SURVEY OF GOVERNMENT OPERATIONS

PART 1—CIVIL SERVICE COMMISSION

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HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS HOUSE OF REPRESENTATIVES

NINETIETH CONGRESS

SECOND SESSION

MARCH 13, 1968

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SURVEY OF GOVERNMENT OPERATIONS, PART I—CIVIL SERVICE COMMISSION

WEDNESDAY, MARCH 13, 1968

HOUSE OF REPRESENTATIVES,
GOVERNMENT ACTIVITIES SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room 2203, Rayburn House Office Building, the Honorable Jack Brooks, chairman of the subcommittee, presiding.

Present: Representatives Jack Brooks (presiding), William S. Moorhead, William J. Randall, and Fletcher Thompson.

Also present: Ernest C. Baynard, staff administrator, William M. Jones, counsel; Irma Reel, clerk; and Lynne Higginbotham, clerk.

Mr. BROOKS. The Government Activities Subcommittee, having been duly organized under the rules of the House of Representatives, and a quorum being present, the meeting is hereby called to order.

This subcommittee is charged with determining the economy and efficiency at all levels of the operations and activities of 12 departments and agencies. Today we are beginning a series of hearings which we hope will enable this subcommittee to carry out its responsibility to the fullest extent. One of the major problems up to this point has been the difficulty of defining agency operations in a manner in which expenditures can be directly correlated with benefits and in units of such size that an effective and meaningful evaluation can be made. We want to be able to readily determine what the taxpayer is getting for his money.

In 1965, the President directed the executive agencies to prepare their budget requests on a program basis, a program being an identifiable function for which the agency is responsible. In these hearings, we plan to review the agencies' operations on a program breakdown along the same lines. In this way, it will be possible to get directly to the point of determining what the taxpayer is buying with his tax dollar.

The agencies will be asked to explain what each of their programs is, how much was spent on it, and what benefit the public will receive for this expenditure. It will then be possible to evaluate to some extent the progress of the programs from year to year and to determine which programs require closer scrutiny. This approach will also be helpful in establishing program priorities throughout the Government and will assist in locating duplicate activities.

The first agency to be heard from is the Civil Service Commission, and we are delighted to have the Chairman of the Commission, Mr. John W. Macy, Jr., here with us today.

Mr. Chairman, the format planned for this hearing, and for these hearings in general, is to look at the overall operation of the Civil Service Commission. Then we want to ask the officials of the Commission who are directly responsible for accomplishing each of your programs questions as to their responsibility. Before proceeding with any questions, I want you to know Congressman Moorhead, whom I know you have met previously, and Congressman Fletcher Thompson.

Mr. MACY. Right.

Mr. BROOKS (Continuing). who are both very able members of this subcommittee. And before proceeding with questions, would you be so kind as to introduce the staff members accompanying you?

Mr. MACY. I will be very happy to, Mr. Chairman. We are very pleased to cooperate with you in the important mission that is assigned to your subcommittee. I have here with me today the top staff of the Civil Service Commission. On my right is Mr. Nicholas Oganovic, who is the Executive Director of the Commission and responsible for executive supervision of all of the Commission's programs.

On his right is Mr. Robert Drummond, who is the Director of our newly formed Office of Management Analysis and Audits.

On my left is Mr. David Williams, who is the Director of the Bureau of Management Services, and in that capacity he coordinates the various staff administrative functions of the Commission, and is also the Commission's key man in the formulation of the budget and statements of fiscal requirements.

In back of us, let me go over the list of the various bureau directors who are here and identify their functions. First, Mr. Seymour Berlin, who is the Director of the Bureau of Executive Manpower which is responsible for manpower services and review with respect to the top levels of the Federal service, the positions in grades 16, 17, and 18. This is a new bureau that has been created in response to the President's Executive order which created the executive assignment system.

Miss Evelyn Harrison is here. She is the Deputy Director of the Bureau of Policies and Standards, that part of the Commission which is concerned with research and development in Federal personnel policy and standards. This organization provides us with the resources that permit us to make policy and to lay out standards for the personnel function in the Federal Government.

Mr. Raymond Jacobson is our Director of the Bureau of Recruiting and Examining, our largest operating bureau with respect to the personnel program. It is concerned with the full sweep of the employment function, from recruiting through examining and the certifying of names to appointing officers in the departments and agencies.

Mr. Kimbell Johnson is Director of the Bureau of Personnel Investigations. This is the organization within the Commission that provides background investigations for the Commission and for all

departments and agencies to assist in determining the suitability of those who are candidates for Federal employment.

Mr. Wilson Matthews is Directoer of the Office of Hearing Examiners for the Commission, and also serves as the project coordinator for the Commission's responsibility in the voter rights field, an assignment that was given to the Commission by the Congress in the Voter Rights Act of 1965.

Mr. Kenneth Mulligan is Director of the Commission's Bureau of Training. Mr. Mulligan is responsible for the Commission's expanding role in exercising leadership in training of those in the Federal service, both for training within the Government and in facilities outside of the Government.

Mr. Andrew Ruddock is the Director of the Bureau of Retirement and Insurance, which is the largest pension and insurance business in the world. His Bureau is concerned with the responsibility of stewardship for the retirement program, the life insurance program, and the health benefits program, all of which include among their clientele Members of Congress, as well as those in the executive branch.

(Discussion off the record.)

Mr. MACY. Mr. Gilbert Schulkind is the Director of the Bureau of Inspections. This is the Bureau that is concerned with the evaluation of personnel programs through the Federal service. They conduct periodic inspections of personnel programs to ascertain the degree to which the agencies comply with statutes and regulations, and provide advice and assistance to agencies as to how they can improve the manner in which they are conducting their personnel management program.

That, Mr. Chairman, is the cast of characters from the Civil Service Commission. I am happy that you called for all of them to be here. As the head of the agency, I am very proud of the quality of executive leadership that exists in each of the Commission's units, and I am pleased to present them to you and to the members of the subcommittee.

Mr. BROOKS. Thank you very much, Mr. Macy, and I might say that this committee and this Congress, I think, has the highest regard for the way in which you have conducted the very involved and very personal judgments and decisions that the administration must make.

PART 1.—OVERALL AGENCY OPERATIONS

A. GENERAL SUPPORT PROGRAM

The general questions affecting a department or agency as a whole are the ones I want to go into with you now, but I would like first to put in exhibits A, B, and C. Your combined program fact sheet is exhibit A, your organizational breakdown is exhibit B, and C is your program structure and major categories, which we will put in the record at this point, without objection.

(Exhibits A, B, and C follow:)

EXHIBIT A.—FACT SHEET—COMBINED PROGRAM—CIVIL SERVICE COMMISSION

	DEPARTMENT OR AGENCY	PROGRAM	SUBPROGRAM
100	Civil Service Commission	Combined Programs	
	CODE	CODE	CODE
200			
	ANALYSIS AND CONTROL CODES		
300			

		FISCAL YEAR			
		Unobligated Carryover	Appropriation or Current Year Request	Total Available	Total Obligated or Expended
500	**"In house" inputs**				
510	Personnel:				
511	Comp.			47,632	
512	Benefits			3,493	
513	Travel			2,509	
520	Expenses:				
521	Communications			1,930	
522	Transportation			242	
523	Printing			1,844	
524	Supplies and Consumable Materials			3,373	
530	Capital Equipment			330	
540	Land and Structures				
541	Additional Investment				
542	Rents			844	
550	Total			62,197	
600	**Funds distributed**				
610	Contracts				
620	Grants				
630	Loans				
640	Benefits				
650	Other				
660	Total				
700	Total				

		Prior Fiscal Year		
800	**Input-output ratio**			
810	1. Input			
811	1. Output			
820	2. Input			
821	2. Output			
830	3. Input			
831	3. Output			
840	4. Input			
841	4. Output			
850	5. Input			
851	5. Output			
860	6. Input			
861	6. Output			
870	7. Input			
871	7. Output			
880	8. Input			
881	8. Output			

Printed for use of House Government Activities Subcommittee, Chairman Jack Brooks

UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF MANAGEMENT SERVICES

Prepared by Office Services Division

DIRECTORY OF KEY OFFICIALS

NOTE: Administrative personnel should report all additions, deletions, or corrections to the Office Services Division, Operating Facilities Section, in writing.

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EXHIBIT C—PROGRAM STRUCTURE—CIVIL SERVICE COMMISSION

MAJOR PROGRAM CATEGORIES

A. Administering the merit staffing system
B. Assuring the suitability and loyalty of the Federal work force
C. Providing personnel management leadership
D. Administering retirement and insurance programs
E. Voting rights
F. General support

PROGRAM SUBCATEGORIES

A. Administering the merit staffing system:
  I. Recruiting
  II. Examining
  III. Executive manpower
  IV. Federal employment assistance to veterans
  V. Technical assistance
B. Assuring the suitability and loyalty of Federal work force:
  I. Suitability investigations
  II. Reimbursable investigations
  III. Other investigations
  IV. Agency file search service
  V. Evaluating agency security programs
C. Providing personnel management leadership:
  I. Policy development and review
  II. Developing and maintaining systems and instructions
  III. Assessing agency personnel management
  IV. Position classification administration
  V. Executive manpower
  VI. Appeals
  VII. Training
  VIII. Special programs
D. Administering retirement and insurance programs:
  I. Retirement
  II. Life insurance
  III. Health benefits
E. Voting rights:
  I. Listing voters
  II. Hearing and defending challenges
  III. Observing elections
F. General support:
  I. Administration
  II. Management services
  III. Providing public information

PROGRAM ELEMENTS

A. Administering the merit staffing system:
  I. Recruiting
    1. Disseminating examination and job information
      a. Preparing and distributing informational materials
      b. Answering inquiries
    2. Attracting candidates into competition
      a. Colleges and universities
      b. Other educational institutions
      c. Professional, trade and community groups
      d. Other
  II. Examining
    1. Developing job standards
      a. Qualifications
      b. Physical
    2. Developing tests and measurements
    3. Conducting and rating examinations
      a. Wage board positions
      b. Clerical positions
      c. Technician, subprofessional, and other support positions
      d. College level positions
      e. Middle and senior level positions
      f. Hearing examiner positions

g. Postmaster and rural carrier positions
i. Qualification investigations
ii. Evaluation
4. Referring qualified eligibles
a. Wage board positions
b. Clerical positions
c. Technician, subprofessional, and other support positions
d. College level positions
e. Middle and senior level position
f. Hearing examiner positions
g. Postmaster and rural carrier positions
5. Resolving questions of physical fitness
6. Determining character fitness and resolving other appointment issues
a. Special suitability issues
b. Investigations of applicants and eligibles

III. Executive manpower
1. Agency staffing reviews
2. Inventory operation
3. Search and referral

IV. Federal employment assistance to veterans

V. Technical assistance

B. Assuring the suitability and loyalty of the Federal work force:

I. Suitability investigations
1. National agency check and inquiry
2. Limited suitability—Investigated
3. Limited suitability—Letter of interrogatory
4. File search service

II. Reimbursable investigations
1. National agency checks
2. Full field
3. File search service

III. Other investigations
1. IOELB
2. File search service

IV. Agency file search service

V. Evaluating agency security programs

C. Providing personnel management leadership:

I. Policy development and review
1. Legislation
2. Pay operations
3. Other
4. Technical assistance

II. Developing and maintaining systems and instructions
1. Ongoing programs
2. New programs
3. Technical assistance

III. Assessing agency personnel management
1. Program evaluation
a. Nationwide
b. Other general
c. Post Office
2. Special inquiries
3. Technical assistance

IV. Position Classification Administration
1. Developing classification standards
2. GS–16, GS–17, and GS–18, and Public Law 313
3. Classification apeals
4. Technical assistance

V. Executive manpower
1. Personnel system
2. Manpower planning assistance

VI. Appeals
1. First level
a. Adverse action (pt. 752B)
b. Reduction in force
c. Suitability
d. Performance rating
e. Other

2. Board of Appeals and Review
    a. Adverse action (pt. 752B)
    b. Reduction in force
    c. Suitability
    d. Retirement
    e. Examination
    f. Level of competence
    g. Discrimination (E.O. 11246)
    h. All other
3. Technical assistance

VII. Training
1. Interagency training
    a. Basic orientation
    b. General management
    c. Personnel management
    d. Financial management
    e. Planning, programing, budgeting
    f. Automatic data processing
    g. Discrimination (E.O. 11246)
    h. Residential executive
2. Training analysis and coordination
    a. Information systems
    b. Training coordination
    c. Training technology
3. Technical assistance

VIII. Special programs
1. Interagency advisory group
2. Labor management relations
3. Incentive awards
4. Equal employment opportunity
5. Political activity
6. Federal employee occupational health program
7. Other

D. Administering retirement and insurance programs:
I. Retirement
1. CSC program
2. Reimbursable services (medicare)

II. Life insurance
1. Regular
2. Beneficial

III. Health benefits
1. Employees
2. Retirees

E. Voting rights
I. Listing Voters
II. Hearing and Defending Challenges
III. Observing Elections

F. General support
I. Administration
1. The Commission
2. Executive Director
3. Legal services
4. Regional directors

II. Management services
1. Bureau Director
2. Analysis and audits
3. Management systems
4. Library services
5. Health services
6. Budget and fiscal services
    a. Central
    b. Regional
7. Personnel services
    a. Central
    b. Regional
8. Offices services
    a. Central
    b. Regional

III. Providing public information

UNITED STATES CIVIL SERVICE COMMISSION

ACTIVITY LOCATIONS IN THE PPB STRUCTURE

PROGRAM CATEGORY / Program Sub-Category	ACTIVITIES: Recruiting & Examining	Investigations	Inspections	Executive Manpower	Policies & Standards	Appellate	Training	Administration & Services	Voting Rights	Political Activity	Retirement & Insurance
	1	2	3	4	5	6	7	8	9	10	11
ADMINISTERING THE MERIT STAFFING SYSTEM											
Recruiting	X										
Examining	X	X			X						
Executive Manpower		X		X							
Federal Employment Assistance to Veterans	X										
Technical Assistance	X										
ASSURING THE SUITABILITY AND LOYALTY OF THE FEDERAL WORK FORCE											
Suitability Investigations		X									
Reimbursable Investigations		X									
Other Investigations		X									
Agency File Search Service		X									
Evaluating Agency Security Programs		X									
PROVIDING PERSONNEL MANAGEMENT LEADERSHIP											
Policy Development and Review					X						
Developing & Maintaining Systems & Instructions					X						
Assessing Agency Personnel Management			X								
Position Classification Administration			X	X	X	X					
Executive Manpower				X							
Appeals		X				X					X
Training							X				
Special Programs			X				X	X		X	X
ADMINISTERING RETIREMENT & INSURANCE PROGRAMS											
Retirement											X
Life Insurance											X
Health Benefits											X
VOTING RIGHTS											
Listing Voters									X		
Hearing and Defending Challenges									X		
Observing Elections									X		
GENERAL SUPPORT											
Administration	X	X	X			X	X	X	X		X
Management Services	X	X	X			X	X	X	X		X
Providing Public Information	X										

Mr. BROOKS. To begin our questioning, we have, as you know, a number of questions concerning various aspects of the Commission's management, which we want you to respond to for the record at a later date after you have had a chance to look at them, but at this time, would you give us a brief justification of the size and extent of your own support program, and what you think generally is most significant?

(The written responses to the questions submitted by the subcommittee are in app. A.)

Mr. MACY. With your permission, Mr. Chairman, I would like to lead into that with just a few moments of background with respect to the scope and dimension of the Commission's responsibilities.

Mr. BROOKS. Go right ahead, Mr. Chairman. You understand the problems pretty well that we are trying to work with, and one of the reasons that we are having the Civil Service Commission here first, is that you deal across the board with every agency's problems, and the efficiency with which you operate that agency is a major factor in the efficiency, the economy, and the general operating yield of every agency in the Government. They all request personnel direction from your office, and so what you do and how well you do it has a very significant impact on every agency in the Government. That is a relatively small agency to have that much, not really power as such, but potential for good, if properly exercised.

Mr. MACY. We are fully in accord with that, and I think it is important to recognize that the Commission is the central personnel agency for the executive branch and that the Commission has responsibility for the administration of quite a range and variety of statutes that have been enacted through the years, through 85 years since the Commission was first established by the Civil Service Act in 1883. The Commission is also responsible for a number of activities that have been promulgated by Presidential Executive orders through the years.

Perhaps one way of measuring the dimensions of the Commissions' responsibility is to look at the funding and staffing patterns that are involved. The funds available to the Commission for fiscal year 1968 are approximately $62 million. This money is provided in a number of different packages. There is a direct appropriation for salaries and expenses which comes to $36,900,000, which provides the funding for the staff that are directly engaged in the programs involving employment, involving inspection, involving various other activities of the Commission which I will specify.

A second funding source is the transfer of funds from the identified trust funds for retirement insurance and health benefits. There are four trust funds that have been established by statute, and provision has been made, whereby the Commission finances its administrative operation in retirement insurance and health benefits through allotments or transfers, made from those trust funds. That comes to $6,300,000 in the current fiscal year.

Then a significant source of funds for the Commission is a revolving fund that was created by statute in 1952 for the administration of investigations for departments and agencies of the Government. This fund this year will be used to the extent of $14.4 million.

And then finally a third source is advances and reimbursements, primarily given to the Commission by departments and agencies, to pay for training conducted by the Civil Service Commission for employees of those departments and agencies, and that amount comes to $4.5 million.

Now, the man-years that are involved in the grand total of $62 million come to 5,407.

Mr. MOORHEAD. What is the 5,407?

Mr. MACY. 5,407 man-years are funded out of the $62 million that is available to the Commission from these four sources: salaries and expenses on direct appropriation, salaries and expenses on transfer from trust funds, money made available through a revolving fund to pay for investigations conducted on a per case cost, and advances and reimbursements made by departments and agencies from their own appropriations to pay primarily for training that is provided by the Civil Service Commission.

The Commission staff, as of the end of January, totalled 5,396, against a ceiling prescribed by the Bureau of the Budget at 5,565. Of the actual strength, the full-time permanent strength came to 5,026 against a full-time permanent ceiling of 5,200. You can see that the Commission at that time was operating at a point roughly 175 below our full-time permanent ceiling limitations.

The Commission is widely dispersed. We have 2,286 of our employees here in Washington in our central office, and 3,110 at locations throughout the country. We have employees in 10 regional offices and four branch offices. We have them located at 176 duty stations across the country, where investigators are stationed, so they can efficiently and economically make the investigative contracts that are required in the course of an investigation.

We have 65 interagency boards of examiners that have been created in the course of the past 2 years to bring together, at principal points of Federal activity, an examining source, so that the departments and agencies in those areas can utilize that one source in obtaining names of individuals for civil service appointment. This also brings together, at one point, information about employment for the public so that the public is able to turn to one point.

And then the Commission has 42 civil service representatives, who are in 42 locations, to represent the Commission across the board in all of its activities, but particularly with the departments and agencies located in those particular centers.

The Commission has personnel in all 50 States. The only personnel located beyond the 50 States are a few employees we have in Puerto Rico in order to service the Federal activities in that island.

Composition of our work force—we have 2,226 men, 2,811 women. This is we feel, a reasonable balance between the sexes. Our minority employment is about 23 percent of the total. Of the total employment, the Negro employment is roughly 20.6 percent, and the balance of the minority groups being Spanish-American, American Indian, and oriental.

As far as grade is concerned, the average grade in the Civil Service Commission is GS–7.1. The median grade is 6. I have more detailed information about grade distribution if that is of interest to your subcommittee.

As far as occupational distribution is concerned, 1,075, or 21 percent of our employees are characterized in the occupational language as personnel specialists. We have 160 people employed in general administration, we have 755 who are classified as investigators, we have 112 retirement claims examiners, and 2,404 clerical personnel. Fifty percent of our employees are in grades 1 through 5. We do have a substantial group that are in the clerical occupations.

In fiscal year 1967, we had an average monthly accession rate of 4.75 percent, just slightly higher than the Government as a whole. The Government monthly average was 3.13.

Our average monthly separation rate last year ran 2.62 percent, against a Government average of 2.3.

I have distribution of personnel by location, both organizationally and geographically, if that is desired by the committee. I have the personnel strength for the end of each fiscal year, going back 10 years. I would say that the Commission's employment over that period of time has generally been stable with the exception of the increase that took place when we created the Inter-Agency Board of Examiners and the Commission took over from some 600 individual agency Boards of Examiners the work that had been funded by the departments, and agencies using staff on their own rolls.

In the judgment of the Appropriations Committee, it was better for the Commission to fund those positions directly rather than to have the funding handled on a reimbursable basis.

Mr. MOORHEAD. Excuse me, Mr. Chairman, I think it might be helpful to have this in the record.

Mr. BROOKS. On the recommendation of Mr. Moorhead, we would be pleased to put that in the record, that detail that you outline, plus the breakdown on personnel and the general facts that you have been working from, Mr. Chairman, if that is all right.

Mr. MACY. Very good.

Mr. MOORHEAD. Mr. Chairman, it might also be interesting to show in the record over the 10 years not only the employment of the Commission, the number of people, but also the total number of employees of the Government, because if you have been able to maintain your Commission's personnel at the level figure while the total employment is going up, I think that would indicate efficiency and economy in Government.

Mr. MACY. I would be happy to add the total strength of the Government for each of the dates I have on here.

(The material referred to follows:)

CIVIL SERVICE COMMISSION PERSONNEL MANAGEMENT

I. OBJECTIVE

To obtain, develop, motivate, and retain a high quality work force.

