retirement (early outs) to help reshape its workforce.

GAO was asked to identify (1) how many agencies have been granted authority to offer buyouts and early outs and how often agencies used them, (2) how agencies view OPM's role in facilitating the use of these tools, (3) how agencies have used practices associated with effective use of the tools, and (4) what challenges agencies identified, if any, to continued effective use. To respond, GAO reviewed the practices of the Departments of Agriculture, Commerce, Energy, Health and Human Services, Interior, and the Treasury because they were among the most frequent users of these authorities.

What GAO Recommends

GAO recommends that OPM, with the CHCO Council, (1) share information on agencies' successful use of the effective practices GAO identified, (2) help agencies assess their programs' effectiveness, and (3) assess potential program improvements agencies identified for possible implementation, and pursue needed regulatory and statutory changes to implement them. OPM agreed with the recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-06-324.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Eileen Larencee, (202) 512-6510, larencee@gao.gov.

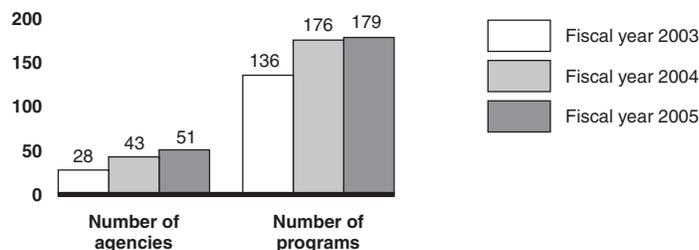
HUMAN CAPITAL

Agencies Are Using Buyouts and Early Outs with Increasing Frequency to Help Reshape Their Workforces

What GAO Found

The total number of agencies using buyouts and early outs to reshape their workforces has significantly increased from 28 to 51 during fiscal years 2003 through 2005, and the number of programs agencies have offered over the past 3 years has also significantly increased (see fig. below). During this timeframe, at least 22,600 employees have separated from federal service under these authorities.

Total Number of Agencies Having Used the Authorities and Total Number of Buyout and Early-out Programs Offered Since the Authorities Were Made Available in Fiscal Year 2003
Total number



Source: OPM data.

Officials at all six agencies GAO reviewed believe that OPM's mandatory review of and feedback on their plans for using buyouts and early outs has improved implementation. However, nearly all of the agencies said they believe the review at times can be achieved more quickly and should be streamlined. OPM on average took 36 days to review the 28 randomly selected programs GAO assessed at the six agencies. OPM is taking steps to reduce its overall average review time including establishing more stringent timeframes for review and reducing the number of reviewers.

The six agencies also reported using almost all of the practices GAO identified as associated with the effective use of buyouts and early outs, and that these practices resulted in better-planned programs. Agencies were not, however, using one practice that involves evaluating the longer-term effectiveness of the buyout and early-out authorities for reshaping their future workforces. Officials at the six agencies suggested that information on how some agencies used effective practices in ways that were particularly successful or instructive in reshaping their workforces could help them improve program results.

Agency officials responsible for use of these authorities from the six agencies agreed that certain reforms would help them address some of the challenges they face in implementing their programs. These include (1) increasing the current dollar amount agencies can pay under buyouts to make the programs more attractive to employees and increase the acceptance rate and (2) allowing agencies to make minor changes to buyout and early-out plans after OPM approval. OPM is in the best position to assess these and other possible reforms and ways to achieve them.