

IMPROVING BASIC PERSONNEL SYSTEMS

SEC. 202. (a) To the extent he determines to be practicable, the President is authorized in programs that are financed in whole or in part from Federal funds and as a condition for the grant of such funds, to require State and local governments to provide for their employees systems of merit personnel administration. For this purpose, the President may establish appropriate standards consistent with such merit principles as—

- (1) recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment;
- (2) providing equitable and adequate compensation;
- (3) training employees, as needed, to assure high-quality performance;
- (4) retaining employees on the basis of the adequacy of their performance, correcting inadequate performance, and separating employees whose inadequate performance cannot be corrected;
- (5) assuring fair treatment of applicants and employees in all aspects of personnel administration without regard to political affiliation, race, color, national origin, sex, or religious creed; and
- (6) assuring that employees are protected against coercion for partisan political purposes are prohibited from using their official authority for the purpose of interfering with or affecting the result of an election or a nomination for office.

(b) Nothing in this section or in section 203 or 204 of this Act, however, shall be construed to authorize any agency or official of the Federal Government to—

- (1) exercise any authority, direction, or control over the selection, assignment, advancement, retention, compensation, or other personnel action with respect to any individual State or local employee whose employment is in compliance with the established standards; or
- (2) require the application of such standards to educational institutions or school systems.

STATE GOVERNMENT AND STATEWIDE PROGRAMS AND GRANTS

SEC. 203. (a) The Commission is authorized to make grants to States for up to 75 per centum of the cost of developing and carrying out programs or projects to strengthen State and local government personnel administration and to furnish needed personnel administration services to local governments in that State.

(b) A grant authorized by subsection (a) or this section may be made to a State on application to the Commission at such time or times and containing such information as the Commission may prescribe. To be approved, the application must meet requirements established by this subsection unless any requirement is specifically waived by the Commission. Such grants to a State may cover the costs of developing the program or project set forth in the application which most—

- (1) provide for designation, by the governor or chief executive authority, of the State office that will have primary authority and responsibility for the development and administration of the approved program or project at the State level;
- (2) provide for personnel administration based on merit principles for State government employees of the office designated under paragraph (1) of this subsection unless, in the case of projects of limited scope, it is determined to be impracticable by the Commission, and for those State government employees who are affected by the program or project and who are engaged in the administration of federally aided programs, if not otherwise covered by merit standard requirements in Federal statutes and regulations or by Presidential action under section 202(a) of this Act;
- (3) provide for certain personnel administration improvement needs of both the State government and the local governments in that State, including State personnel administration services for local governments;
- (4) provide assurance that the making of a Federal Government grant will not result in a reduction in relevant State or local government expenditures or the substitution of Federal funds for State or local funds previously made available for these purposes; and
- (5) set forth clear and practicable actions for the improvement of such aspects of personnel administration as—