II. ORGANIZATION FOR PERSONNEL MANAGEMENT

A. Decentralized system

1. *Personnel division.*—Functions as personnel advisor to all elements of Civil Service Commission; provides all central office bureaus and staff offices with personnel services in recruitment, classification, training, etc.

2. *Regional offices.*—Within limits of delegations perform own personnel functions.

B. Delegated authorities

Personnel authorities delegated to lowest level of supervision consistent with sound administration.

III. WORK FORCE

A. Employment levels, as of January 31, 1968.

	Actual	Ceiling
Total	5,396	5,565
Full-time permanent	5,026	5,200
Other	370	365

Note: See attachment 1, employment by organization; attachment 2, employment for 10-year period.

B. Geographic dispersion

10 Regional offices.
176 Duty stations.

C. Composition of work force

By sex: 2226 men; 2811 women (see attachment 3: employment by sex and grade level).

By minority group:

Total minority employment: 1177 (23.3 percent)
Negro: 1037 (20.6 percent).
*Spanish American: 71.
*American Indian: 2.
*Oriental: 25.

D. Grade distribution as of June 30, 1967

Average grade: GS-7.1.
Median grade: GS-6.
(See attachment 4: employment by grade level).

E. Occupational distribution

Major occupations as of October 31, 1967.

	Number	Percent of employment
Personnel specialists	1,075	21.3
General administration	160	3.2
Investigators	755	15.0
Retirement claims examiners	112	2.2
Clerical	2,404	47.7

F. Changes in work force

Fiscal year 1967	Number	Average monthly rate	Governmentwide average monthly rate
Accessions	2,854	4.74	3.13
Separations	1,691	2.62	2.30

IV. PERSONNEL STAFF

	Total	Central office	Regional offices
Authorized strength under statutory ratio	42		
Positions charged against ratio	42	19	23
Positions not charged against ratio	21	11	10

*This figure represents only employment in the selected States for which statistics are reported, not Civil Service Commission totals.

ATTACHMENT 1

U.S. CIVIL SERVICE COMMISSION EMPLOYMENT AS OF JAN. 31, 1968

Office	Total	Full-time permanent	Other
Commissioners	19	18	1
Executive Assistant	10	10	
Executive Director	31	30	1
Board of Appeals and Review	30	30	
Public Information Office	18	18	
General Counsel	37	35	2
White House Fellows	4	4	
Training	114	103	11
Management Services	379	348	31
Policies and Standards	164	160	4
Executive Manpower	42	40	2
Inspections	71	71	
Recruiting and Examining	176	161	15
Washington IAB	307	169	138
Personnel Investigations	383	379	4
Retirement and Insurance	501	488	13
Total, Central Office	2,286	2,064	222
Regions:			
Atlanta	358	345	13
Boston	97	95	2
Chicago	457	427	30
Dallas	373	340	33
Denver	205	200	5
New York	396	381	15
Philadelphia	305	299	6
St. Louis	212	194	18
San Francisco	592	573	19
Seattle	115	108	7
Total, regions	3,110	2,962	148
Total, Commission	5,396	5,026	370

ATTACHMENT 2

CIVIL SERVICE COMMISSION AND TOTAL EXECUTIVE BRANCH EMPLOYMENT (10-YEAR SPAN)

	Civil Service Commission			Executive branch total
	Total	Central office	Regions	
June 30, 1958	3,935	1,830	2,105	2,355,292
June 30, 1959	3,790	1,780	2,010	2,355,054
June 30, 1960	3,579	1,802	1,777	2,370,826
June 30, 1961	3,773	1,877	1,896	2,407,025
June 30, 1962	4,123	2,046	2,077	2,484,655
June 30, 1963	4,085	1,965	2,120	2,497,699
June 30, 1964	3,887	1,896	1,991	2,469,645
June 30, 1965	3,789	1,884	1,905	2,496,090
June 30, 1966	4,385	2,008	2,377	2,726,144
June 30, 1967	5,498	2,229	3,269	2,967,964
Jan. 31, 1968	5,396	2,286	3,110	2,906,603

ATTACHMENT 3

EMPLOYMENT BY SEX, OCT. 31, 1967

Grade	Total	Men	Women
GS-1 to GS-4	1,972	216	1,756
GS-5	557	107	450
GS-6	81	8	73
GS-7	346	186	160
GS-8	12	3	9
GS-9	391	230	161
GS-10	22	11	11
GS-11	748	655	93
GS-12	302	250	52
GS-13	313	277	36
GS-14	153	147	6
GS-15	98	96	2
GS-16	28	27	1
GS-17	9	8	1
GS-18	5	5	
Total	5,037	2,226	2,811

ATTACHMENT 4

GRADE DISTRIBUTION, CIVIL SERVICE COMMISSION, JUNE 1967 (FULL-TIME PERMANENT EMPLOYMENT)

Grade	Number	Percent of total	Grade	Number	Percent of total
GS-1	14	0.3	GS-11	775	15.9
GS-2	413	8.5	GS-12	286	5.9
GS-3	896	18.4	GS-13	288	5.9
GS-4	574	11.8	GS-14	139	2.8
GS-5	539	11.0	GS-15	92	1.9
GS-6	80	1.6	GS-16	27	.6
GS-7	379	7.8	GS-17	9	.2
GS-8	9	.2	GS-18	5	.1
GS-9	336	6.9			
GS-10	18	.4	Total	4,879	100.0

Mr. MACY. I commented upon the Commission's organization in introducing the key executives of the Commission. I won't go beyond that unless there are some questions.

You are interested in this hearing in the efforts that are made by the Commission and the other agencies under the planning programing and budgeting system prescribed by the President in August 1965.

Mr. BROOKS. Mr. Chairman, let me put in, at the conclusion of the general outline, exhibit D, which has to do with general support.

(Exhibit D follows:)

EXHIBIT D.—FACT SHEET—GENERAL SUPPORT PROGRAM—CIVIL SERVICE COMMISSION

	DEPARTMENT OR AGENCY	PROGRAM	SUBPROGRAM
100	Civil Service Commission	General Support	
	CODE	CODE	CODE
200			
	ANALYSIS AND CONTROL CODES		
300			

		FISCAL YEAR			
		Unobligated Carryover	Appropriation or Current Year Request	Total Available	Total Obligated or Expended
500	**"In house" inputs**				
510	Personnel:				
511	Comp.			5,281	
512	Benefits			395	
513	Travel			164	
520	Expenses:				
521	Communications			260	
522	Transportation			22	
523	Printing			137	
524	Supplies and Consumable Materials			428	
530	Capital Equipment			102	
540	Land and Structures				
541	Additional Investment				
542	Rents			219	
550	Total			7,008	
600	**Funds distributed**				
610	Contracts				
620	Grants				
630	Loans				
640	Benefits				
650	Other				
660	Total				
700	Total				

				Prior Fiscal Year	
800	**Input-output ratio**				
810	1. Input				
811	1. Output				
820	2. Input				
821	2. Output				
830	3. Input				
831	3. Output				
840	4. Input				
841	4. Output				
850	5. Input				
851	5. Output				
860	6. Input				
861	6. Output				
870	7. Input				
871	7. Output				
880	8. Input				
881	8. Output				

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U.S. CIVIL SERVICE COMMISSION

PROGRAM CATEGORY F

GENERAL SUPPORT

A. Statutory or administrative authority for the program

The authority for the general administration and management services support is implicit in the statutes, Executive orders, etc., that authorize the basic programs of the Civil Service Commission.

B. Output received as a result of expenditures made

1. *Policy guidance.*—A three-member bipartisan Commission appointed by the President by and with the consent of the Senate establishes the overall policy of the Civil Service Commission.

2. *Executive director.*—The Executive Director provides direction of all internal management and other staff activities of the Commission and exercises general supervision from both a technical and a management viewpoint over all bureaus and staff offices of the Commission including its field operations.

3. *Legal services.*—A variety of legal services are performed relating to the Commission's policies, procedures, and operations on which advice and counsel are sought by the Commissioners, Commission officials, officials of other Government agencies, Members of Congress and attorneys having business before the Commission.

4. *Budget and fiscal services.*—Internal services to Commission offices, both central office and field, are provided with respect to budget estimates, allotments of funds, work reporting and cost analysis, financial reporting, and centralized payroll services.

5. *Personnel services.*—Advice and assistance are rendered to central office bureaus and regional offices pertaining to the classification of positions, selection of employees, reduction in force, appointments, training and employee development.

6. *Office services.*—General office services are provided to operating offices for procurement, property management, space assignment, printing communication services, office equipment, mail and records management.

7. *Library services.*—A library collection is available to Commission employees consisting of general reference books, and basic literature in professional and technical fields with particular emphasis on civil service, personnel administration and public administration.

8. *Management systems and internal audit services.*—A comprehensive internal audit program is conducted as well as reviews of the management and organization of Commission offices.

9. *Health services.*—Commission employees are provided health counseling service and emergency care in the event of illness or injury on the job.

10. *Public information services.*—The general public is informed about activities of the Civil Service Commission and a close relationship is maintained with representatives of all news media.

C. Names of officials having direct operating responsibility over the program

1. Commissioners: John W. Macy, Jr., Chairman; L. J. Andolsek, Vice Chairman; Robert E. Hampton, Commissioner.
2. Executive Director, Nicholas J. Oganovic.
3. Director, Bureau of Management Services, David F. Williams.

B. BUDGET PROCESSES

Mr. MACY. The Commission for a number of years has had a budget structure which has been designed and modified in order to relate budget activities as closely as possible to program activities. One of the early efforts that the Commission made through its participation in the PPB program was to interrelate the program categories and program subcategories with the budget activities. I have a chart, Mr. Chairman, which I think would be helpful for your records, which

shows across the top the budget activities and down the right column the program categories and subcategories that have been identified for PPB purposes. And then in the grid to the right of the page, the point at which the two categorizations cross; for example, in the first program category, administering the merit staffing system, you will see that the first subcategory, recruiting, coincides with activity 1 of the budget, which is recruiting and examining, whereas the second subcategory, examining, brings into play, not only activity 1, but certain aspects of activity 2, which is investigations, and certain aspects of activity 5, which is policies and standards. The rest of the diagram illustrates these interrelationships.

(The chart referred to is included in Exhibit C, p. 9.)

I found this particularly helpful in trying to make the necessary matches between the two approaches because when we appear before the Budget Bureau and before the Appropriations Committee, we are accustomed to defending our program and our budget in accordance with those activities.

Now we feel that although those activities do not coincide with or conform with the standards in the President's letter and the Bureau of the Budget guidance, they have given us the means of identifying our activities in placing responsibility upon individual executives for those activities. As we move more fully into the PPB program, we will be making further accomodations with respect to that activity breakdown.

Mr. Chairman, you put into the record the major program categories that the Commission has established. I might comment, for a moment, about those categories.

Category A, administering the merit staffing system, is the program that we have set up which relates to the basic employment activity of the Federal Government under the statutes that the Commission has responsibility for administering.

Category B, assuring the suitability and loyalty of the Federal work force, encompasses the investigative program, which the Commission has pursued; and this, you will see, referring to the other tabulation, comes under activity 2 completely, as far as that program is concerned.

Mr. BROOKS. The function is all investigation?

Mr. MACY. Yes, and Mr. Kimbell Johnson, who is the Director of this Bureau of Personnel Investigations is the program manager of that entire program segment. Whereas in program A, there are four different activities within the Commission that have some involvement, but Mr. Jacobson, as the Director of the Bureau of Recruiting and Examining, has the primary responsibility for that program.

Program C is providing personnel management leadership, and this gets back to the point that you made earlier about the Commission's obligation to establish policy, to set standards, to maintain the personnel system of the Federal Government with respect to personnel across the board. And you will notice, again referring to the chart I identified earlier, that there are quite a number of existing Commission activities that are encompassed in this program. It is in this area that we have found it somewhat difficult to pinpoint the direct relationship of certain specific activities to the major program category.

Mr. BROOKS. Pardon me. Off the record.

(Discussion off the record.)

Mr. MACY. In this particular program, the subcategories are particularly important, Mr. Chairman. Identifying the subcategories as we have into the policy development and review, the development and maintenance of systems and instructions, the assessment of agency personnel management programs, which is our inspection function, position classification administration, our training activity, the administration of appeals, and part of the new executive manpower function.

Program D is more discreet and identifiable. That is the retirement and insurance programs.

Program E, voting rights—is a very special and separable activity.

And then that brings me to program F, general support, which was the focus of your initial question. The support program is designed to provide the leadership and the administrative backup for all of the other program areas.

I think the output in general support can be summarized under 10 different headings. First, there is the top policy guidance, which is the responsibility of the three-member bipartisan Commission. These are the only Presidential appointees that serve in the Commission, and their responsibility as a part of general support is the decisionmaking which is with respect to policy.

A second category is executive direction. This involves the Executive Director and his office in conducting the general management of the Commission, in providing the range of contacts that are necessary with the departments and agencies in the personnel field.

Mr. BROOKS. Mr. Chairman, we put in this breakdown on general support as exhibit D a moment ago.

You might give us some of the numbers of people involved in this general support program and a reflection as to whether they, in general, control all of the activities through the general support section, because I see in your breakdown on activties that you have people in every category except 4 and 5, executive manpower and policies and standards.

Mr. MACY. That's right.

Mr. BROOKS. And is this where you have the overall management that would handle the people that handle program category A, administering the merit staffing system? You have three or four breakdowns under that. Do you have somebody in your general support section that supervises the correlation of those?

Mr. MACY. That's right. And we have staff support for all the other programs.

Mr. BROOKS. For all the other programs as well?

Mr. MACY. That's right.

Mr. BROOKS. Now, on your work force, your investigator reports to somebody in general support and they back him up when he has a problem?

Mr. MACY. That's right. They provide services for him in the direction of the investigative program.

Mr. BROOKS. Then, in effect, you have actual control over the entire agency right there in your general support section?

Mr. MACY. That is correct.

Mr. BROOKS. With how many people?

Mr. MACY. Well, in the entire general support program area, we have 394 people in the central office and 196 in the regional offices, for a total of 590. I have a breakdown of the various categories, if you would like to include that in the record.

Mr. MOORHEAD. I think that would be helpful.

(The information referred to follows:)

U.S. CIVIL SERVICE COMMISSION, GENERAL SUPPORT CATEGORY—PERSONNEL COMPENSATION

[In thousands]

	Central office		Regional offices		Total	
	Average number of positions	Amount	Average number of positions	Amount	Average number of positions	Amount
Executive direction	43	$535	30	$413	73	$948
Legal services	32	375			32	375
Management services	63	675			63	675
Budget and fiscal services	48	444	54	429	102	873
Office services	124	858	65	394	189	1,252
Personnel services	46	427	27	214	73	641
Library services	13	108			13	108
Public information services	21	241			21	241
Employee health services	4	35			4	35
Personnel interns			20	133	20	133
Total	394	3,698	196	1,583	590	5,281

Mr. MACY. Perhaps it would be helpful for me to read it at this point. Would it be helpful?

Mr. MOORHEAD. Yes.

Mr. MACY. For executive direction—now this includes the Commissioner, the Executive Director's offices, and out in the field some 30 positions which involve the regional director, the administrative officer and certain clerical support—if you will, the overhead in the regional offices. That is a total of 73 people that we have categorized as part of executive direction for the Commission as a whole. The dollars involved are $948,000 in fiscal year 1968.

The second category is legal services. We have centralized as a part of general support our legal services. This is our staff of professional lawyers, located here in the central office. The lawyers and their clerical support number 32 people, and the funding there is $375,000. This includes the full range of legal responsibilities for the Commission as an organization.

Mr. MOORHEAD. Mr. Chairman, are you now giving us the people under category F, general support?

Mr. MACY. Yes, sir. I think it is important to recognize that the responsibility for activity 10 in the budget activity breakdown, namely, enforcement of the Hatch Act, is included among those 32 positions and that $375,000. Roughly $100,000 of that amount is devoted to enforcement of the Hatch Act.

Management services are the housekeeping services that are available to the entire organization. Here again, these are services rendered in the central office. There are 63 positions involved and $675,000.

The budget and fiscal services for the entire organization are in the fourth line. There are 48 people in the central office concerned

with budget development. They are concerned with administering payroll; they are concerned with meeting the vouchering costs. They provide all of the financial functions of the Commission. We also have a fiscal staff in each of the regional offices to provide fiscal records and maintain fiscal accounts for the regions. We have a total of 102 people that are engaged in this activity, and that totals $873,000.

Office services involves the more detailed administrative functions—the provision of printing services, messenger services, files. This is again the backup for all of the logistic service involved in running an organization which is predominantly administrative. And you will see that here, too, we have employees in the regional offices as well as in Washington. There are 124 in Washington, 65 in the regional offices, for a total of 189; and the payroll cost is $1,252,000, roughly a million and a quarter.

The next category is the "Personnel services" for the Commission's personnel. This becomes a particularly difficult task in the Civil Service Commission where all of the operating officials you are dealing with view themselves to be experts in the personnel field. So the personnel staff in the Commission is a unique function. We have 46 people in the central office staff and 27 distributed among 10 regional offices, for a total of 73, and a funding of $641,000.

The Commission, Mr. Chairman, is very proud of its library. This is the finest library in the country on personnel management. It employs 13 people in the central office. It has very fine space and arrangements in our building, which we still call new, although we have been in it nearly 4½ years. The payroll level for that function is $108,000.

We have a public information service which is a very important part of the Commission because we have to deal with so many publics. We have to reach the public generally in order to attract recruits for the system. It is necessary that we give a high degree of accountability to the public on the various personnel policies for which we have responsibility. We have 21 people in our central office, with a cost roughly of a quarter of a million dollars, $241,000.

We have an employee health unit within the Commission which serves our employees in the central office. We have four people there at a cost of $35,000.

And the final item is a separate one for personnel interns. These are young people who are assigned to our regional offices. They are recent graduates from the colleges and universities who we hope will be our successors in some later day. They're distributed among the regional offices receiving as broad and deep an experience as possible in terms of personnel management. There are 20 of them, and that comes to a cost of $133,000.

So, Mr. Chairman, that is the basic story on general support. To give you a further reading on it, this comes to 11 percent of the total funds available to the Commission in 1968, 11 percent of $62 million. The total cost in this category is around $7 million. We feel that does not represent an excessive overhead. We feel that it is realistic and necessary, not only for control, as you identified, but also to perform central services that can be more efficiently provided from a central point within an organization of this size rather than disbursed among the various program units.

C. ACCOUNTING SYSTEM DEVELOPMENT

Mr. BROOKS. Mr. Chairman, that is very helpful. We have a good many other areas to cover. What is the Commission doing regarding accounting system development?

Mr. MACY. The Commission has basically two accounting systems, one that involves the administrative operations generally, and the other one that relates to the retirement, life insurance, and health benefits programs. We have been in the process of overhauling our accounting systems in order to bring them up to date, in order to have them conform with the modern standards.

Mr. BROOKS. You're going on the accrual system?

Mr. MACY. We are going on the accrual system.

Mr. BROOKS. What is the target date for that?

Mr. MACY. We have our system before the GAO at the present time, and we hope to install the new system by July 1, of this year.

As far as the retirement and insurance and health benefits program, we are hoping almost within the week to have word back from the Comptroller General that those systems have been approved so that we can move ahead.

The objectives of the new system are, as you say, to put the accounts on an accrual basis. We want to have the means for meeting all of the requirements of the laws that are applicable to the handling of public funds. We want to have timely and comprehensive reports on our accounts so that we are in a position to exercise control and to use the accounting information for necessary evaluation and decisionmaking throughout the Commission. We feel it is important that the accounting system be supportive of both our budget development and our program development.

D. MANAGEMENT INFORMATION SYSTEM

Mr. BROOKS. What about the management information system development? How are you doing there, Mr. Chairman?

Mr. MACY. I think we are making progress on that. This has been a system that has been in evolution. When I became Executive Director of the Commission in 1953, I was very favorably impressed after a number of years experience at the Pentagon with the high degree of sophistication in the Commission's management information and reporting system. But since that time the Commission has taken on a significant number of additional programs, and we needed to update that system.

We believe a great deal, Mr. Chairman, in the eyeball-to-eyeball communication system. Mr. Oganovic and I meet frequently with members of the staff that have program responsibility, and we review with them the management data that comes into the Commission every 4 weeks showing the status of our individual programs in quantitative and qualitative terms, and also the status of our expenditures. We have what we call a flash report which has been developed for top management at Mr. Oganovic's suggestion last year. This is a rapid summary of data with respect to the Commission's operating programs. It is possible for him and for me to sit down with this report when it comes in and look over the data, look over the charts—there are charts that

show trends and experience against previous years. It is possible for us through a quick review to identify trends or situations which would require immediate attention.

Mr. BROOKS. Are you getting a standard data base on the information in your management information system within your own agency and as applied to other agencies?

Mr. MACY. Yes, sir. We are following Bureau of the Budget Circular A–86. Mr. Chairman, I want to make the point that we feel this is quite an unusual management process in that we receive within 10 days after the completion of the 4-week period this report with the data so that it can have top management attention.

Mr. BROOKS. I noticed that. I like it. It gives a very accurate and up-to-date status report. With good data processing, your agency will be able to do that almost on an instantaneous basis.

Mr. MACY. That is correct.

Mr. BROOKS. This is probably the best that we can do with data equipment, bright people, and real effort. All of your program operators have to really get with it now to accomplish this. But ultimately it should be instantaneously available for the management in every agency.

E. INTERNAL AUDIT SYSTEM

Now, would you describe briefly your internal auditing system?

Mr. MACY. Yes, sir; I would be happy to. We have recently, within the past year, established the Office of Management Analysis and Audits under——

(Discussion off the record.)

Mr. MOORHEAD. That flash report, is that on personnel of the Commission?

Mr. MACY. This is with respect to our operations of the Commission.

Mr. MOORHEAD. Not outside the Commission?

Mr. MACY. No. This is the Commission's internal operation. It shows what the workload has been on processing applications. It shows the number of investigations that were completed during the reporting period, the number of inspections that were completed. It shows the level of the backlog on appeals. It enables top management to judge the status of the work, and if there are items that attract the eye and raise the questions, it is possible to talk with the program director about those conditions. He receives this also. He also uses this in pursuing his responsibilities.

Mr. MOORHEAD. Do you know if any other agencies or departments have similar things?

Mr. MACY. I think they have similar devices depending on the nature of their programs. Many agencies have work which is very difficult to quantify, so that reports tend to be more narrative rather than statistical. Others that are more in a production business I am sure have reports that are similar to this.

Mr. BROOKS. Back on internal auditing, without objection, I will put in exhibit E, the summary of a GAO report on the Commission's internal audit program. You remember in 1963 this subcommittee made some recommendations, along with the Comptroller General, suggesting some essential criteria for establishing effective internal audits. I would be interested in determining how you are coming along on that.

(Exhibit E follows:)

EXHIBIT E.—SUMMARY OF GAO REPORT, "INTERNAL AUDITING ACTIVITIES, CSC" (B–160759, March 20, 1967)

PROBLEM

GAO found (1) the internal audit function was not independent of officials responsible for operations and activities reviewed by the internal auditors, and (2) the scope of the audit was not broad enough to cover all operations and activities on a systematic basis.

RECOMMENDATION

GAO proposed the establishment of a single centralized internal audit organization responsible to the highest level practicable, preferably the Chairman of the Commission or the Executive Director, with the authority to review all programs and activities on a systematic basis.

AGENCY ACTION

A centralized internal audit organization was established to review all programs and activities without specific requests from operating officials. The internal audit function was placed under the jurisdiction of the Director of the Bureau of Management Services.

This latter action does not achieve the high degree of independence that is generally desirable, since the Director has administrative responsibility for all budgeting, financial, and procurement activities; automatic data processing operations; compilation of statistical data; and personnel and administrative housekeeping activities.

Mr. MACY. I feel with the creation of this new unit, we have brought together all of our audit activities into one office. Previously, as the Comptroller General criticized us, we had a number of different units within the Commission performing this function. Mr. Drummond now has responsibility for regional audit. He has also responsibility for making management studies, for reviewing Commission operations.

I would be happy to put into the record his audit program which shows that he has conducted fiscal audits within the last year in five of our regional offices and in five activities of our central office. It shows the schedules that he has for further management and operational audits, as well as fiscal audits.

(The material referred to follows:)

OFFICE OF MANAGEMENT ANALYSIS AND AUDIT

Completed

Fiscal audits:	
Regional office:	
Chicago	May 1967.
Atlanta	June 1967.
San Francisco	December 1967.
Seattle	December 1967.
Philadelphia	March 1968.
Central office:	
Budget and Finance Division	September 1967.
Office Services Division	August 1967.
CSC retirement and disability fund	February 1968.
Life insurance program	February 1968.
Health benefits program	December 1967.
Management and operational audits:	
Audit of the reimbursable full field investigation program	October 1967.
Management analysis of the medical program of the U.S. Civil Service Commission	February 1968.

In process

Fiscal audits:
- Dallas region
- Denver region

Scheduled

Fiscal audits:
- New York region ..... Date open.
- Atlanta region ..... May 1968.
- Boston region ..... April 1968.
- Chicago region ..... May 1968.
- St. Louis region ..... May 1968.

MANAGEMENT AND OPERATIONAL AUDITS

Office to be audited	Quarter	Fiscal year
Bureau of Policies and Standards	4	1968
Bureau of Training	1	1969
Bureau of Inspections	2	1969
Bureau of Executive Manpower	3	1969
Bureau of Management Services	4	1969
Bureau of Recruiting and Examining	1	1970
Bureau of Retirement and Insurance	2	1970
Bureau of Personnel Investigations	3	1970

Mr. BROOKS. How many people are on your internal audit staff?

Mr. MACY. Bob, do you want to comment on your people?

Mr. DRUMMOND. Yes, there are 10 permanently assigned, and we have one administrative intern assigned, for a total of 11. This breaks down into nine professional and two clerical employees.

Mr. BROOKS. When you audit a program that is the responsibility of someone who might be senior to you, do you have full access at such a time to Mr. Macy?

Mr. DRUMMOND. Yes, I do.

Mr. BROOKS. This, of course, is one of the things which we have found is essential. I don't know what the grades are, but I know if an investigator who is a grade 5 finds a program that he thinks is absolutely out of line—and I don't mean criminal, but just poor policy, poor management, unjustified expenses, et cetera—if he makes that report to a grade 15, the investigator may not be up for a grade 7 for a long time.

We don't want to, at any time, handicap the investigators from making a free and full disclosure to the top management in a given agency. The only way is to protect them from possible recrimination.

Mr. MACY. Mr. Chairman, let me respond to that. The audit schedule and the operations of the audits under Mr. Drummond's direction are approved by the Chairman and the Executive Director, and the reports come to them. The responsible manager has an opportunity to comment on the observations that are made in the audit, but the reports come to the top, and decisions with respect to them are made at the top. Now I realize that the Comptroller General's recommendation was that this office be located in the office of the Chairman, or in the office of the Executive Director. When we established the office it was our view that it was preferable from a management and organizational point of view to have this office work with Mr. Williams in the Bureau of Management Services.

We have promised the Comptroller General, and we will promise you, that after a year of experience we will evaluate it to see if this has produced any problems.

It has been my experience through the years that every time there is a study of a particular function, the recommendation is that it be elevated closer to the top executive. In fact, I recall at least 50 reports recommending that additional functions be placed in the office of the President in order to get adequate attention. I feel that in this instance adequate attention is being given by top management and that Mr. Drummond's independence as an auditor is not circumscribed by his organizational location.

Mr. BROOKS. Well, undoubtedly if your top internal audit personnel have access to you, and they have an adverse report on a major program, it goes to your office first, and you either read it or have whomever you personally want to review it, and it would be at that point that you would interrogate the program man, not prior to that?

Mr. MACY. That's right.

Mr. BROOKS. Do I understand that the reports of your internal audit section are based on examination and evaluation, but they do not submit it first to the program officer?

Mr. MACY. No; they submit it first to the top, and then it is referred by the Executive Director to the program manager for his comments. We have one before us at the present time where there is disagreement between the recommendations offered by Mr. Drummond's unit as a result of an audit, and the views of the program manager. It will be up to the Executive Director and the Commissioners to decide which way we should move.

Mr. BROOKS. This is fair enough. If you have the full facts without any intimidation on anybody's part, then you can make up your own mind, because you take the rap for it either way.

Mr. MACY. I am acountable in the final analysis. If Mr. Drummond finds a problem or anything that looks adverse, he is free to call me immediately and identify it.

Mr. BROOKS. I would not be an agency head unless I had a good, well-tested internal auditman, because you can get into all kinds of problems. Secretary Freeman over in Agriculture had some difficulties and has since revamped his system. I think you might want to take a look at it, if you have not already, Mr. Drummond. You may have evaluated it.

Mr. MACY. Of course, Mr. Chairman, our situation is different because we don't have grants—if we had large sums of money to make grants or contracts, why, we might do it differently.

Mr. BROOKS. I understand. There is a difference between the Commission and the large departments.

What is the agency doing, sir, regarding ADP management within the agency?

F. AUTOMATIC DATA PROCESSING

Mr. MACY. The Commission has been very active in the ADP management area for a good many years. At the present time we have quite a substantial range of operations, which are processed by automatic data processing. In December 1966, we acquired an RCA Spectra for the purchase price of $675,000. This new equipment, of the latest generation, is intended to make it possible for us to perform quite a range of functions through automatic data processing.

Let me just cite a few of them. Perhaps the largest volume one is the maintenance of the annuity rolls for the retirement program. We have more than 800,000 names on that annuity roll, and we are adding new names at an increasing rate from year to year as more people retire from service.

Secondly, we use our computer system for the processing of applications and test results for all competitors in our nationwide examinations. To give you a quantitative figure on that, we anticipate that about 1,135,000 applications and about 780,000 competitors will be processed through our system this fiscal year.

We maintain a 10-percent sample of Federal personnel statistics which we use for a variety of study purposes in order to have the necessary information, in order to reach decisions with respect to our personnel programs.

We process monthly and annually Federal employment statistical reports that are made to the Congress, to the President, to the public, concerning Federal employment.

Recently, in the last 4 or 5 months, we have had a new application which we had not anticipated when we developed our requirement for the RCA Spectra. That was the development of our executive assignment inventory file. This is a file containing significant data on 26,000 people in the Federal service in the top four grades.

Mr. BROOKS. How many?

Mr. MACY. The 26,000 in grades 15, 16, 17, and 18.

We utilize this inventory in providing information with respect to qualified people when an agency has a vacancy in the supergrade. This is a new program for which we have high hopes.

Mr. BROOKS. Have you been cutting down on the time it takes to evaluate those applicants, Mr. Macy?

Mr. MACY. Yes; we have.

Mr. BROOKS. I am not needling you. I know it does take some time.

Mr. MACY. I think we had a colloquy on this last year.

Mr. BROOKS. It is still a fascinating subject.

Mr. MACY. My figures show that we have reduced the time significantly since we created the new Bureau which made it possible for all of the functions relating to jobs and persons at this level to be consolidated in one bureau. Time has been reduced, and Mr. Berlin, as the program manager, has made a number of systems analyses of processing in order to cut the time.

Mr. BROOKS. Is Mr. Berlin in charge of all your computer operations?

Mr. MACY. Mr. Berlin is in charge of the executive manpower function. The computer operation is under Mr. Williams in the Bureau of Management——

Mr. WILLIAMS. I think the important point, Mr. Chairman, is that this is a completely centralized system. It is the only place in the Civil Service Commission where there is any computer capability. We service the entire organization. We service retirement in terms of its annuity rolls. We do all of the scoring of the papers in the examinations. We handle Mr. Berlin's roster of 26,000 names. We do all of the work in connection with all of the programs, whenever there is a need for electronic data processing.

Mr. BROOKS. This is a fine application of this new equipment, Mr. Chairman.

Mr. MACY. We believe that it is.

Mr. BROOKS. I think it is a good way to do it. Of course, there are some problems. I might ask—and I have some detailed questions that are a little more technical which we hope you can answer as to leasing and renting, the decision as to how to buy them, and the justification for acquiring new equipment—but to what extent have you developed standard systems or applications to be used by your computer installation? Probably Mr. Williams would be able to answer that.

Mr. WILLIAMS. Of course, we have only the one installation, Mr. Chairman. So that I think probably the question is directed more to a department or agency that may have a proliferation of them, and whether or not they had developed some standard applications. All of ours are standard in the sense that they are unique. They are only one-of-a-kind activities. We have one system and one standard, obviously, for the processing of the annuity roll. No one else does it.

Mr. BROOKS. The President, you know, on Monday signed a new order for all agencies on standardizing magnetic tape, which I think will be helpful, and will save millions of dollars. That is attributable to the work that this subcommittee did some time ago.

Mr. MACY. And these are standards that will be policed by the Bureau of Standards, so we will have a central point within Government.

Mr. BROOKS. Any changes or exceptions will be coordinated with the Bureau of Standards.

Mr. MACY. Correct.

Mr. WILLIAMS. Yes. You may be interested in the project the Chairman has under the Bureau of the Budget circular which assigns to agencies responsibility for the development of standard data elements and codes as they apply Government-wide, and the Commission has such a responsibility under the Bureau's circular for the development of standard data elements as it applies to the whole personnel field, which must be adhered to, of course, by all agencies of Government. What is an appointment? What is a transfer? What is a reassignment?

Mr. BROOKS. Language and definitions?

Mr. WILLIAMS. Language and definitions. Now this is a project which the Commission has under the circular, and which it is presently working on. This will, of course, in its fulfillment be applicable to all agencies of the Government, will result in a manual which will define the standard data elements, and will provide the standard coding instruction. So anytime an agency records the actual action, it will follow the definition, it will follow the coding system, so there is complete uniformity within all Government agencies with respect to similar types of actions.

Mr. BROOKS. What do you consider, Mr. Chairman, or Mr. Williams, to be the most pressing problems that need to be overcome for you to make better and more efficient use of the computers now in your Department?

Mr. WILLIAMS. I would say the principal problem, Mr. Chairman, members of the committee, is the dearth of well-qualified personnel in these fields. There has been such a terrific expansion in the use of computers and like equipment—this is in industry as well as in government—that it simply has gone far beyond the availability of quali-

fied people needed to meet the demand. We find that, really, even with card punch operators as well as with programers, with systems analysts, we have to train our own. We have to get them young. We have to get them to a point—we keep them 2 or 3 years before they're truly in a productive status. At this point, the chances are you're going to lose them because there are just so many other people looking for them who don't want to go through the process of training their own, who are quick to offer them higher salaries. We are in a highly competitive situation. This is not unique to the Commission. Other agencies, I'm sure, would tell you the same thing. We hear the same cries from large industrial organizations who are heavy users of computers.

I would say the truly principal problem is the fact that we do not get maximum productivity for the simple reason we have to go through the training process. There are always a number of people in a training capacity waiting until they can reach the point where they are completely at the journeyman level.

Mr. BROOKS. This seems to be a problem that exists throughout the Government, and I would hope, Mr. Chairman, that you might take cognizance of the difficulty your own relatively small agency has in locating good people. You have first crack at those available in many instances since the people pass through your agency first. You know the personnel situation as well as anybody in the Government, and yet you all have the same problem that every agency has. I wish you would think about it, not only at the level of what we can do to train them, but what can be done to provide some increase in salary or prestige or opportunity to learn that would attract enough people to operate the critically essential ADP equipment, which not only your agency has but which all of them have.

One other thing—we need to create some way to get really top management people for this field, people who are far ahead—I don't know Mr. Williams's background, but people such as highly qualified mathmaticians or physicists as well as some other fields—but basically those fields, that really understand ADP. We have very few in a real critical area in the whole Government. We need some means of getting those people for your office or for the GAO or for the GSA or for the Bureau of the Budget for that matter. There is a shortage of the top people. These are good jobs in terms of Government jobs, but they are not particularly remunerative from the standpoint of what these people could get if working for some corporation.

Mr. WILLIAMS. It is a common problem.

Mr. MACY. This is a governmentwide problem that we are conscious of. In fact, one of our heaviest commitments in training is for the development of skills in the ADP area, and if you have a moment, I think it might be helpful, at this point, for Mr. Mulligan to indicate what we are doing in the way of training in order to solve this problem, or we can provide this for the record.

Mr. BROOKS. We are fairly familiar with that.

Mr. MACY. We have talked about that before.

Mr. BROOKS. If you would, submit that for the record. I think it is critical. It is a lot more important than people realize. Apparently, even with competent brains to run your operation and first-class equipment, you still have trouble operating it as you can't possibly punch all the cards and program it yourself.

(The material to be supplied follows:)

INTERAGENCY ADP TRAINING OFFERED BY THE CIVIL SERVICE COMMISSION IN FISCAL YEAR 1968

The Civil Service Commission offers Federal agencies a nationwide curriculum in ADP through its Washington based ADP Management Training Center and its ADP Management Training Institutes in Chicago, Dallas, New York, and San Francisco.

The courses are conducted under four general headings, as follows:

ADP user education courses provide fundamental and advanced ADP training for the Federal manager at all levels.

Computer specialist training offers data processing specialists basic and advanced training opportunities in systems analysis and ADP administration and management.

Management science education programs offer instruction in such disciplines and techniques as operations research, which, when complemented by the computer, become more significant management tools.

ADP auditor training is intended to meet the basic, common ADP training needs of Federal auditors.

The attached chart lists those courses conducted under each heading during fiscal year 1968.

On a nationwide basis the Commission will conduct during fiscal year 1968 about 135 sessions of these courses for over 3,500 Federal employees. A total of over 3,200 classroom hours is involved in these sessions.

ADP USER EDUCATION

Executive seminar in ADP.
Executive workshop in ADP programing.
Executive workshop in ADP systems analysis.
ADP orientation.
ADP orientation for management interns.
Introduction to ADP in financial management.
Advanced seminar in ADP and financial management.
Introduction to ADP in personnel management.
Advanced seminar in ADP and personnel management.
Introduction to ADP in technical information systems.
Advanced seminar in ADP and technical information systems.
Implications of ADP for training directors.

ADP AUDITOR TRAINING

Principles and practices of auditing in the ADP systems environment.

COMPUTER SPECIALIST TRAINING

ADP systems analysis seminar.
Field work program in ADP systems analysis.
Systems analysis for computer programers.
Advanced systems technology for ADP systems analysts.
Seminar in ADP management and administration.
Scientific and technical applications of ADP.
Systems workshop for computer specialists, phase I, basic concepts, phase II, advanced applications.
Decision logic table workshop.

MANAGEMENT SCIENCE EDUCATION

Executive seminar in operations research.
Applications of OR for executives.
Executive seminar in management information theory.
Executive seminar in management reporting systems.
Executive seminar in interagency management information systems.
Executive seminar in statistical science for management.
Mathematics for managers.
Operations research orientation.
Techniques and methods of operations research.

Mr. MACY. This is a national shortage problem, and one thing we have been trying to do is to get people with limited education to come into some of these training programs that are specifically designed for punch card operators—specifically designed for people who can do some of the lower level work with respect to ADP. There is going to be an ever-expanding demand for these people as more and more ADP installations are put into Government operations and into private operations.

G. PERSONNEL MANAGEMENT

Mr. BROOKS. Mr. Chairman, thank you very much for those comments. Now, regarding personnel management, we would appreciate a more detailed explanation of what you consider to be the criteria for an effective department or agency personnel management system. In other words, what should the committee look for, in your opinion, in our general review of departments and agencies under our jurisdiction so far as personnel policy management is concerned? What basic criteria do you feel are critical and important?

Mr. MACY. That is a large order. Let me see if I could put it in a capsule. I think first we need to ask the program manager or operating official if the personnel system is providing him with a staff with the necessary skills to accomplish his program. I mean, after all, this system is not there just for the system itself. It is there to support the accomplishments of the public's business. And in the development of the policies with respect to personnel management and in the conduct of our inspections we have tried to put ourselves in the position of the operating official who is responsible to the Congress and the people for results.

We feel that this calls, first of all, for a management function in the personnel field, a determination hopefully flowing from program planning, and budgeting, in determining the number and types of people that are necessary to accomplish the agency's mission, a manpower planning function; and we frequently find that this does tend to be an area of neglect. Too often there are rush calls for additional people in order to meet a particular problem or program where advanced planning could have permitted the development of recruitment sources where the skills might be available, or the development of training programs, in order to produce the necessary skills.

Secondly, we would look to the agency to participate with the Commission in a recruiting program. The Commission through its Bureau of Recruiting and Examining and its Inter-Agency Board has provided the machinery for merit system examinations and evaluation, but there must be agency participation insofar as their needs are concerned in tapping the sources from which talent can be drawn into the examining process conducted by the Commission.

We feel there needs to be a training program as the third feature within each agency designed to meet the agency's need for the continuing development of the people within their organization. This means starting with initial induction training, to explain to the newcomer the basic processes and expectations within an organization, all the way up to training at a rather advanced level in new processes and in discoveries, so that the professional is kept up to date in his field. So a comprehensive training program would constitute the third criteria.

A fourth criteria is a merit promotion plan, a plan that is conducted within the merit standards established by the Commission, so that the individuals with the best performance and the highest qualifications are the ones that are advanced into higher grades.

Those are four basic criteria. There are a number of standards that have been set in various programs that call for special emphasis. Our inspection program highlights a continuing review to assure ourselves that equal employment opportunity is a reality in the personnel decisions that are made by the departments and agencies. Additionally, we conduct reviews to insure that the guidelines on agency relations with unions are carried out in keeping with the President's standards.

I could go on and cite a number of programs. It might be helpful for your record to give you a copy of the agenda that we have for our inspection, so that you have a picture of precisely what we look for.

Mr. BROOKS. Yes; I think that would be helpful.

(The material referred to is included in app. B.)

Mr. MACY. Now, we do tailor this, Mr. Chairman, to the particular needs and programs in an agency. We try to work with the agency in designing our evaluation so that it meets the agency's own operating requirements. Those are some of the major criteria which we would apply in determining the effectiveness of a personnel program.

Mr. BROOKS. Have you made these same criteria available to the other agencies?

Mr. MACY. Oh, yes. We work with the agencies in connection with each one of our inspections in order to be completely current with respect to the problems that they have. For example, the need in the Department of Defense a number of years ago was the manner in which they handled the closing of installations and the related steps that were taken in order to reassign the personnel. At the present time a major concern of the Department of Defense is the extent to which the labor market is meeting their expanding need for civilian personnel to support their logistical effort with respect to Vietnam.

Where there are new programs, such as in the Office of Education, we have worked with them in designing the criteria which are particularly important to that agency during the period of expansion.

Mr. BROOKS. While I am thinking about it, it would be helpful if we had the inspection and evaluation reports on the 12 agencies that we are now in the process of going over. We will submit those names to you.

Mr. MACY. Yes.

Mr. BROOKS. Those reports would be helpful to us.

(The reports requested are on file with the subcommittee.)

Mr. MACY. In all but four of the cases we have recently conducted inspections, so the information will be current. We will make those available to you.

H. GENERAL ACCOUNTING OFFICE REPORTS

Mr. BROOKS. I think it will be very helpful. The internal audit report from GAO is the only GAO report affecting the Commission as a whole, and I believe we have already covered that under the internal audit discussion.

Mr. MACY. Yes, sir.

PART 2—PROGRAM REVIEW

Mr. BROOKS. I would like to turn now to the substantive programs, and I would appreciate—I have some detailed questions of a specific nature on each of these programs which we will submit——

Mr. MACY. Mr. Chairman, how would it be if I brought forward the program manager?

Mr. BROOKS. People in each of the programs?

Mr. MACY. Yes.

Mr. BROOKS. All right, we will handle these five programs and ask them to give us—it is 11:30—if they could give us 5 minutes apiece on what the program is and how they are performed generally, I think that would be helpful.

A. PROGRAM CATEGORY A—ADMINISTERING THE MERIT STAFFING SYSTEM

Mr. MACY. Fine. We will start with program category A, which is administering the merit staffing system, and I will ask Mr. Jacobson to come forward and give you a brief summary of his stewardship in administering that part of our total program.

Mr. RANDALL. Mr. Chairman, will this be the only visit by the Commission?

Mr. BROOKS. Yes, sir.

Mr. RANDALL. The only day on CSC?

Mr. BROOKS. I think we can conclude at noon.

Mr. RANDALL. I would like to have at this time about 3 or 4 minutes for questions, before we wind up.

Mr. BROOKS. That's fine.

Mr. RANDALL. I just want to get my name on the list.

Mr. BROOKS. Go right ahead.

Mr. RANDALL. Chairman Macy, I want to recognize at the very beginning that you have a very difficult job and I, for one, think you're doing a good job, and the Commission is. There is some question that I have here that I have looked forward to this opportunity when we held these hearings. They have to do with one of the subheadings which we're coming into here pretty soon. In other words, examination process. This has to do with a matter that has come to our attention and I feel justified in asking the question because we had written a letter on February 27, to the congressional liaison of Civil Service, and have not yet received an answer. But there was some consideration which I thought might prevent a thing like this happening in the future.

This comes from my own home city of Independence, and concerning the examination process—has to do with a level 8 female employee, who has been there, I think, for many years, 18 years as an employee——

Mr. MACY. Is this Post Office?

Mr. RANDALL. Yes, Post Office. She says, "I have been a postal employee for 18 years, done all phases of window service, claims, city directions, and so forth. For 10 years I have been advising, counseling, and interviewing, processing paperwork on about 85 percent of our 276 employees. I suggest this might lead to the conclusion I am qualified for the job."

Well, my question involves some of your questions. Now, this same thing has come to our attention in years gone by about the nature of

the questions asked, and I thought maybe, Mr. Chairman, at some other time we might look over some of those questions that are asked in these examinations, in several departments to see if there are any criteria.

This had to do with a routine examination for promotion to level 8. This involved a female employee. The question was asked, "What do female employees talk about most: One, their husbands; two, their children; three, their working conditions."

Now, the question here—and I will have some more questions in a moment—the question to this female employee, I would like to know how the correct answer was arrived at. I will tell you that the examination was not successfully sustained. My inquiry is how did they arrive at the correct answer to that question? Is this data compiled by means of eavesdropping or the invasion of privacy?

Here is the question that was the clincher on that. They don't have the full question, but it says, "Which Supreme Court Justice was an athlete?" And there was another question which comes to me verbally which is, "Which Supreme Court Justice has been married the most times?"

Well, of course, I assume that is Mr. Justice Douglas, and I guess reference is to Whizzer White in the other question.

In the first place, I'm a little disappointed that we haven't received an answer of any kind to my inquiry since the 27th of February; maybe that is not too long. Usually most departments, you know, give us an interim reply to say they are working on our inquiry.

Mr. MACY. You have had no answer on this at all?

Mr. RANDALL. No, sir. I want to repeat a comment that I made in my letter. I said, "Frankly, we must admit, along with Mrs. Blank"—I will be glad to furnish her name—"we fail to see what relevance questions regarding the favorite conversational topics of female postal employees, and most important, the athletic abilities of our Supreme Court Justices and their marital matters, have to do with the questions on this postal rating in the postal service." And that is my question, Mr. Chairman.

Mr. MACY. Well, in my view, Mr. Randall, that was an unauthorized test. I can't imagine that being a test that the Commission would sanction——

Mr. RANDALL. I wanted to go to the top man.

Mr. MACY. You came to the right place.

Mr. RANDALL. I am disappointed for two reasons. First, I am disappointed to learn that this sort of thing goes on. I am curious—and I am not asking this in levity, Mr. Chairman. I want to ask you some more things about these computers after a while. That is all I have Mr. Chairman.

This is sort of like the National Institutes of Health out here a few years ago were asking about the habits of little children. You remember when we had that big rash that went on and debate, all our constituents wanted to know what a little boy thought about a little girl—that is quieted down and we're rid of that, and thank goodness we are.

Mr. BROOKS. They think the same thing. I don't believe they have changed.

Mr. RANDALL. I don't think they have changed. Some of their parents were a little disturbed about that.

Mr. BROOKS. Well, Congressman, I would say that I feel certain that you will get a letter tomorrow and in a couple of days you will get a copy of the examination that was given if they can locate it. I think that they can.

Mr. RANDALL. Mr. Chairman, that was why I was so delighted that you have called in these agencies—there are just a few things that we would like to ask the leading players in this drama that is before us all the time. I am an admirer of Chairman Macy here, and this isn't intended to be critical—it is purely constructive.

Mr. MACY. I apprecite your bringing it up.

Mr. RANDALL. I just felt and I have a feeling that somewhere up in the higher echelons they don't quite realize that this goes on repeatedly. That's all I have, Mr. Chairman.

Mr. BROOKS. Mr. Chairman, you can take care of that.

Mr. MACY. Not only that, it is contrary to our statement of policy. So clearly we want to find out about it.

Mr. RANDALL. Thank you very much.

Mr. BROOKS. Congressman Moorhead.

Mr. MOORHEAD. Mr. Chairman, what jurisdiction do you have over the equal employment opportunities program in the other agencies and departments?

Mr. MACY. The Commission has been assigned by President Johnson the responsibility to oversee the equal employment opportunity program for the entire executive branch of Government. We have put out regulations in keeping with that direction. We, as I indicated, conduct inspections to determine what is transpiring to assure that that policy is followed. We hold training sessions with respect to equal employment opportunity.

We conduct community reviews in major cities to see what is being done to stimulate activities that will increase the employability of all Americans so they can compete for Federal employment.

So in answer to your question, we have this responsibility with respect to the effective administration of equal employment opportunity as a matter of employment policy in the Federal Government.

Mr. MOORHEAD. I think the Federal Government should be a model employer in this respect.

Mr. MACY. I agree.

Mr. MOORHEAD. And that the Civil Service Commission should be a model within the Federal Government.

You told us the minority employment in the Commission generally, and you said 50 percent of your employees were GS–1 through 5. I wonder if you would give us the percentage of minority employment in the levels above level 5.

Mr. MACY. Yes, we have a total of 2,511 employees in grades GS–6 through GS–18. Of that number, 201 or 8 percent are members of minority groups.

Mr. MOORHEAD. And again for the record, Mr. Chairman, it has been alleged that the civil service examinations are couched in terms bringing out the abilities of, let's call it the middle income white man or woman, not intentionally but just because we haven't had a good enough examination system. They tend to downgrade the abilities of the resident of a ghetto area, of a poor neighborhood. My question

would be, is there anything to this? Are you making studies, and what progress is being made?

Mr. MACY. Yes. The answer is that these allegations have been frequently made. We have been reviewing the content of all of our tests, not only to assure that there is an absence of any cultural bias, but also to make certain that the tests that we are using are relevant to the tasks that are to be performed by the people that we are examining. And I am frank to admit that we have found some instances where certain of the test questions appear not to have relevance to the task that has to be performed. We are trying to gear our whole examining program so that there is a relationship between the test measures that we are applying, and the work that is going to be performed by the people that we are testing.

Mr. BROOKS. I think this is a good point. I don't think that examinations in any sense of the word should be designed to make it easy for any class of people, Negro, white, rich, poor—they must pass the test. The test ought to be designed to yield people who can do the job.

(Discussion off the record.)

Mr. MACY. One further response to Mr. Moorhead's question, a further response to your question which would be of interest to you. For the past 3 years we have been working with the Educational Testing Service which conducts most of the college entrance examinations, because they have been subjected to the same charge with respect to the tests that they conduct. What we are trying to do jointly with money from the Ford Foundation is some research in depth to see whether or not tests do in fact appear to disadvantage those who have come from a different culture but may very well have the necessary intelligence to do the work that is required.

Mr. MOORHEAD. Thank you, Mr. Chairman. I noted in going through your programs, A through F, on this Equal Employment Opportunity, that there were some programs—only two under heading C—that seemed to be directly on this point, and I would hope that as the various program directors testify, they will mention any activities in this field so the impression is not left that the Commission isn't dedicated.

Mr. MACY. We would be very happy to do this, because this thread runs through many of the programs and it is very close to the center of most of them.

Mr. BROOKS. Could we now hear from your program directors?

Mr. MACY. Yes, sir. Mr. Jacobson.

Mr. JACOBSON. I can start quite directly on the point that Congressman Moorhead was just raising, because it seems to me that in the program that I am responsible for, that is the merit staffing and recruiting and examining program, constant attention to the problem of equal opportunity is the very foundation of the merit system. The Civil Service Act requires us to operate a system which provides equal opportunity to all——

Mr. BROOKS. Pardon me. Without objection, I would like at this point to put in exhibit F on program category A, administering the merit staffing system.

(Exhibit F follows:)

EXHIBIT F.—FACT SHEET—MERIT STAFFING SYSTEM PROGRAM—CIVIL SERVICE COMMISSION

	DEPARTMENT OR AGENCY	PROGRAM	SUBPROGRAM
100	Civil Service Commission	Administering the Merit Staffing System	
	CODE	CODE	CODE
200			
	ANALYSIS AND CONTROL CODES		
300			

		FISCAL YEAR			
		Unobligated Carryover	Appropriation or Current Year Request	Total Available	Total Obligated or Expended
400					
500	**"In house" inputs**				
510	Personnel:				
511	Comp.			14,816	
512	Benefits			1,117	
513	Travel			268	
520	Expenses:				
521	Communications			646	
522	Transportation			67	
523	Printing			973	
524	Supplies and Consumable Materials			757	
530	Capital Equipment			29	
540	Land and Structures				
541	Additional Investment				
542	Rents			490	
550	Total			19,163	
600	**Funds distributed**				
610	Contracts				
620	Grants				
630	Loans				
640	Benefits				
650	Other				
660	Total				
700	Total				

		Prior Fiscal Year		
800	**Input-output ratio**			
810	1. Input			
811	1. Output			
820	2. Input			
821	2. Output			
830	3. Input			
831	3. Output			
840	4. Input			
841	4. Output			
850	5. Input			
851	5. Output			
860	6. Input			
861	6. Output			
870	7. Input			
871	7. Output			
880	8. Input			
881	8. Output			

Printed for use of House Government Activities Subcommittee, Chairman Jack Brooks

A. STATUTORY OR ADMINISTRATIVE AUTHORITY

Title 5, United States Code, chapter 11—provides for the establishment of the Commission, the distribution of its authority, and the establishment of Boards of Examiners.

Title 5, United States Code, chapter 33—authorized rules for the admission of persons into the civil service, the operation of a competitive examining system, for the provision of veterans preference and for the approval of qualifications of persons proposed for appointment to positions at GS–16, 17, or 18, or to scientific and professional positions established under title 5 United States Code 3104.

Executive Order 9830—amending the civil service rules and providing for Federal personnel administration.

Executive Order 10577—amending the civil service rules and authorizing the appointment system for the competitive service.

Executive Order 11315—amending the civil service rules to authorize an executive assignment system for positions in grades GS–16, 17, and 18 of the general schedule.

B. OBJECTIVES

1. To analyze and predict the manpower needs of the Federal civil service to provide a sound basis for meeting these needs in the labor market;

2. To attract into competition for Federal employment the best quality applicants obtainable in the labor markets by publicizing Federal employment opportunities and conditions and by making manpower needs known effectively to the educational systems and others responsible for preparing young persons entering into careers in the Nation's work force;

3. To provide equal opportunity, through an open competitive examination system, for all citizens to apply for, be examined and, if qualified, to obtain consideration for available positions in the Federal civil service;

4. To furnish to the agencies on a timely basis well qualified and suitable candidates for job vacancies as they occur; and

5. To provide, through the executive assignment system, to agency managers the most capable executives from within and outside the Federal service to staff top level positions; and to career executives expanded opportunities to use their talents in challenging and responsible assignments throughout the Government.

C. ORGANIZATION FOR OPERATIONS

1. The Commission's Central Office is responsible for the development and management of the Government-wide recruiting and examining program, including the establishment of policies and procedures, the establishment of qualification standards and tests and measurement methods for the various occupations, for operating certain centralized programs (such as postmasters and rural carriers) and for providing centralized scoring and mechanized processing services.

2. The Commission's regional offices direct the operation of the recruiting and examining program in their areas and supervise the work of the boards of examiners.

3. The 65 interagency boards of U.S. civil service examiners announce the examinations, receive and evaluate the applications, assign the ratings, set up and maintain the lists of eligibles and refer qualified candidates for appointment consideration, as job vacancies occur. These boards also answer the public inquiries about Federal employment.

4. The Commission's central office (bureau of executive manpower) operates the executive assignment system and passes on the qualifications of persons proposed for appointment to positions at grades GS–16, GS–17, and GS–18, or equivalent rates.

5. In addition, under the supervision and control of the Civil Service Commission, but funded by the Department, 15 boards of U.S. civil service examiners in the Post Office Department announce examinations, receive and rate applications, set up registers and certify eligibles for post office positions. Examiners in charge, located at about 1,000 post offices, conduct written tests when required for all civil service positions.

D. OUTPUT

Through this program the Commission in fiscal year 1968 will:

Answer about 6 million inquiries from the public and Federal employees about civil service examinations and Federal job opportunities.

Evaluate and assign ratings to 1,842,200 applications for Federal employment.

Refer 1,591,000 names to appointing officers in the various Federal agencies from which they will fill 283,100 job vacancies.

Review the qualification of nearly 2,000 candidates proposed by agencies to fill positions in grades GS–16, GS–17, and GS–18, or equivalent rates.

Provide agency managers with 600 to 800 referrals of highly qualified candidates to help fill GS–16, GS–17, or GS–18 positions.

Provide for both competitive hire and in-service personnel actions, new, up-to-date qualifications standards for about 70 major occupational areas and new and additional forms and the 200 tests in 800 forms required to maintain a test inventory that exceeds 5 million booklets.

E. PERSONS RESPONSIBLE

1. Mr. Raymond Jacobson, Director, Bureau of Recruiting and Examining, for operation of the competitive examining system generally.
2. Mr. Seymour S. Berlin, Director, Bureau of Executive Manpower, for the executive assignment system.
3. Mr. O. Glenn Stahl, Director, Bureau of Policies and Standards, for the development of standards, tests, and measurement methods.

Mr. JACOBSON. So this is a very strong consideration in everything we do. In talking about the recruiting and examining program, which represents somewhat over 90 percent of the funds and personnel assigned to category A, the best way to do it briefly, I think, is to give you some idea of what our outputs are and what we are struggling with in terms of the measure of success here.

Basically, the recruiting and examining system, with which the Civil Service Commission is associated in almost everyone's mind, is a system that is designed to attract to the public service the best qualified people we can find. So this is the recruiting side of it—it is designed to provide a fair measure of these people on an equal basis in terms of the requirements of the job to be filled, and finally to provide to the agencies quickly a group of top-quality people for the specific job they have to fill.

Looking at this from a workload standpoint, in order to attract the people for jobs we have to fill, we have been moving gradually toward a system of broader examinations so that the public is not required to compete in a variety of examinations for jobs that are only slightly different from each other, but rather to have a single way of competing, based on relatively common requirements of a variety of jobs.

Now in the 1968 program, we will be processing in the total system roughly 1,800,000 applications from citizens throughout the country. In order to attract these applications, we have to provide information to the public, and we answer something like 6 million inquiries a year through the interagency boards of examiners that the Chairman has spoken of. These inquiries are largely related to employment opportunities: what kind of a job is available; what kind of examination can I take; et cetera.

I want to emphasize that these applicants in our examinations, again in line with what the Chairman has just been speaking about in terms of equal opportunity, do not always involve a written test. We have been trying to find nontest ways of measuring ability, and we have been reasonably successful in doing this for certain kinds of jobs, so that not all of these 1,800,000 applicants will take a written test. They will take an examination that evaluates their education, their experience, their background, and their abilities——

Mr. BROOKS. Do you have examples of that which you could furnish us?

Mr. JACOBSON. Yes, we do. We could furnish examples of both types.

Mr. MACY. We could give you some sample written tests if that would be of interest to you.

(The material requested is on file with the subcommittee.)

Mr. JACOBSON. We would be glad to show you the kinds of tests. I might say, in connection with Mr. Randall's question, we will certainly see to an answer to your specific letter, but that is certainly not a Civil Service Commission test that was administered.

Mr. RANDALL. No?

Mr. JACOBSON. Absolutely not. I can swear to that without having seen your letter, just from the question.

Mr. RANDALL. Well, it is alleged it is, and I would be interested, then, in knowing who dreamed up these questions. Are you suggesting now it is the Post Office Department? Maybe we have gone to the wrong agency.

Mr. JACOBSON. It is our responsibility. We will get an answer to your question.

Mr. THOMPSON. May I ask a question at this point?

Mr. BROOKS. Congressman Thompson.

Mr. THOMPSON. The President recently in an order—I cannot remember the number—it was 11 something—waived competitive exams for the first five levels for Vietnam veterans who have less than 1 year of college. Is it possible that someone could have devised an oral test such as this? Can you give me a sample of what kind of oral test these people would be given if they are not given a written test?

Mr. JACOBSON. In connection with the Executive order—and I forget the number too——

Mr. MACY. 11397.

Mr. JACOBSON. 11397. I should clarify it at this point. If the job the person is to fill requires a written test, then he will have to take that written test, so it is not a waiver of the test, it is a waiver of the competitive process in the sense that he will not have to be high enough on this list to be within reach in regular order, but, for example, for the job of postal clerk, he will take the regular postal clerk examination. Now as far as oral——

Mr. THOMPSON. Excuse me just a moment. I have completely misunderstood this Executive order then. I thought it waived the written test requirements for the first five grades provided he agreed to pursue certain courses of education during his first year.

Mr. JACOBSON. No. It simply provides that he does not have to be selected from a register of eligibles.

Mr. THOMPSON. In other words, he does not have to have a passing grade in order to be employed.

Mr. JACOBSON. He has to have a passing grade, but he doesn't necessarily have to have, say, a 92.

Mr. THOMPSON. I think there is a very great misunderstanding, certainly among the members of the Post Office and Civil Service Committee, who have been discussing this and some other aspects of it, because it was my understanding from the Executive order, that a written examination is waived.

Mr. MACY. It says it would be a noncompetitive appointment. What we mean by noncompetitive is that he would not have to be ranked after he had taken the examination at such a level where he would be reached. You are correct about the educational feature. This is different from a normal appointment, because a condition of the appointment is a period of education, which would be in accordance with the VA program. But in order to get into this at all, the individual has to be able to meet the minimum requirements for a particular job.

Mr. THOMPSON. Well, I don't want to belabor the point, or actually become involved in an argument. I have read this Executive order, and it may well be I have misread that particular point, but it seems to me that it states that in the first five grades a written examination is not required.

However, the person must be deemed qualified by the employing agency, whomever it may be, and further, that he has to agree to pursue an educational course of an approved type during the first year. At the end of the first year, he may be further evaluated. But I believe that almost all of the members of the committee were of the opinion, as certainly I was, that the written test can be waived under that Executive order.

Mr. MACY. No; if the job to be filled requires a written test, he has to take it just like anybody else entering that job. If I may, Mr. Thompson, I would like to provide you—and I can provide it for the record—a series of questions and answers with respect to that Executive order that we have developed in order to clarify points such as the one you have been making.

Mr. THOMPSON. Right. I would appreciate it.

(The material referred to follows:)

EXECUTIVE ORDER 11397—AUTHORIZING TRANSITIONAL APPOINTMENTS OF VETERANS WHO HAVE SERVED DURING THE VIETNAM ERA

Whereas the Federal Government has the obligation to facilitate the transition of veterans from service in the Armed Forces during the Vietnam era to employment in civilian pursuits;

Whereas many veterans have not completed education or training adequate to prepare them for the future job demands of civilian employment;

Whereas the Government recognizes that the acquisition of adequate education or training is an essential element in preparing individuals for employment in our present society;

Whereas the Government as an employer has a continuing need for skilled employees and a corresponding duty to encourage the acquisition of adequate education or training by its employees; and

Whereas the acquisition of necessary education or training can be combined effectively with productive employment:

Now, therefore, by virtue of the authority vested in me by the Constitution of the United States, by sections 3301 and 3302 of title 5, United States Code, and as President of the United States, it is ordered as follows:

SECTION 1. (a) Under such regulations as the Civil Service Commission may prescribe, the head of an agency may make an excepted appointment (to be known as a "transitional appointment") to any position in the competitive service at GS–5 or below, or the equivalent thereof, of a veteran or disabled veteran as defined in section 2108(1), (2) of title 5, United States Code, who—

(1) served on active duty in the Armed Forces of the United States during the Vietnam era;

(2) at the time of his appointment has completed less than 1 year of education beyond graduation from high school, or the equivalent thereof; and

(3) is found qualified to perform the duties of the position.

(b) An employee given a transitional appointment under paragraph (a) of this section serves subject to—

(1) the satisfactory performance of assigned duties; and

(2) the satisfactory completion, within such reasonable time as is prescribed in the regulations of the Civil Service Commission, of not less than 1 school year of full-time approved education or training, or the equivalent thereof, except that 2 school years of full-time approved education or training, or the equivalent thereof, shall be required when an employee has not completed high school, or the equivalent thereof, by virtue of that education or training.

(c) An employee who does not satisfactorily meet the conditions set forth in paragraph (b) of this section shall be removed in accordance with appropriate procedures.

(d) An employee who satisfactorily meets the conditions set forth in paragraph (b) of this section and who has completed not less than 1 year of current continuous employment under a transitional appointment shall, in accordance with the regulations of the Civil Service Commission, be converted to career-conditional or career employment when he furnishes his employing agency proof of the satisfactory completion of the required education or training. An employee converted under this paragraph shall automatically acquire a competitive status.

(e) In selecting an applicant for appointment under this section, an agency head shall not discriminate because of race, color, religion, sex, national origin, or political affiliation.

SEC. 2. A person eligible for appointment under section 1 of this order may be appointed only within 1 year after his separation from the Armed Forces, 1 year following his release from hospitalization or treatment immediately following his separation from the Armed Forces, or 1 year after the effective date of this order, whichever is later.

SEC. 3. Any law, Executive order, or regulation which would disqualify an applicant for appointment in the competitive service shall also disqualify a person otherwise eligible for appointment under section 1 of this order.

SEC. 4. For the purpose of this order—

(a) "agency" means a military department as defined in section 102 of title 5, United States Code, an executive agency (other than the General Accounting Office) as defined in section 105 of title 5, United States Code, and those portions of the legislative and judicial branches of the Federal Government and of the government of the District of Columbia having positions in the competitive service; and

(b) "Vietnam era" means the period beginning August 5, 1964, and ending on such date thereafter to be determined by Presidential proclamation or concurrent resolution of the Congress.

LYNDON B. JOHNSON.

THE WHITE HOUSE,
February 9, 1968.

[F.R. Doc. 68–1819; Filed, Feb. 9, 1968; 11:25 a.m.]

U.S. CIVIL SERVICE COMMISSION—QUESTIONS AND ANSWERS ABOUT FEDERAL EMPLOYMENT OPPORTUNITIES FOR VIETNAM ERA VETERANS

In keeping with a longstanding national policy of giving special consideration to those who have served in the Armed Forces during times of crisis, steps are being taken to assist veterans returning from service in Vietnam and elsewhere during the Vietnam era. The Federal Government has led the way in times past in giving employment preference to returning veterans seeking first-time employment in the Government and in restoring its former employees who left for military service. Now, in response to unprecedented conditions that mark this unique period in the Nation's history, new action is being taken on behalf of Vietnam era veterans to supplement what is already being done to "serve those who have served us."

The following has been prepared by the Civil Service Commission to answer the many questions being asked about the new program of assistance to Vietnam era veterans.

GENERAL INFORMATION

1. Q. What prompted this new action on behalf of Vietnam era veterans?

A. In a January 30, 1968, message to Congress, President Johnson proposed several new or additional benefits that the Nation could provide for Vietnam

era veterans, some requiring legislative action and others calling for administrative action by the Veterans' Administration, the Civil Service Commission, and other Federal agencies. One part of the total proposed program of basic and employment benefits centered on action to increase Federal employment opportunities.

2. Q. What action is required of the Civil Service Commission in improving Federal employment opportunities for Vietnam era veterans?

A. The Commission is to increase opportunities for returning veterans, and speed up their employment, through an action plan that provides for—

increased counseling service;
expediting handling of applications; and
transitional appointments.

TRANSITIONAL APPOINTMENTS

3. Q. What is a transitional appointment?

A. It is a special type of appointment to a Federal civilian job that may be given to a Vietnam era veteran who agrees to take an approved course of education or training while working.

4. Q. Is it new?

A. Yes. Executive Order 11397, signed by President Johnson on February 9, 1968, authorized agencies to use this appointment authority in assisting Vietnam era veterans who need the most help in making a successful transition from military to civilian life.

5. Q. Can an agency use this appointment authority in filling any of its job vacancies.?

A. No, the authority can be used only in making appointments to positions at grade GS–5 or below, or the equivalent.

6. Q. What is meant by "or the equivalent"?

A. Jobs at PFS–5 and below in the postal field service; jobs in trades, crafts, and laboring occupations at or below grade 5 of the new coordinated Federal wage system; and any remaining jobs with entrance rates equal to or below the entrance rate of GS–5.

7. Q. What do you mean when you say "Vietnam era veteran"?

A. First of all, he or she is a veteran for civil service purposes. Second, some part of the veteran's active duty must have been after August 5, 1964 (that is, during the Vietnam era).

8. Q. Who is considered a veteran for civil service purposes?

A. Generally speaking, someone is a veteran for civil service purposes if he served on active duty in the Armed Forces (not just active duty for training) for at least 180 days and was discharged under honorable conditions. However, the 180-day requirement doesn't apply to a person who served on active duty before July 1, 1955, or who earned a campaign badge while on active duty, or who has a service-connected disability based on active duty.

9. Q. Is a "6-month" reservist or National Guardsman a veteran for civil service purposes?

A. Not if his only service is on active duty for training.

10. Q. In what ways is a transitional appointment different from the usual appointment to a Federal job?

A. There are several things that make this appointment different. The main ones are:

1. The eligible veteran has to agree to take approved education or training.
2. The veteran can hold the appointment only as long as he continues to show satisfactory progress in his education or training program, as well as on the job.
3. When the veteran completes his education or training program, his appointment is automatically changed to a regular civil service appointment.

11. Q. Who is eligible for a transitional appointment?

A. Remember that transitional appointments are used to give job and training opportunities to Vietnam era veterans who need the most help in making the transition to civilian life in today's high-skill labor market. In keeping with this purpose, a transitional appointment may be given only to a Vietnam era veteran who (1) has completed less than 1 year of education beyond graduation from high school (or the equivalent), and (2) agrees to take an approved program of education or training while he is working. Also, the veteran has to be

a United States citizen and meet any other general requirements a veteran has to meet to receive a regular civil service appointment.

12. Q. Can a Vietnam era veteran be given a transitional appointment at any time?

A. A Vietnam era veteran will be eligible for a transitional appointment for 1 year after he is separated from the Armed Forces (or released from hospitalization or treatment immediately following discharge from active duty), or for 1 year after February 9, 1968, whichever is later.

13. Q. What determines how much education or training a Vietnam-era veteran has to agree to take?

A. Everyone has to agree to take at least the equivalent of 1 full school year of education or training. (That is the amount of education or training someone enrolled full time for a school year would take.) If that much education or training would still not give the veteran a high school diploma, or its equivalent, an expanded education or training program would have to be worked out for him. The expanded program will provide for 2 full school years of education, or its equivalent, unless he can complete his high school education, or its equivalent, before then.

14. Q. In qualifying for a transitional appointment, what constitutes an approved course of study?

A. A suitable program is one that provides education or training involving classroom instruction or correspondence study of the type the Veterans Administration accepts for GI bill education and training. This would include study in public or private schools, vocational schools, junior colleges, teachers' colleges, normal schools, professional schools, universities, scientific or technical institutions, or other institutions.

15. Q. Would a Vietnam-era veteran have to pass a written test to get a transitional appointment?

A. That depends on the job. If a written test is part of the qualification standard for a job, the veteran would have to pass the test before he could get a transitional appointment. In many jobs, including trades, crafts, and laboring jobs, there is no written test requirement.

16. Q. Will a written agreement be required before appointment?

A. Yes, the agreement will incorporate the terms of the veteran's approved education and training program. It will state specifically that satisfactory progress in that program, and satisfactory performance on the job, are conditions to the employee's retention in his job and the later change in his appointment.

17. Q. How long will a person serve under a transitional appointment before it becomes a regular appointment?

A. There is no fixed time. The minimum is a year, but the actual length of service will depend on how much education or training the appointee takes and how soon he can complete it. Everyone who gets a transitional appointment will take the equivalent of at least 1 full school year of education or training. (See question 13.) If a veteran who has to take 1 school year of education works part time and goes to school full time, he can finish up in about 9 months. He will then get a regular (career or career-conditional) appointment as soon as the minimum 1 year of service is up. If a veteran goes to school part time, the change in appointment will take place when he brings in proof that the schoolwork has been completed. The amount of education or training a veteran takes at any given time is worked out with the agency that hires him, but the general rule is that everyone has to carry at least 25 percent of the normal school workload at all times.

18. Q. Say a veteran has to work full time and can only go to school part time, yet he needs the full 2 years of education or training the program will provide. Can he work out a program along these lines even if it takes him 4 years or more, for example, to complete the program?

A. Yes, this can be worked out with the hiring agency.

19. Q. Is the change from a transitional appointment to a regular appointment automatic?

A. Yes, the appointment is changed as soon as the agency has the necessary evidence that the required schoolwork is completed and his performance on the job is satisfactory.

20. Q. When a transitional appointment is changed to a regular appointment, what is the employee's tenure?

A. He will have competitive status, which means that throughout his career he can move to other jobs in the competitive civil service for which he is

qualified without having to qualify in a civil service examination. Moreover, if he should leave the Government for a period and decide to return, his competitive status will permit him to be rehired in any job for which he is qualified. His service under the transitional appointment counts toward the 3 years of service required for career tenure, which is the highest tenure a civil service employee can have.

21. Q. How would an agency decide which Vietnam-era veteran should get a transitional appointment to a particular job if more than one applies?

A. Generally, it would base its decision on such factors as the applicants' qualifications and the way in which the job opportunity in the agency fits into the career objectives of each applicant. If any of the applicants is eligible for a pension from the Veterans' Administration because of a service-connected disability, he would be entitled to first consideration under the Civil Service Commission's regulations.

22. Q. Could a veteran eligible for a transitional appointment decide, instead, to compete in a regular civil service examination?

A. Yes. In fact, he can take a civil service examination even if he is already serving under a transitional appointment if he wants to be considered for other jobs or speed up the possibility of a regular appointment.

23. Q. What about Federal jobs for veterans who have completed more than 1 year of education beyond high school?

A. The transitional appointment represents an effort to help those with limited education who are strongly motivated to catch up. Many thousands of other Vietnam-era veterans do not need this kind of appointment because they are already prepared, through education and training, for meaningful careers. For them, the path to jobs in the Federal service is through competition in regular civil service examinations. They will, of course, have the usual preference for veterans that is part of the normal operation of the civil service system.

24. Q. Will transitional appointments receive priority over other types of appointments?

A. No. The transitional appointment authority provides increased staffing flexibility to agencies. It will be used along with other appointment methods, not in place of them. It is just one option of many open to an agency that has positions to fill.

25. Q. Will employees serving under transitional appointments be eligible for within-grade increases and other fringe benefits such as health and life insurance, and annual and sick leave?

A. Yes.

26. Q. Where may veterans obtain information about transitional appointments, including actual vacancies?

A. Information about transitional appointments, and about other Federal job opportunities for Vietnam-era veterans, is available at U.S. Veterans Assistance Centers (USVACS) established in 21 cities across the country. If there is no USVAC near the veteran, he may obtain the same information from the nearest interagency board of civil service examiners. USVAC's and IAB's will be equipped to refer the veteran to vacancies appropriate to his education and experience. The veteran may also contact an agency directly if he is interested in a particular one.

27. Q. Is there a USVAC in the Washington, D.C., area?

A. Yes. It is located at 25 K Street NE., and the telephone number is 638–2966. A full-time Civil Service Commission staff member is posted there to help returning veterans. Information is also available at the Federal job information center (part of the Washington IAB) in the Civil Service Commission building at 1900 E Street NW.

INCREASED COUNSELING SERVICE

28. Q. The transitional appointment authority is only one part of the Commission's three-point program to ease the veteran's transition from military to civilian life. What about the increased counseling service—how does this work?

A. The increased counseling service is available to all veterans at USVAC's and at IAB's. Here, veterans can find out about the wide range of employment opportunities in Federal agencies, about open examinations, and about employment most appropriate to their education, experience, and skills.

29. Q. What are USVAC's—what do they do for the returning veteran?

A. The Veterans' Administration, as part of its total role in the program to assist Vietnam-era veterans, is establishing several of these centers in major metropolitan areas. USVAC's provide one-stop service to veterans on a wide range of Federal and federally assisted programs that can help veterans in making a successful transition to civilian life. VA is coordinating the total USVAC effort, with other agencies participating—either by placing staff there or by providing assistance as needed. (The Civil Service Commission has full-time employment specialists there.)

30. Q. What will the Civil Service Commission people stationed at USVAC's do for the veteran?

A. They will counsel veterans personally and provide positive placement assistance; keep VA contact representatives and other agency personnel assigned to the USVAC's informed regarding Federal employment matters so they can include this information in their regular interviews with incoming veterans; and make direct referrals of veterans to known vacancies in the area, including those being filled under the new transitional appointment authority.

31. Q. What will the interagency boards do for the veteran?

A. Every IAB will be prepared to provide personalized assistance, as well as information, to veterans interested in Federal employment, whether or not there is a USVAC in the area. The IAB's will have current information on existing or anticipated job opportunities; provide each veteran an opportunity for an interview with a professional staffing specialist; and make placement efforts where appropriate.

EXPEDITED HANDLING OF APPLICATIONS

32. Q. How will the application process be speeded up?

A. If the returning veteran files in a regular civil service examination, his application will receive priority attention from the Civil Service Commission. His papers will be expedited to speed up the rating process in an effort to get him into an existing vacancy without adding temporary unemployment to the problems he already faces during the difficult transitional period from military to civilian life.

B. PROGRAM CATEGORY B—ASSURING THE SUITABILITY AND LOYALTY OF FEDERAL WORK FORCE

Mr. MOORHEAD. Mr. Chairman, I think because of time running out we'd better move on to the next program.

Mr. MACY. All right. Mr. Johnson.

Mr. BROOKS. Mr. Chairman, would you suggest to them that time is going to be a problem?

Mr. MOORHEAD. Thank you, Mr. Chairman. At this point, without objection, I would like to insert in the record exhibit G, which is a written statement about program category B, assuring the suitability and loyalty of the Federal work force.

(Exhibit G follows:)

EXHIBIT G.—FACT SHEET—ASSURING THE SUITABILITY AND LOYALTY OF FEDERAL WORK FORCE PROGRAM—CIVIL SERVICE COMMISSION

	DEPARTMENT OR AGENCY	PROGRAM	SUBPROGRAM
100	Civil Service Commission	Assuring the Suitability and Loyalty of Federal Work Force	
	CODE	CODE	CODE
200			
	ANALYSIS AND CONTROL CODES		
300			
400		FISCAL YEAR	

		Unobligated Carryover	Appropriation or Current Year Request	Total Available	Total Obligated or Expended
500	**"In house" inputs**				
510	Personnel:				
511	Comp.			14,371	
512	Benefits			1,023	
513	Travel			1,258	
520	Expenses:				
521	Communications			362	
522	Transportation			82	
523	Printing			74	
524	Supplies and Consumable Materials			815	
530	Capital Equipment			92	
540	Land and Structures				
541	Additional Investment				
542	Rents			104	
550	Total			18,181	
600	**Funds distributed**				
610	Contracts				
620	Grants				
630	Loans				
640	Benefits				
650	Other				
660	Total				
700	Total				
				Prior Fiscal Year	
800	**Input-output ratio**				
810	1. Input				
811	1. Output				
820	2. Input				
821	2. Output				
830	3. Input				
831	3. Output				
840	4. Input				
841	4. Output				
850	5. Input				
851	5. Output				
860	6. Input				
861	6. Output				
870	7. Input				
871	7. Output				
880	8. Input				
881	8. Output				

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U.S. CIVIL SERVICE COMMISSION

PROGRAM CATEGORY B

ASSURING THE SUITABILITY AND LOYALTY OF THE FEDERAL WORK FORCE

I. Suitability Investigations

A. Executive Order 10450, as amended, requires investigation of all persons entering the Federal service; 5 U.S.C. 1303 authorizes the Commission to investigate matters relating to administration of the competitive service; 5 U.S.C. 3304 authorizes the Commission to test relative capacity and fitness of applicants; section 5.2 Civil Service Rules, authorizes appointments to be made subject to investigation.

B. 486,600 national agency check and inquiry investigations on persons entering the Federal service in nonsensitive or noncritical-sensitive positions. These provide low-cost screening of suitability, loyalty, and fitness. They include (1) checks of major governmental investigative and intelligence files, including FBI and CSC, and (2) written inquiries to local law-enforcement offices, employers, supervisors, schools, and references. CSC makes all the NACI investigations for the entire Federal service.

Cost-effectiveness studies show the following:

About 3 percent of the NACI cases develop derogatory information.
About 3,500 of the 486,600 cases will require further investigation by CSC.
About 2,000 will require loyalty investigation by FBI.
About 420 will be separated as a result of CSC action, and about 700 will resign during investigation or after being sent a letter of interrogatory.

II. Reimbursable Investigations

A. Executive Order 10450 requires full field investigations of all persons appointed to sensitive positions; 5 U.S.C. 1304 transfers to the Commission responsibility for investigations previously made by FBI and provides a revolving fund to finance investigations; Atomic Energy Act (Public Law 83–703, as amended) requires investigations of AEC contractors and contractor employees; Peace Corps Act (Public Law 87–293) requires security investigations of all persons employed or assigned to duties under the act; National Aeronautics and Space Act (Public Law 85–568) designates the Commission to conduct security or personnel investigations for the agency; National Science Foundation Act of 1950 requires investigation of employees having access to classified defense information or restricted atomic energy data; Public Law 80–402 requires investigation of employees of the U.S. Information Agency; Public Law 87–297 requires investigation of employees of the Arms Control and Disarmament Agency.

B. 33,360 full field investigations conducted. These are comprehensive investigations conducted personally to obtain full facts about the individual's background and activities. This work is performed as a reimbursable service to employing agencies.

In addition to suitability, security, and loyalty, these investigations are tailored to give individual agencies information on personal attributes and qualities needed for proper performance in the specific positions involved.

Cost-effectiveness studies show these facts:

15 percent, or 5,000 of the full field cases, produce derogatory suitability or security information.
2.5 percent, or 830 cases, require referral to FBI for loyalty investigation.
5 percent, or 1,650 cases result in separation or nonselection.

III. Other Investigations

A. Executive Order 10422, as amended, requires investigation of U.S. citizens employed in international organizations.

B. 1,340 full field investigations conducted. Of these, 6.5 percent produce loyalty information requiring referral to FBI for loyalty investigation: and 8 percent produce significantly derogatory suitability information. CSC furnishes advisory determinations to the international organization and furnishes appropriate summaries of information to State Department. The International Organizations Employees Loyalty Board conducts necessary hearings on cases in which adverse action is recommended.

IV. Agency File Search Service

A. Section 9(a), Executive Order 10450, provides for a Security-Investigations Index.

B. 185,000 agency requests serviced. The Commission maintains a Security-Investigations Index of 10 million records on investigations initiated by the Commission and other agencies since 1939. This index is searched when an agency begins a new investigation. If there is a previous record, information from the Commission's investigative files is furnished, or the agency is told of the location of reports conducted by other agencies. The index also is searched and information furnished when agencies are considering employing a person who was previously investigated, permitting them to avoid duplication of effort and safeguard their interests.

V. Evaluating Agency Security Programs

A. Section 14, Executive Order 10450, requires a continuing study of its implementation.

B. A small staff evaluates the manner in which agencies are carrying out their security programs under the order. The appraisals are designed to determine whether there are deficiencies in agency security programs or tendencies to deny to individual employees fair, impartial, and equitable treatment by the Government. These appraisals have a constructive influence in terms of improved agency security regulations, more timely investigation and evaluation, elimination of indiscriminate use of waivers of prior completion of investigation, and effective use of investigative reports.

INTANGIBLE BENEFITS OF THE PROGRAM

Safeguards the Federal service against employment or retention of the unsuitable, unfit, and disloyal.

Deters persons with bad records from seeking Government employment.

Promotes the quality of the Federal work force.

Fosters public confidence in the integrity of the Federal service.

Responsible official: Kimbell Johnson, Director, Bureau of Personnel Investigations.

Mr. MOORHEAD. Would you identify yourself for the record.

Mr. JOHNSON. Kimbell Johnson, Director of the Bureau of Personnel Investigation. The program for which I am responsible represents an expenditure of $18,181,000. Of this, $13,704,000 are funds reimbursed from the departments and agencies. The output of the NACI program would be 460,000 NACI investigations.

Mr. MACY. Indentify what NACI is.

Mr. JOHNSON. NACI are National Agency Checks and written Inquires which are required by Executive Order 10450. Out of that number—460,000—we will identify opproximately 3,500 cases with derogatory information in them. We will have jurisdiction in approximately 70 percent of those cases, and will find 420 of them disqualified, and 700 will resign while the investigation is underway.

The other sizable program for which we are responsible, involves an expenditure of $13,704,000, which is reimbursed to us by the departments and agencies for which we make full-scale investigations of people entering critical, sensitive positions. This workload was transferred to the Commission in 1952 from the FBI, when Mr. Hoover felt that the FBI was improperly burdened with the whole volume of personnel investigation. There is a common misconception that our workload stems solely from Executive Order 10450. Basically, it stems from the Atomic Energy Act, the Peace Corps Act, the National Aeronautics and Space Act, the National Science Foundation Act, the U.S. Information Act, and the Arms Control and Disarmament Act, which require that people under these programs in critical, sensitive

positions must be fully investigated by the Civil Service Commission.

The unit cost of this investigation is approximately $400, as compared to a cost for——

Mr. RANDALL. $400, did you say?

Mr. JOHNSON. Yes. In this area we will make 33,600 full-scale investigations for these departments and agencies in 1968. This contrasts with the unit cost of the big-volume item of 486,000 NACI cases at a cost of just under $5 per case.

We are talking on the one hand about a routine, inexpensive screening device for people entering all positions in the Government service, and on the other hand, an expensive device in which people entering critical, sensitive positions are investigated.

On the NACI side we find 3 percent of the cases developing significant data bearing on the fitness and suitability of the individuals. In the full-scale investigations where we are spending a sizable amount of money, the percentage of significant derogatory data is 15 percent. The cost effectiveness studies that we have recently made show that out of the 15 percent which develop significant derogatory data, one-third of the individuals will either not be hired in sensitive positions, or will be discharged during their first year of employment.

So in terms of outputs and values, we are talking on the one hand of the routine screening investigation of the 3-percent payoff output solely in negative terms and a 15-percent output in terms of negative values in the full-scale program.

There are values in the program, that are not quantifiable, such as we have been able to quantify in terms of the adverse and negative action. The program certainly tends to promote the confidence of the public in its employees, and it tends to give the American public an assurance that Federal employees are reliable and trustworthy. That basically is the result of the $18,181,000 involved in that expenditure.

Mr. MOORHEAD. Thank you, Mr. Johnson.

C. PROGRAM CATEGORY C—PROVIDING PERSONNEL MANAGEMENT LEADERSHIP

Mr. MACY. Very good. Mr. Oganovic will take program C.

Mr. BROOKS. Without objection, I will put exhibit H in the record at this point.

(Exhibit H follows:)

EXHIBIT H.—FACT SHEET—PROVIDING PERSONNEL MANAGEMENT LEADERSHIP PROGRAM—CIVIL SERVICE COMMISSION

	DEPARTMENT OR AGENCY	PROGRAM	SUBPROGRAM
100	Civil Service Commission	Providing Personnel Management Leadership	
	CODE	CODE	CODE
200			
	ANALYSIS AND CONTROL CODES		
300			

		FISCAL YEAR			
		Unobligated Carryover	Appropriation or Current Year Request	Total Available	Total Obligated or Expended
400					
500	**"In house" inputs**				
510	Personnel:				
511	Comp.			7,862	
512	Benefits			598	
513	Travel			422	
520	Expenses:				
521	Communications			461	
522	Transportation			38	
523	Printing			308	
524	Supplies and Consumable Materials			1,138	
530	Capital Equipment			95	
540	Land and Structures				
541	Additional Investment				
542	Rents				
550	Total			10,922	
600	**Funds distributed**				
610	Contracts				
620	Grants				
630	Loans				
640	Benefits				
650	Other				
660	Total				
700	Total				

			Prior Fiscal Year	
800	**Input-output ratio**			
810	1. Input			
811	1. Output			
820	2. Input			
821	2. Output			
830	3. Input			
831	3. Output			
840	4. Input			
841	4. Output			
850	5. Input			
851	5. Output			
860	6. Input			
861	6. Output			
870	7. Input			
871	7. Output			
880	8. Input			
881	8. Output			

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U.S. CIVIL SERVICE COMMISSION

PROGRAM CATEGORY C.—PROVIDING PERSONNEL MANAGEMENT LEADERSHIP

A. PROGRAM AUTHORITY

The statutory and administrative authorities for this program are included in such laws and Executive orders as the following:

Title 5, United States Code, "Government Organization and Employees."

Section 3502 of title 39, United States Code, "Appeals to the Civil Service Commission."

Executive Order 10987, "Agency Systems for Appeals from Adverse Action."

Executive Order 9830, part I, "Organization for Personnel Management."

Executive Order 10988, "Employee-Management Cooperation in the Federal Service."

Executive Order 11073, "Providing for Federal Salary Administration."

Executive Order 11246, "Equal Employment Opportunity."

Executive Order 11315, "Executive Assignment System."

Executive Order 11348, "Providing for the Further Training of Government Employees."

B. PROGRAM STATEMENT

In the subcategory Policy Development and Review, the Commission (1) helped develop 22 administration legislative proposals during the 90th Congress, reported on 222 other bills during the first session of that Congress, and did other legislative work; (2) develops annually a joint report with the Budget Bureau to the President as a basis for his annual pay report and recommendations to the Congress; (3) sets special salary ranges (now applying to some 75,000 positions) where Government recruitment is handicapped by higher pay in private employment; (4) is now developing a coordinated Federal wage system for the Government's 800,000 workers in trades, crafts, and labor occupations; (5) makes special studies of a variety of personnel matters, e.g., the position classification system, veterans preference, nepotism, merit promotion plans, performance evaluation, impact of automation, manpower planning and forecasts, employment practices, employee benefits, national emergency readiness, the Federal women's program, career system for attorneys, travel expenses, probationary periods, general personnel management objectives, and so on; and (6) maintains an adequate level of technical service to Congress, Federal agencies, and the public by answering inquiries and giving technical advice and assistance in nearly every phase of the Commission's work.

In a second subcategory, that of Developing and Maintaining Systems and Instructions, the end-products are regulations, directives, and instructions for the implementation and administration of programs, policies, legislation, and judicial decisions affecting nearly every phase of Federal personnel management. These products are essential to the effective and equitable personnel management in the agencies, as well as in the Commission. They must be constantly adjusted to meet changing conditions and the impact of new legislation, executive directives, and judicial decisions. Frequent advice on the application of these instructions to novel and complex situations is given to agencies.

In a third subcategory, Assessing Agency Personnel Management, the Commission (1) determines the effectiveness of agency management in carrying out the intent of legislation and executive directives on the use of manpower; (2) determines the degree of agency compliance with legal requirements; and (3) assists agencies in improving the management of their manpower resources. (For fiscal year 1968, 675 inspections of various kinds are programed.) In those program areas of especially high interest, the Commission keeps key Government officials aware of the significant trends and provides current information. (For fiscal year 1968 consolidated Government-wide reports of inspection findings will be issued for four such programs of high interest.) The Commission also responds—through consultative services, oral discussion, and correspondence—to requests from Congress, agencies, and the general public for technical guidance, advice, and assistance relevant to this subcategory.

In a subcategory titled Position Classification Administration, the Commission plans an output of about 25 white-collar and 60 blue-collar classifications and job grading standards which govern agencies in classifying over 1 million white-col-

lar jobs and 800,000 blue-collar jobs. The use of such standards helps assure pay equity among employees and the proper expenditures of Federal funds for salaries and wages. (About 450 different white-collar occupations and about 1,600 different blue-collar occupations are involved.) Under this same subcategory, the Commission also (1) considers and decides classification appeals from employees and agencies; (2) provides advisory classification opinions to agencies; and (3) makes final adjudication of appeals from employees on positions in the postal field service from salary level ranking action taken by the Postmaster General. It also determines the proper grade levels and pay rates of approximately 2,300 positions at, or equivalent to, the GS–16, 17, or 18 levels. (Government programs with the highest priority importance are assured their full share of top level positions.

In a fifth personnel management leadership subcategory, that is, Executive Manpower, the Commission, as part of the executive assignment system, will conduct a joint review with agency managers of the executive staffing plans of approximately 19 major agencies and departments. These intensive reviews will focus on achieving the full use of current executive manpower and on the realistic forecasting of future needs. Information developed from these reviews will provide a basis for more systematic Government-wide executive manpower planning, as well as helping each agency to establish a foundation for better use of its executive manpower resources.

The appeals program provides an impartial review of personnel actions which adversely affect an employee, such as, for example, discharge, reduction in force, or alleged discrimination. Appeals examiners in the regional offices and in the central office of the Commission initially consider appeals from employees in most personnel areas. The Commission's Board of Appeals and Review considers appeals from employees of decisions made on their appeals at the first level, and also considers appeals directly from agencies and employees in some cases. (In fiscal year 1967, there were 3,711 appeals processed at the first level and 2,111 appeals processed by the Board.) The program also involves the coordination, evaluation, and technical guidance of the Commission and agency appeals programs and the training of Commission and agency personnel in appeals techniques.

The seventh subcategory under the personnel management leadership category is that of training. The Commission exercises a Government-wide responsibility for: (1) Determining the applications of Government training; (2) analyzing the value of training and education from non-Government sources; (3) formulating training policy; (4) providing consultation to departments and agencies in determining training needs, establishing or improving career development systems, designing training programs, and establishing training evaluation systems; and (5) developing and coordinating a program to meet interagency training needs. Guidance and reference materials, selective appraisals of training operations, consultative studies of agency problem areas are produced by Commission people, who also provide a curriculum consisting of 192 courses given to 41,290 employees in 1,436 sessions, each averaging 32.5 hours in length, during fiscal year 1968. The curriculum covers both technical management and general management subjects.

The eighth and final subcategory is that of special programs. This includes such major general programs as labor-management relations and equal employment opportunities, as well as more specialized programs such as political activity, incentive awards, and the occupational health program. It also includes the activities of the interagency advisory group.

C. OFFICIALS RESPONSIBLE

O. Glenn Stahl, Director, Bureau of Policies and Standards.
Gilbert A. Schulkind, Director, Bureau of Inspections.
Seymour S. Berlin, Director, Bureau of Executive Manpower.
J. Kenneth Mulligan, Director, Bureau of Training.

Mr. OGANOVIC. Program C, Mr. Chairman, involves four bureaus dealing with the subject of providing personnel management leadership. Bureaus involved are Bureau of Policies and Standards, our Bureau of Inspections, our Bureau of Training, our Bureau of Exec-

utive Manpower. We have several subprograms which are included in this major program.

The first subprogram, policy development and review, encompasses analyzing and reporting some 200 legislative proposals in response to requests from Congress; developing the Commission's legislative program; studying the comparability of Federal salaries with salaries in private industry, and formulating appropriate recommendations.

Mr. BROOKS. Pardon me. Are you making a serious and concerned effort to evaluate comparable salaries in the computer field, not just in your own operation, but across the Government?

Mr. OGANOVIC. Yes; this is across the Government. For shortage occupations we have the authority to raise the rates above the minimum level.

Also included in this subcategory is our responsibility to coordinate the entire wage board system throughout the executive branch, which covers some 800,000 workers.

Another major item in this program area is conducting special studies in the fields of position classification, veterans' preference, merit promotion programs, and manpower planning. Providing advisory service to executive branch officials and the Congress round out this program segment.

The second subcategory, development and maintaining systems and instructions, deals primarily with the formulation of implementing policies and procedures, and the preparation of regulatory material to carry out new laws, court decisions, presidential directives, and program decisions. This embraces the Commission's extensive issuance system of external and internal instructions, the management phase of our appellate activities, and advisory assistance to agencies, Commission offices, and other sources.

The third subdivision, the assessing of agency personnel management, involves our Bureau of Inspections, to which the chairman has referred. Briefly, just recapping that, we delegate authorities to agencies in this area and then make inspections to determine how well they are complying with the standards which the chairman enumerated a little while ago, and also with the provisions of the laws passed by the Congress.

In addition, we furnish agencies advice and counsel in problem areas as necessary. The chairman mentioned the Department of Defense program where we are expanding because of Vietnam. Another illustration concerns our close working relationships with the Internal Revenue Service during the automation of their programs, contributing to an orderly transition from manual to computer operation.

We plan to conduct 675 inspections across the country during this fiscal year.

The fourth subcategory concerns the area of position classification and primarily the development of pay standards for positions in the Government service. This fiscal year our goal is to establish 25 new classification standards in the white-collar area and 60 blue-collar classification standards. These standards will cover some million white-collar employees and some 800,000 blue-collar employees. Classification appeals have also been included under this segment.

The fifth subdivision is the executive assignment system under the jurisdiction of Mr. Berlin in the Bureau of Executive Manpower. In

this area we are concerned with the classification of positions in grades 16, 17, and 18, and the qualifications of candidates and their appointment to these positions. The three Commissioners must approve the qualifications of the individuals going into these particular jobs. As the chairman indicated, we have some 25,000 people in this inventory and it is constantly changing.

Our next subcategory is appeals. All employees have the right to appeal certain actions on the part of an agency to their agency or directly to us. If they appeal first to their agency and are not satisfied with the agency decision, they may then appeal to us. We also have an independent board of appeals and review which reports to the three Commissioners. I, as executive director, have no jurisdiction over that board. It is a staff arm of the three Commissioners.

Last year we had 3,700 first level appeals and 2,100 before the Board of Appeals and Review.

In our appellate area we also provide training and instruction to the agencies.

The next major subdivision concerns the field of training which the chairman has touched on. The principal components are formulating training policy for the entire executive branch and conducting extensive training programs throughout that branch. Mr. Mulligan heads our Bureau of Training which operates an extensive training program here in Washington. As well as 10 training centers associated with our 10 regional offices. Also under Mr. Mulligan's jurisdiction are the executive seminar centers at Kings Point, N.Y., and Berkeley, Calif., which provide appropriate programs for officials at grades 13 through 15.

The Bureau of Training also has a consultative responsibility to advise and assist agencies in their internal training efforts as well as working with them on interagency training programs.

Last year we conducted 192 courses, providing training over and above what the agencies did for 1,000 Federal employees in a variety of interagency programs. The average length of the training course was 32 hours.

That is a brief summary of the major components providing personnel management leadership.

I do want to add one thing to the exam process that Mr. Jacobson addressed himself to. In our lower level examinations we have made two significant changes. One, we have revamped our application form for these people, who are generally less literate, to ask the minimum amount of questions in a very simple manner and to provide a lot of room to write answers. Two, we have at this point eliminated wherever possible written tests, and we are using instead, measures of interest, motivation, the willingness to look for a job, and the employment record over a period of years. Using those kinds of factors in the lower level jobs, we have, for example, in Washington, D.C. been able to set up 12,000 people on one register who have filed through the competitive system.

(Discussion off the record.)

Mr. BROOKS. Back on the record. We want to thank you very much, Mr. Oganovic, for your contribution, and for the job you do working for the Commissioners. I am sure they keep you pretty busy.

(Discussion off the record.)

D. PROGRAM CATEGORY D—ADMINISTERING RETIREMENT AND INSURANCE PROGRAMS

Mr. MACY. The program category D, retirement and insurance, Mr. Ruddock.

Mr. BROOKS. We will submit for the record at this point exhibit I, without objection.

(Exhibit I follows:)

EXHIBIT I.—FACT SHEET—ADMINISTERING RETIREMENT AND INSURANCE PROGRAMS—CIVIL SERVICE COMMISSION

	DEPARTMENT OR AGENCY	PROGRAM	SUBPROGRAM
100	Civil Service Commission	Administering Retirement and Insurance Programs	
	CODE	CODE	CODE
200			
	ANALYSIS AND CONTROL CODES		
300			

		FISCAL YEAR			
400		Unobligated Carryover	Appropriation or Current Year Request	Total Available	Total Obligated or Expended
500	**"In house" inputs**				
510	Personnel:				
511	Comp.			4,611	
512	Benefits			326	
513	Travel			47	
520	Expenses:				
521	Communications			175	
522	Transportation			32	
523	Printing			351	
524	Supplies and Consumable Materials			217	
530	Capital Equipment			12	
540	Land and Structures				
541	Additional Investment				
542	Rents			31	
550	Total			5,802	
600	**Funds distributed**				
610	Contracts			958,016	
620	Grants				
630	Loans				
640	Benefits			2,118,380	
650	Other				
660	Total			3,076,396	
700	Total			3,082,198	
				Prior Fiscal Year	
800	**Input-output ratio**				
810	1. Input				
811	1. Output				
820	2. Input				
821	2. Output				
830	3. Input				
831	3. Output				
840	4. Input				
841	4. Output				
850	5. Input				
851	5. Output				
860	6. Input				
861	6. Output				
870	7. Input				
871	7. Output				
880	8. Input				
881	8. Output				

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U.S. Civil Service Commission

Program Category D.—Administering Retirement and Insurance Programs

The Civil Service Commission has the responsibility for the development, direction, coordination, and evaluation of the Government-wide retirement, life insurance, and health benefits programs for Federal employees, annuitants, and their survivors. The Bureau of Retirement and Insurance is the Bureau designated to carry out operations.

Authority:

Chapters 83, 87, and 89 of title 5, United States Code ("Retirement, life insurance, and employees' health benefits").

48 United States Code 1373a ("Panama Canal annuities").

74 Statute 849, as amended ("Retired employees health benefits").

Objectives: To provide employees, their families, and/or survivors with financial protection against loss of income due to retirement, disability, death, dismemberment, and for the costs of illness.

What is done:

Provide leadership and technical guidance to agencies who share in specific responsibilities for their employees.

Issue regulations and instructions.

Receive, deposit in Treasury, and account for withholdings from employees and annuitants, Government and agency contributions to the funds.

Adjudicate retirement benefit claims and determine annuitants' continuing eligibility for life insurance and/or health benefits.

Maintain individual retirement records after separations.

Contract with insurance companies and other organizations to furnish life and health insurance benefits.

Authorize payments from trust and other funds.

Develop and maintain financial, actuarial, and statistical reporting data.

Audit records and financial statements of insurance underwriters and carriers.

How it's done:

Delegate responsibility to Federal agencies for their employees via Federal Personnel Manual instructions and other similar media.

Adjudicate claims for retirement system benefits and authorize Treasury Department to issue checks to retirement system beneficiaries.

Request assistance from CSC regional offices in obtaining medical examinations for disability retirement applicants and annuitants.

Enter into contracts with insurance underwriters who then pay claims for life insurance and health benefits.

Maintain communication with Federal agencies, life insurance contractors, and health benefits carriers regarding matters of coverage, deposits, payments of premiums, questions on payment of claims by contractors, and required reports.

What it costs: To carry out the above programs requires approximately 563 employees at an annual salary cost of $4,611,000, plus $1,191,000 in other objects of expense, or a total of $5,802,000 for fiscal year 1968. These administrative expenses are derived from four trust funds made available for this purpose, rather than by direct appropriation. The amounts from each fund are transferred to the CSC salaries and expenses appropriation, subject to a total annual limitation. Administrative costs of Federal agencies, life insurance and health benefits contractors are not included in these figures.

Note.—The retirement and insurance programs are financed through contributions shared by employees (and/or annuitants) and the Government. These moneys are deposited in each fund and are available for payment of claims, subscription charges to the carriers, and for administrative expenses of the Commission. Retirement fund receipts are estimated at $3.4 billion with benefit expenditures at $2.1 billion in 1968. Insurance programs show receipts of $1.1 billion and outgo of $1.0 billion for the same period.

Outputs: The major workloads in 1968 are estimated as follows:

Retirement:	
New annuity and death claims received	102,000
Average number of annuitants on the roll	852,000
Health benefits—number of annuitants enrolled	547,000

Official responsible: Andrew E. Ruddock, Director, Bureau of Retirement and Insurance.

Mr. RUDDOCK. I am Andrew E. Ruddock. My title is Director, Bureau of Retirement and Insurance.

The Civil Service Commission administers for the Federal Government three principal fringe benefit systems. These are the civil service retirement system, which is a staff retirement plan for civilian employees of the Federal Government; the Federal employees group life insurance program; and the Federal employees health benefits program.

The objective of these systems is to replace income which is lost through retirement, through disability, and through death of the breadwinner, and in the health benefits program to help meet the family's costs for medical and hospital bills.

Each of the programs is contributory. The employee pays part of the cost, the Government pays part of the cost. The administrative expenses of the Commission are paid from moneys transferred from the trust funds developed under these programs, within limitations which are fixed annually by the Congress. The retirement system is self-administered by the Government in the sense that we adjudicate all the claims and we authorize the payment of all of the benefits.

The life insurance program is one in which we were directed by the Congress to contract with the insurance industry for a group life insurance policy in the same manner that would be done by any other large employer. This means that when a Federal employee dies, the claim, instead of being submitted to the Civil Service Commission, goes to an administrative office set up by the insurance industry in New York, and the claim is paid from that point.

In health benefits the basic legislation authorized us to contract with a number of health benefits carriers, and we have approximately 40. Each employee chooses, from among those which are available to him, the plan which he feels best fits his needs and those of his family. When he has health expenses they are handled through the claims mechanism of the plan which he has chosen.

In the interest of conserving your time, let me just point out that we have at the present time a retirement roll of about 600,000 retired Federal employees and almost a quarter of a million survivors, mostly widows and children, who are receiving monthly checks under the retirement system. In this particular year we expect to adjudicate over 100,000 annuity and death claims.

Mr. BROOKS. Are all of the payments computerized?

Mr. RUDDOCK. No, sir. We have, as the chairman mentioned earlier, about 112 claims examiners who, on the claims we adjudicate, have to determine the entitlement of the individual and the amount to which he is entitled. Now we do use the computer in connection with determining length of service, the average salary of the individual, computing his annuity rate——

Mr. BROOKS. And the issuance of checks?

Mr. RUDDOCK. The checks are actually issued by the Treasury Department on the basis of authorization from the Commission, and that authorization is given to them through the computer system.

Mr. BROOKS. Good. I had one further question. There is a GAO report on continuing eligibility of Federal employees and I would

without objection, put in the record, exhibit J, a summary of the GAO report.

(Exhibit J follows:)

EXHIBIT J.—SUMMARY OF GAO REPORT, "PROCEDURES RELATING TO THE CONTINUING ELIGIBILITY OF FEDERAL EMPLOYEES FOR DISABILITY RETIREMENT ANNUITIES—CIVIL SERVICE COMMISSION"

PROBLEM NUMBER 1

GAO found that long periods of time elapsed between reviews of case files and/or medical examinations of disabled annuitants which may have resulted in some annuitants remaining on the retirement roll after their recovery from disability. Many cases were noted where from 2 to as many as 10 years elapsed between reviews of the case files by medical officers.

The civil serice retirement law (5 United States Court 8337(c)) provides that each disability annuitant, unless the disability is permanent in character, shall be "examined" at the expiration of 1 year from the date of his retirement for disability, and annually thereafter until the annuitant reaches age 60.

Recommendation

GAO recommended that the existing procedures be revised to require, to the fullest extent practicable, an annual case review by a medical officer, and the scheduling of a medical (physical) examination of an annuitant whose case review indicated that the annuitant may have recovered from his disability.

Agency response

The Chairman of the Commission acknowledged the need for keeping the disability program under constant review, but stated he had reservations, involving the use of money and available medical manpower, about stepping the program up to the level of having each annuitant subject to review taking a medical examination each year.

(The GAO proposal did not contemplate annual physical examinations for each annuitant but that, at the least, a review should be made of each annuitant's case on an annual basis in accordance with the provisions of the civil service retirement law.)

Current status

The Commission has a cost-benefits study in process which is intended to serve as a basis for a decision regarding its reviews of diability annuity cases.

The Commission should expedite completion of its cost-benefits study and reach a conclusion to either comply with existing legal requirements or seek enactment of amendatory legislation.

PROBLEM NUMBER 2

GAO noted certain procedural weaknesses concerning (1) the removal of disabled annuitants from the retirement roll when their earned incomes exceeded the statutory limitation and (2) the discontinuance of retirement annuities upon recovery from disability.

Agency action

The ineligible annuitants were removed from the retirement roll. New procedures were initiated to help avoid possible recurrence of these situations.

Potential savings

An estimated savings of about $400,000 will result from the removal of the ineligible annuitants from the retirement roll.

Mr. BROOKS. I ask you to take a look at that. Would you, for the record, comment on what you are doing to meet the problem, what your evaluation is, and what can be done to eliminate it.

Mr. RUDDOCK. All right, sir, we will submit it.

Mr. BROOKS. It is a little involved to go into now.

Mr. MACY. It might be well on that one, Mr. Chairman, to give you a copy of our letter to the General Accounting Office with respect to that point.

Mr. BROOKS. Yes.

Mr. MACY. He may not have that.

Mr. BROOKS. No, I do not have that.

Mr. MACY. We will be pleased to provide that for the record along with Mr. Ruddock's comments.

(The materials referred to follow:)

GAO REPORT TO CONGRESS, OCTOBER 31, 1966

REVIEW OF CERTAIN PROCEDURES RELATING TO CONTINUING ELIGIBILITY OF FEDERAL EMPLOYEES FOR DISABILITY RETIREMENT ANNUITIES UNDER THE CIVIL SERVICE RETIREMENT SYSTEM

With respect to problem No. 1, we carefully studied the changes recommended by the Comptroller General to achieve a more comprehensive medical review program. As stated in my letter of May 27, 1966, commenting on the preliminary draft of the report, and the letter of December 7, 1966, to Chairman Dawson, Committee on Government Operations, which I am attaching, the Bureau of Retirement and Insurance is continually seeking improvements in disability retirement procedures.

We are currently exploring ways of improving the effectiveness of this program through closer coordination of functions. A project has been started to bring the annual income and the medical review procedures closer together. Hopefully, this exploration should enable us to focus on those annuitants with the best potential for recovery and on those who are gainfully employed but manage to stay within income limitations.

With respect to problem No. 2, termination of disability annuitants from the retirement rolls, the minor procedural deficiency was acknowledged and corrected. In view of the findings, however, we will keep these revised procedures under constant review and, if necessary, initiate further refinements.

FEBRUARY 20, 1967.

Hon. WILLIAM L. DAWSON,
Chairman, Committee on Government Operations,
House of Representatives.

DEAR MR. CHAIRMAN: This is in reply to your letter of January 4 asking for further comment on the Comptroller General's report on disability retirement procedures under the civil service retirement system (B–121560).

I welcome the opportunity to give you the Commission's views on the statutory requirement for annual medical examination of disability retirees. Medical examinations have been required under the retirement law since the inception of the program. If the disability was judged to be permanent in character, however, the examination requirement was waived. The Commission in its administration of the provision has always construed "permanent" to mean for some considerable period but not necessarily for a lifetime. Accordingly, we schedule disability cases for review, and examination if necessary, on 2- and 3-year cycles as well as annually if the character of the disability affords assurance that it will continue for more than a year. This decision is, of course, made by a Federal medical officer.

I would also like to point out that the logic and economy of waiving annual examinations for annuitants where the disability could be expected to last for an extended period was recognized very early in the administration of the retirement program. The attached background information on annual medical examinations shows that the Commissioner of Pensions (then in the Interior Department) was first authorized to waive the requirement in 1922.

The Comptroller General in his recommendation is not suggesting literal compliance with the statutory requirement for annual medical examinations. He is rather recommending an annual "case review," that is, circularizing disability retirees once a year with an appropriate questionnaire which when reviewed along with the case file would serve as the basis for determining whether the annual examination should be ordered. The recommended change is similar in concept to currently existing procedures but contemplates a more comprehensive case review program. Under the change, each case would be reviewed annually,

while at present cases are scheduled for review on 1-, 2-, or 3-year cycles depending on the nature of the disability and the prognosis. We estimate that about 30 percent of the disability roll is on a 1-year case review cycle, 25 percent is on a 2-year cycle, and about 12 percent come up for review every 3, or in a few cases more, years. The remaining 33 percent of the roll consists of annuitants who are permanently disabled in the sense that periodic medical examinations are not required. A copy of the questionnaire used in connection with medical callups is attached.

Additionally, all persons under age 60 on the disability roll are surveyed annually to check on each annuitant's earnings. Since earning power is an important measure of possible recovery, the restoration to earning capacity program effectively supplements medical callup procedures. A copy of the income questionnaire is attached.

We have not shared the Comptroller General's view that disability cases should be reviewed annually under the medical examination program. A total case review would be costly and an ineffective utilization of medical manpower. The review would be wholly unnecessary with respect to the majority of cases. Without giving the impression that the Commission's present approach strikes the ideal balance between resources and results, I would like to suggest that these procedures afford reasonable assurance that recovered annuitants will be dropped from the disability roll and that Government's interests are protected.

As I informed you in earlier correspondence, a review of the Commission's medical programs and procedures is now in progress. While we are unable to agree with the Comptroller General at this time, the recommended change will be reconsidered if the study discloses the need for a more comprehensive medical examination program. I will advise you if such a development results from the review.

Sincerely yours,

JOHN W. MACY, Jr., *Chairman.*

MAY 27, 1966.

Mr. PHILIP CHARAM,
Associate Director,
Civil Accounting and Auditing Division,
U.S. General Accounting Office,
Washington, D.C.

DEAR MR. CHARAM: Thank you for the opportunity to comment on your draft report on periodic medical reviews and other aspects of the disability retirement program. The Bureau of Retirement and Insurance is continually seeking improvements in disability retirement procedures and has found your study to be helpful.

I am generally pleased with the progress that has been made in coping with the disability retirement workload. The increase in the size of the annuity roll over the past decade reflects the scope of the problem. Ten years ago the roll consisted of approximately 325,000 annuitants. It has now grown to almost 800,000 annuitants. Over the same period the number of new claims has almost doubled with disability annuitants consistently representing about one-third of all retirements each year.

With the surge in the workload, periodic medical reviews dropped critically behind schedule by the late fifties. The dimensions of the job, together with the need for giving priority attention to new disability claims, made it impossible to keep current. While medical review procedures are still not so tight as I should desire, I believe that the Bureau of Retirement and Insurance has done much since then to overcome the early backlog and to improve the overall effectiveness of the program. Here are a few of the actions taken:

In 1960 authority was delegated to the regional medical officer in the area having jurisdiction over each applicant's place of employment to approve employee-filed disability claims. With this change, the Medical Division was able to give more attention to the medical examination program.

In 1962 the clerical support functions of preparing, controlling, and referring periodic medical review questionnaires to annuitants scheduled for review was transferred from the Medical Division to the Records Division in Boyers, Pa., where the files are kept. By transferring these responsibilities to the Records Division, which was better located and better staffed to do the work, the workload of the Medical Division was reduced and at the same time the accuracy and

effectiveness with which case reviews were scheduled and controlled was much improved.

In 1963 a major modification of periodic medical examination procedures was put into effect with a view of improving the quality of the program. The plan provided for circularizing medical review cases on a more selective basis. Adoption of the procedure enabled the Medical Division to concentrate its effort on those annuitants with a better potential for recovery.

In 1963 a medical officer was appointed, part time, exclusively for professional review of periodic medical examination cases.

In 1965 a second medical officer was appointed, part time, for the same purpose.

We have also improved communications on cases with regional medical officers and established better guidelines for determining whether an employee is permanently disabled with the idea of avoiding unnecessary examinations in the future. More of this kind of work will continue.

At the present time, we have about 60,000 disability annuitants whose claims are subject to review. We estimate that the cost of ordering, paying for, and reviewing a medical examination for every one of these annuitants in any year would be about $2 million. Even if an expenditure of this magnitude could be justified, a total examining program would be a very ineffective utilization of scarce medical skills.

At the other extreme, an ideal but obviously unattainable goal would be to examine only those who have in fact recovered from the disability which necessitated retirement. We believe a practicable approach lies somewhere between these two extremes, involving considerably less than a program of total examining, but making maximum use of money and available medical manpower by examining categories of annuitants for whom there is a medically reasonable possibility that recovery has occurred.

In summary, I see the periodic medical examination program as being much more effective than it was several years ago and continually improving. While I agree completely that there is a need for keeping the program under constant review, I should, for the reasons cited above, have reservations about stepping it up to the level that you recommend.

With respect to your other recommendation the Bureau of Retirement and Insurance has already initiated improved procedures for terminating disability annuities. For the past year now the Claims Division has been making a followup to verify that annuitants who are scheduled to be terminated because of medical recovery are, in fact, dropped from the roll. The change was based on discussions with your auditors. In view of your findings, the Bureau will again review termination actions, both for medically recovered annuitants and for those restored to earning capacity, to evaluate the effectiveness of the revised procedures and, if necessary, to initiate further refinements.

The annuity roll will continue to grow and prospects are for an ever-increasing disability retirement workload. This will require a continual assessment of the relative urgency and importance of the various aspects of the medical program, the judicious allocation of medical manpower, and flexibility in revising procedures or adopting new ones. In its continued effort to improve the program, I am sure that the Bureau of Retirement and Insurance will be mindful of the views expressed in your report.

As you requested, I am returning both copies of the draft report.

Sincerely yours,

JOHN W. MACY, Jr., *Chairman.*

Mr. BROOKS. We thank you very much.

Mr. THOMPSON. Let me ask——

Mr. BROOKS. Yes, Congressman Thompson.

Mr. THOMPSON. The contract you have with the life insurance industry, is that a pool arrangement?

Mr. RUDDOCK. Yes, sir. Our contract is with Metropolitan Life Insurance Co. They are reinsured, and are required to reinsure, under the statutes with approximately 300 other companies. They must cede reinsurance to every company doing group life insurance business in the United States which wants a part of the reinsurance. The reinsur-

ance is ceded on the basis of the amount of group life insurance carried by the participating company. The formula, which is in the law itself, is weighted so that the smaller companies get a proportionately larger share of the reinsurance than do the big companies.

Mr. THOMPSON. May I ask one further question? How does this compare with the other governmental insurance programs as a matter of cost to benefit ratio? In other words, what is your experience factor? We have the national service life—and so forth—can you make comparisons of these?

Mr. RUDDOCK. I'm not sure I understand your question.

Mr. THOMPSON. The point I am trying to make is this: You pay a certain premium for a certain amount of coverage and this premium is largely based on the experience we have. How does the experience in this pool arrangement compare with your other insurance programs—I'm speaking of our Government contracts, such as national life, such as national service life.

Mr. RUDDOCK. Well, let me explain that our contract is an experience rated contract. We pay premiums to Metropolitan. At the end of each contract period they must give us an accounting. They are permitted to retain the amount of claims actually accrued during the contract period, their administrative expenses which we audit and which must be actual and necessary in order to be charged against the contract, and any taxes, which come mostly in the form of State premium taxes, which they have been required to pay. They are entitled to a risk charge—we have recently renegotiated that risk charge downward. The risk charge now is four-tenths of 1 percent on the first $190 million of premium and two-tenths of 1 percent on any premium in excess of $190 million. I think these risk charges are as small as you will find anywhere. Any balance of premium remaining after these items which the company is entitled to retain actually belongs to the employees' life insurance fund. The company is permitted to hold a contingency reserve which is the property of the employees' life insurance fund, and then any balance over the authorized contingency reserve is returned and actually deposited in the U.S. Treasury.

Mr. THOMPSON. As far as the expenses that are allotted against us, do you audit those expenses? They must be necessary expenses, not padded expenses of some other operation against this?

Mr. RUDDOCK. No, sir; we audit to see that the expenses are necessary and that they are actual expenses and then the General Accounting Office under the law has the authority to come behind us and audit.

Mr. THOMPSON. May I ask one further question?

How does this compare for the dollar's coverage of a group plan, say, General Motors may have with a company? Do you have anything on that?

Mr. RUDDOCK. We have not been able to find other group plans which are exactly comparable to this. The premium rate which is paid by the employee, which now is 27 and a half cents per thousand biweekly, is our best calculation of the actual cost of the insurance, and it does compare very favorably with other group plans.

Mr. THOMPSON. Now that 27, does that include the Government's contribution?

Mr. RUDDOCK. No; that is 27 and a half cents paid by the employee. The Government pays half that much. One of the unique features of

our program is that when an individual retires on an immediate annuity either after 12 years of service or because he has become disabled, he is entitled to retain his insurance without any further payment of premium. If he retires before the age of 65, the amount of insurance in force at the date of retirement remains at that level until he reaches 65. When he is both 65 and retired it begins to decline by 2 percent a month until it gets down to 25 percent of the face value. This is a rather costly feature of this particular program.

We estimate that if we did not have the insurance continuing after retirement—in other words, if the only benefit available to the employees after retirement were one of converting to an individual policy, then the cost of this program would be roughly half of its present cost.

Mr. THOMPSON. One more question, Mr. Chairman, and then I will yield the floor. Has any effort been made to equate the cost of this program with the cost of other plans of large corporations in this country? In other words, has any effort been made to get a comparison of the cost of the type plan that we have with that of U.S. Steel or General Motors or something of that sort, their group plans?

Mr. RUDDOCK. We have and do from time to time look at the premium structure of other plans, but since ours in the ultimate has to be the actual cost which is going to be determined by the number of deaths and the amount of benefits that have to be paid, this isn't really too productive.

Mr. THOMPSON. Well, then what you are saying is that ours is the actual cost plus four-tenths of 1 percent as a risk factor, which is a profit, so to speak, for the first $190 million and then two-tenths of 1 percent of everything over that?

Mr. RUDDOCK. Yes, sir.

Mr. THOMPSON. This, is in essence, what the cost of insurance is to the employee?

Mr. RUDDOCK. Yes, sir. When this began in 1954, the premium was fixed at 25 cents per thousand biweekly for the employee, and 12 and a half cents for his employing agency, and that premium held until the first pay period beginning in February 1968, when it was increased 2 and a half cents for the employees and half that amount for the Government.

Mr. THOMPSON. Thank you very much, Mr. Ruddock.

Mr. RUDDOCK. This increase was based on our actual experience, not on comparison with anybody else.

Mr. THOMPSON. Well, that was the point I was trying to make. You have made it very clear and I appreciate very much your testimony.

Mr. RUDDOCK. Thank you, sir.

Mr. BROOKS. Could we go to——

Mr. RANDALL. Just one very brief question, not one-tenth as long as the other one. The charge we hear from time to time about the retirement system, that it is not solvent or there is no money in the till, would you address yourself to that?

Mr. MACY. That is not a short question.

Mr. RANDALL. Well, all right. Put it this way—do we have anything to worry about? Are we going to have to put some more money in?

Mr. MACY. Yes.

Mr. RANDALL. All right, that's all, Mr. Chairman.

Mr. MACY. That is the $54 million question. That is the level of their unfunded liabilities.

Mr. RANDALL. That is the answer, Mr. Chairman. You are a straightforward gentleman. We are very grateful.

E. PROGRAM CATEGORY E—VOTING RIGHTS

Mr. BROOKS. Without objection, I will put exhibit K in the record at this point.

(Exhibit K follows:)

EXHIBIT K.—FACT SHEET—VOTING RIGHTS PROGRAM—CIVIL SERVICE COMMISSION

	DEPARTMENT OR AGENCY	PROGRAM	SUBPROGRAM
100	Civil Service Commission	Voting Rights	
	CODE	CODE	CODE
200			
	ANALYSIS AND CONTROL CODES		
300			

		FISCAL YEAR			
400		Unobligated Carryover	Appropriation or Current Year Request	Total Available	Total Obligated or Expended
500	**"In house" inputs**				
510	Personnel:				
511	Comp.			691	
512	Benefits			34	
513	Travel			350	
520	Expenses:				
521	Communications			26	
522	Transportation			1	
523	Printing			1	
524	Supplies and Consumable Materials			18	
530	Capital Equipment				
540	Land and Structures				
541	Additional Investment				
542	Rents				
550	Total			1,121	
600	**Funds distributed**				
610	Contracts				
620	Grants				
630	Loans				
640	Benefits				
650	Other				
660	Total				
700	Total				

		Prior Fiscal Year		
800	**Input-output ratio**			
810	1. Input			
811	1. Output			
820	2. Input			
821	2. Output			
830	3. Input			
831	3. Output			
840	4. Input			
841	4. Output			
850	5. Input			
851	5. Output			
860	6. Input			
861	6. Output			
870	7. Input			
871	7. Output			
880	8. Input			
881	8. Output			

Printed for use of House Government Activities Subcommittee, Chairman Jack Brooks

U.S. CIVIL SERVICE COMMISSION

PROGRAM CATEGORY E.—VOTING RIGHTS

A. Statutory authority for this program is found in the Voting Rights Act of 1965 (Public Law 89–110) which was signed by the President on August 6, 1965. Essentially, the act charges the Commission with three main responsibilities which must be carried out after initial determinations have been made by the Attorney General and the Director of the Census on the basis of standards and criteria outlined in section 4(b) of the act. The Commission is charged with—

(1) Listing of eligibles to vote;
(2) Determination of challenges of persons on eligibility lists; and
(3) Observation of elections.

In respect to its first responsibility, section 6 requires the Commission to appoint examiners to prepare and maintain lists of persons eligible to vote in those jurisdictions where the Attorney General or a court determines that a need therefor exists. Personnel so appointed examine applicants concerning their qualifications. The Commission's second responsibility is based on section 9 which authorizes challenges to those listed on eligibility lists. All such challenges are heard and finally determined by a hearing officer appointed by and responsible to the Commission. Thirdly, at the request of the Attorney General, section 8 authorizes the Commission to assign observers to insure that persons entitled to vote are permitted to do so and that their votes are tabulated.

B. Implementation of the Voting Rights Act of 1965 cannot be calculated in terms of the production or receipt of units and items. The impact of the program conducted under the act has, however, been profound and far reaching. Since the enactment of the Voting Rights Act, for example, the Civil Service Commission has (1) established voter listing offices in 62 counties in five States; (2) found 158,094 persons eligible to vote out of 161,964 applicants as of December 31, 1967; (3) received 4,929 challenges of persons on eligibility lists; (4) conducted 924 hearings of such challenges; and (5) assigned observers in 21 elections in five States as of February 27, 1968.

As a direct result of the Commission's administration of the responsibilities created by law, along with those assigned to it by the Attorney General, vast numbers of the disenfranchised have been found eligible to vote within the past 2½ years; they have cast their votes in elections in various jurisdictions; and they have had their ballots tabulated. The Commission's operations have had a direct and immediate effect upon 160,000 disenfranchised citizens. The operations have, in turn, motivated hundreds of thousands of other disenfranchised citizens to exercise their constitutional rights. The participation by minority member citizens as candidates in elections prior to August 1965 in the affected areas was rare and infrequent. However, in many elections held since the enactment of Public Law 89–110 minority member candidates have been elected to public office and, in other cases, when not elected, they have received sufficient votes to require runoff contests. Operations by the Commission under Public Law 89–110 have insured the free and uninhibited exercise by citizens of their democratic privileges.

C. Mr. Wilson Matthews, who serves as the Director of the Office of Hearing Examiners, working through the offices of regional directors in the affected areas, has the primary responsibility for the operation of the voting rights program in the Civil Service Commission.

Mr. MATTHEWS. Mr. Chairman, I am Wilson Matthews, Director of the Office of Hearing Examiners and coordinator for the voting rights program working through the regional directors and negotiating with the Department of Justice. This is a somewhat unique program for the Civil Service Commission and probably just a little off the civil service line. However, it was given to the Civil Service Commission by the Voting Rights Act of 1965, Public Law 89–110.

We have three specific responsibilities in this act. One, the listing of eligibles to vote; two, handling challenges made against such eligibles; and three, observing elections. No. 1 and No. 2 are brought to us by the Attorney General's Office. We are not, if I may use the

expression, masters of our own destinies, in that the Attorney General tells the Civil Service Commission what areas need examiners for the purpose of listing those people previously disenfranchised.

The challenges, of course, we control, and our hearing officers hear such challenges. Their decisions are final and appealable only to the U.S. circuit court of appeals for the area in which the challenged person lives.

Observance—that is the third part of our operation—again, we are not masters of our destiny. We're subject to the request of the Attorney General for those areas in which he requests the Civil Service Commission to send observers for the purpose of observing the election, the casting of ballots, and the counting of the ballots. Our observers are on duty from about a half hour before the polls open until well into the following night, for counting of ballots and certifying by officials.

We have in this program handled about 160,000 people. About 158,000 have been declared eligible to vote. We have observed as of yesterday 22 elections, and have had a large number of observers handling this program.

In conservation of time, I believe that is the picture in a nutshell. I would be glad to answer questions.

Mr. BROOKS. I would say you have survived a very interesting assignment.

Mr. MATTHEWS. It has been most interesting and sometimes nerve racking.

Mr. BROOKS. And undoubtedly has helped to bridge a very difficult period in our Nation's growth. You certainly ought to be commended for not getting into any worse trouble than you probably already have.

Mr. MACY. This has been remarkably trouble free, Mr. Chairman.

Mr. BROOKS. That's what I was going to say. It could have been a little sticky.

Mr. MACY. I feel that our people who have been engaged in this sensitive work have really performed remarkably well. We have had the minimum amount of friction with election officials, with other observers, and we feel that this really has been a major contribution to providing equal opportunity to vote.

Mr. RANDALL. I would like to ask you, you say as of yesterday—were you by any chance involved in Mississippi?

Mr. MATTHEWS. We were. We had 120 observers.

Mr. MACY. This is the Third Congressional District. We had observers there for the initial election, and then for the runoff yesterday.

Mr. MOORHEAD. What are the five States in which you're involved?

Mr. MATTHEWS. The five States are South Carolina, Alabama, Mississippi, Louisiana, and Georgia. We have been in all of them in either of these activities.

Mr. MACY. The bulk of the activity is in three States, Louisiana, Mississippi, and Alabama.

Mr. MATTHEWS. We have enjoyed being in the southern territory.

Mr. RANDALL. Warmer down there, isn't it?

Mr. MATTHEWS. Well, it is, that is quite true. Warmer in many ways.

Mr. THOMPSON. May I ask one question? The election yesterday in Mississippi, were there any—have you had any reports of irregularities?

Mr. MATTHEWS. Not at the moment. I came up here prior to getting a final report. I got a report at 1:30 this morning. This was indicative of the operation, and at that time we had had no incidents of any type take place. On irregularities I do not have a statement. On the previous election we did not have any in this same congressional district.

Mr. BROOKS. It is pretty good, really.

Mr. MATTHEWS. Yes.

Mr. BROOKS. Pretty reasonable attitude.

Mr. MACY. This represents real progress. It really does.

Mr. MATTHEWS. And we do use EDP to keep a list of eligibles—removing them and adding them.

Mr. BROOKS. Gentlemen, if you have no further questions, I would just like to say that we are deeply grateful to you, Mr. Chairman, for bringing your key personnel here with you and for cooperating with us in trying to figure out a way to improve, not only your agency, but all of the Nation's administrative agencies. I want to thank you for your courtesy and for the splendid job that you are doing, you and your agency, for this Nation.

Mr. MACY. Thank you, sir. We appreciate the opportunity to appear before you, and if we can be of further assistance, please call on us.

Mr. BROOKS. You have the questions and the details on the other material that we want?

Mr. MACY. We will provide that for the record.

Mr. BROOKS. The meeting stands adjourned.

(Whereupon, at 12:30 p.m. the meeting was adjourned.)

APPENDIXES

APPENDIX A.—WRITTEN RESPONSES TO QUESTIONS SUBMITTED BY SUBCOMMITTEE

U.S. CIVIL SERVICE COMMISSION

GENERAL QUESTIONS

A. Justification of personnel not chargeable to specific programs

1. To begin our questioning, do you have a fact sheet indicating the total funds available to your agency as a whole for fiscal 1968?

Yes, funds programed for administrative costs of the Civil Service Commission for fiscal year 1968 total $62,197,000.

2. and 3. Could you tell us the total number of employees as well as the geographic extent of your operations?

The Civil Service Commission had 5,396 employees as of January 31, 1968. Of these, 5,026 are full-time permanent employees, and 370 are part-time, intermittent, or in other limited status. A total of 2,286 employees are located in our headquarters office, and 3,110 in field locations. In addition to the headquarters office in Washington, Commission employees are stationed at 10 regional offices and 176 duty locations.

4. Under your program budgeting breakdown, do you have a support program covering the operations of your office as well as other policymaking personnel?

Yes.

5. How much money is available in fiscal 1968 for expenditures under this support program?

The sum of $7,008,000.

6. Briefly, would you justify expenditures for the support program in terms of the nature and extent of your operations and responsibilities?

Approximately $7 million are involved in the general support function, representing slightly better than 11 percent of the $62 million total available to the Commission for 1968. We feel that this overhead cost is not excessive but necessary, not only for proper top-level control, but also for providing certain services more efficiently from a central point within an organization of the size of the Commission rather than distributing them among the various program units.

B. Budget processes

7. Has your program breakdown been approved by the Bureau of the Budget?

Our present program structure is pending approval by the Bureau of the Budget. We have been working closely with them in connection with their review and expect to receive approval of a revised version at an early date.

8. Does your program structure flow generally along functional lines?

Certain of our program categories such as "Assuring the Suitability and Loyalty of the Federal Work Force," "Administering the Retirement and Insurance Programs," "Voting Rights," and "General Support" essentially follow functional lines. For the remaining two categories, "Administering the Merit Staffing System" and "Providing Personnel Management Leadership" this is not so, as both organizational and functional relationships are intertwined.

9. Has the program budgeting concept been fully implemented within your agency as yet in operational terms?

Our budget estimates for fiscal year 1970 which will be submitted in September of this year will respond fully to the requirements of planning, programing, and budgeting as set forth in Bureau of the Budget Bulletin 68–2. Program memorandums and program and financial plans will be included as part of the total budget package.

10. To what extent do you believe that your new budget concept will improve the efficiency of agency operations?

The organization of information within the PPB framework should bring into sharper focus our program objectives and emphasize the consideration of appropriate alternatives in selecting the program mix to accomplish these objectives most effectively.

C. Accounting systems development

11. Has the GAO given its approval of your accounting system?

No, the approval is pending. There are two separate sets of accounting systems being maintained by the Commission. These are (1) the administrative accounting system which covers all operating expenses of the Commission, and (2) the accounting systems for the retirement, insurance and health benefits programs for Federal employees. The status of Commission efforts to secure approval of these systems is as follows:

(1) *Administrative accounting system.*—Formal submission of the "Principles, Precepts and Standards" underlying our new accounting system was made to the Comptroller General on November 16, 1967. It is a little early yet to expect a response although all indications at the staff level seem to indicate approval will be forthcoming within the next 30 to 60 days.

After complete installation of our new accounting system the operating procedures and manuals will be submitted to the Comptroller General for formal approval. This will constitute the second phase of a two-stage submission. We expect to forward this material for formal approval September 30, 1968.

(2) *Accounting systems for the retirement, insurance and health benefits programs.*—On June 29, 1967, the Commission formally transmitted for General Accounting Office approval, accounting systems for the retirement, life insurance, and health benefits program.

In addition, as of the end of fiscal year 1967 the Commission acted to make all major revisions in its records and reports, recommended by the General Accounting Office as of that time. These revisions included the recording in the records, and reporting in yearend reports (a) unfunded actuarially computed liabilities of the retirement and life insurance funds, (b) contingency reserve assets held by life insurance and health insurance carriers, including interest, and (c) accrued liability for annual leave of employees.

Since the accounting manual was submitted, the General Accounting Office staff has reviewed it in detail and made further suggestions for improvement. Staff is now working on revisions in line with these suggestions. It is expected that a resubmission will be made to the General Accounting Office by March 29, 1968, of all sections.

12. Is the accounting system basically established in terms of accrual costs as the GAO and this subcommittee have recommended?

Yes.

13. What is the target date for completely implementing an accrual accounting system throughout the agency?

The Commission expects to have its new, fully automated, accrual accounting system in operation by July 1, 1968.

14. Is your accounting system output-oriented so that it will be on the same basis as budgeting and planning?

Yes, the Commission's new accounting system will provide the basic data for the Commission's programing, planning, and budgeting system.

15. What basis do you use for establishing the charges for products or services provided to other agencies, and how are these handled in your accounting system?

Charges for services to other agencies are based on actual costs incurred as determined through the Commission's work reporting and cost analysis system which is an integral part of the accounting system. Reimbursable investigations are handled through a revolving fund. Other services are treated in the accounting system as appropriation reimbursements.

16. Are capital assets, such as building and equipment items, formally recorded in the accounting system, and upon what basis are they depreciated?

Yes, capital assets, consisting of furniture and equipment, are formally recorded in the accounting system. Depreciation is recorded with respect to the Commission's revolving fund operations, using Treasury Department rates. The Commission does not accumulate depreciation with respect to its annual appropriation accounts.

17. Are the costs of the agency's physical assets considered in establishing the charges for services to other agencies?

Only with respect to reimbursable investigations financed through the Commission's revolving fund.

18. Are agency accounting reports used regularly in program management?

Yes, the Commission's accounting system is decentralized to its regional offices and accounting reports are used at all levels of management.

19. Are agency accounting policies summarized in an accounting manual with which your staff accountants must comply?

Yes, accounting and fiscal procedures are formalized and issued as a part of the Commission's administrative manual system.

D. Management information system

20. Do you have an automated management information system for your agency?

The Civil Service Commission does not have an automated management information system. However, our work reporting system which provides key management data, is mechanized. Our fiscal procedures are presently being automated; fiscal data for management will be further automated when our new procedures are installed July 1, 1968.

21. In general, what functional areas are included in the management information system? (Examples: financial, planning and program budgeting; inventory, personnel, etc.)

All functional areas are included in the Commission's management information system.

22. Briefly describe the state of development of your system and how it operates.

Our system emphasizes face-to-face communication. Controls are kept to an economical minimum, with management by exception being the rule. Formal management review sessions are scheduled on a recurring basis with program directors and regional office directors. These face-to-face management sessions are supplemented with written progress reports, work reporting and most analysis reports, and a special monthly flash report for top management. All of the elements of our management information system are presently in operation; under development are automated fiscal procedures which will provide a more extensive coverage of financial management information.

23. Did you perform a "requirements" analysis of the entire agency, or just selected areas?

All areas of the Commission have been and continue to be subjected to a "requirements" analysis.

24. To what extent have you considered the needs of other agencies for exchanging information with your agency in the development of your system?

To the extent that our management information system provides data to other agencies, such as to the Bureau of the Budget, we have built into our system these data needs. As we extend our information base, we will give further consideration to other agency needs.

25. Are you developing a standard data base of information for the entire agency?

We already have a standard data base of information built into our work reporting and analysis system and in our flash report to top management. Our future additions will likewise have a standard data base.

26. In reporting statistical information, what standards for coding are you using?

Whenever we codify our information base, as we do in work reporting, these data codes are applied throughout the Commission on a standardized basis.

27. Have you explored all of the information requirements common to your agency which might exist within the data base of other agencies?

We do not believe that extensive commonality exists between our internal information requirements and those of other agencies. However, where they do exist, we maintain close liaison with those agencies primarily through our interagency advisory committees and through the budget review process.

28. Are you performing the work in-house, or are you utilizing contractor personnel?

Our management information system has been designed and installed substantially with in-house resources. However, our new automated fiscal procedures

which will expand our management information base on July 1, 1968 is being designed in part by a contracting firm.

29. What main benefits do you feel your management information system will provide in the management of your agency's activities?

Our management information system provides an effective mechanism for communicating up and down the line. It is extremely useful in assessing the status of plans, programs and operations and it focuses specifically on problem areas that need management's attention.

30. What is your estimated dollar cost for the completion and operation of the basic parts of your management information system?

We do not have precise cost data for development and operation of our management information system. We estimate that the annual cost for compiling, analyzing and presenting management information approximates $200,000. More precise costs will be available after we install our automated fiscal system.

31. At what level is the determination made concerning what is needed in the management information system?

The Executive Director of the Civil Service Commission determines what is needed in the total management information system. Program managers and regional directors are also directly involved in the determination process insofar as their own specific needs are concerned.

E. Internal audit system

32. Do you have a centrally organized internal audit system within your agency which operates independently of department and agency operations?

The Office of Management Analysis and Audits provides the internal audit capability within the Civil Service Commission and operates independently of department and agency operation. The work performed by this office includes financial, management and operational audits.

33. Is your internal audit staff made up of persons with experience in accounting and auditing?

Yes. Two of the audit staff have extensive backgrounds in accounting and auditing (more than 20 years each). Some others have education and some experience in the field.

34. Is the scope of review by the internal audit staff limited in any way?

No.

35. Are all reports and recommendations of the internal audit staff submitted in full directly to the head of the agency?

Yes. The reports are submitted through the Executive Director to the Chairman.

36. Is the audit staff responsible to or subject to direction by any official who is also primarily responsible for an activity which might be audited?

Yes. Because of the allied function of programing, planning and budgeting which is placed in the office, the Office of Management Analysis and Audits is organizationally in the Bureau of Management Services. The reports of internal audit involving this Bureau, however, are submitted directly to the Executive Director.

37. Are the personnel assigned to the internal audit function adequately protected from recriminations and arbitrary personnel action that might result from an adverse effect of their reports upon other agency employees?

Yes.

38. Are all reports and recommendations of the internal audit staff available to the Comptroller General and to appropriate congressional committees?

Yes.

F. Automatic data processing

39. Do you have a central organization in your agency which is responsible for ADP management?

Yes. The Bureau of Management Services is responsible for management of ADP within the Civil Service Commission.

40. Will you describe its functions?

The Bureau of Management Services exercises direction of the management systems division. This division provides centralized data processing services to the entire Civil Service Commission, consisting of (1) systems analysis and design; (2) computer programing; and (3) operation of punch card equipment, optical scanners, paper tape equipment, and computers in support of all Commission programs.

41. Who has the responsibility for deciding whether or not the use of a computer for a particular function within your agency is justified?

The Director of the Bureau of Management Services is responsible for determining justifiable use of our computers. The Executive Director makes final determination in the event that program managers do not concur with the determination that is made.

42. On what basis is the decision made? Are there documented systems studies available for review in all cases?

For any large-scale use of ADP, system studies are made to document the requirement, the approach recommended for the use of ADP, resource needs and benefits to be gained by automation. Smaller applications are documented, but a full scale systems study is not made in these cases. Documented systems studies are available for review.

43. Can you cite instances in which a request for a computer system was disapproved for lack of adequate justification.

We have not had any instances in which a computer system was disapproved for lack of adequate justification.

44. Assuming the use of a computer has been fully justified by a proper study, are there procedures for determining whether the requirement can be satisfied by using (sharing) equipment already installed in your agency? Will you describe the procedure?

Since we operate a central data processing facility which is shared by all Commission program managers, we do not have the problem of sharing equipment located in separate installations within the Civil Service Commission.

45. To what extent have you been successful in getting the users to share equipment instead of acquiring their own?

All users of this agency share the equipment installed in the central facility.

46. Do you review the GSA lists of available excess equipment before going to the open market to acquire equipment?

We review all GSA lists of excess equipment.

47. Who makes the determination that excess equipment can or cannot do the job?

The Director, Bureau of Management Services, would make this decision.

48. What has been your experience in making use of excess equipment?

We have made limited use of the excess list, since our needs are not extensive. Some control panels for PCAM have been acquired from the excess list to meet our needs.

49. Assuming it is necessary to acquire equipment from the commercial market, do you normally invite all qualified suppliers to submit proposals? What are the exceptions?

All qualified suppliers are invited to submit proposals without exception.

50. Who makes the final selection of equipment and on what basis is the decision made?

The Chairman of the Civil Service Commission makes the final selection of all computer systems acquired by the Civil Service Commission. All other procurements are finally approved by the Director, Bureau of Management Services. The decision is made on a cost/benefit basis, plus such other considerations that are necessary to meet our data processing needs.

51. Will you describe your program for evaluating the actual results of computer use against the results anticipated when the use of the computer was approved?

The Director, Bureau of Management Services, monitors results in terms of the objectives established for each application. In addition, each program manager determines the efficiency of automated procedures that were established to support those activities for which he is responsible. Weekly reports on computer utilization provide the data base for these evaluations.

52. In general, have your computers produced the benefits that were expected?

Our computers have met expectations for each application that was installed. Significant benefits have been derived from our automated annuity system, nationwide examining, executive inventory, Federal employment statistics, fiscal, and other applications that are supported by the Civil Service Commission's computers.

53. How many computers do you now have, and how many of these are purchased?

We have two computers; both have been purchased.

54. Who makes the decision on whether computers are purchased or leased? On what basis are the decisions made?

The Director, Bureau of Management Services, makes the decisions on lease versus purchase. The decision is made on the basis of cost comparisons made in conformance to the provisions of BOB Circular A–54.

55. Is your agency now using any leased ADP equipment? If so, how much longer do you expect to use it?

The Civil Service Commission leases most of its ADP equipment, other than computers presently installed. We are making new reviews of these equipments to determine whether we should purchase or continue to lease. We cannot predict how much longer we will continue to lease until our reviews are complete.

56. Have you made use of third-party leasing arrangements? If so, what has been your experience with these arrangements?

We have not made use of any third-party leasing arrangements.

57. To what extent have you developed standard systems or applications which are used by your computer installations?

Since we operate a centralized ADP facility, we do not have the problem of nonstandardization of systems. There is only one system for each computerized application.

58. Will you describe the steps you have taken for the development of standard data elements for use by your department under the program recently established by Bureau of the Budget circular A–86?

An Office of Personnel Data Standardization was established within the Bureau of Management Services on October 15, 1967. This Office is actively engaged in a program to standardize all data elements and codes that are used in civilian personnel management. All data items used by the Civil Service Commission staff will eventually be standardized, if feasible. The new office works closely with the Bureau of the Budget, and consults with agencies through an Interagency Advisory Committee.

59. What do you consider to be the most pressing problems that need to be overcome for you to make better and more efficient use of computers in your department?

The most pressing problem, from our point of view, is the shortage of fully qualified programers, analysts, and operators. The rapid expansion of ADP both in and out of government creates a need for far more fully qualified individuals than are available. A secondary problem is the need for standardization of hardware, software, and data items.

G. Personnel management

60. What, in your opinion, are the essential criteria of efficient and effective personnel management within a Federal agency?

Effective personnel management is characterized, first of all, by active and informed management involvement relating all aspects of the personnel function to the accomplishment of agency missions. From such involvement, and it must be participation at all management levels ranging from the very top administrator to the first line supervisor, flows the other essential characteristics of sound personnel management: (1) clear-cut organization and position structure designed to carry out programs of the best attainable quality at the lowest possible costs; (2) manpower planning that relates manpower needs to manpower resources, now and for the future; (3) a hiring program aimed at identifying and attracting a quality staff; (4) a strong program of orienting employees to the mission of the agency with continuing emphasis toward motivation and future development through planned training; and (5) opportunity for upward advancement under merit concepts.

61. To what extent do you believe that the Civil Service Commission as an agency conforms in every respect with these essential criteria?

We, in the Commission, make every effort to manage by these criteria. We do not claim complete success on every objective listed; complete success is more elusive with some criteria than others. I do feel that the most essential ingredient, top management involvement, is a reality in our agency. Total personnel management effectiveness is our constant goal as we seek, daily, to accomplish our various missions through people.

H. GAO reports

62. Has the General Accounting Office issued any audit reports on the overall operations of your agency, that is, reports not directed at a functional program of the agency, but rather at the management and administration of the agency?

In March 1967 the General Accounting Office submitted a report of its review of the internal auditing activities of the Civil Service Commission. As a result of this review, GAO reported the following three broad conclusions:

1. The internal audit function in the organizational structure of the Commission should be independent of those officials responsible for the operations and activities reviewed by the auditors.

2. The authorized scope of the audit work should be broad enough to cover all operations and activities of the Commission on a systematic basis without specific requests from operating officials being required.

3. A single centralized internal audit organization should be established responsible to the highest organizational level practical, preferably the Chairman of the Commission or its executive director, with authority to review systematically all the Commission's programs and activities.

At the time of the GAO review the internal audit functions in the Commission were divided. Financial reviews were conducted by auditors in the Budget and Finance Division, operational audits were conducted by the Management Analysis Division of the Bureau of Management Services and personnel management audits were conducted by the Personnel Division. The financial audits were on a regular basis covering all phases of the Commission's operations. The operational audits were conducted upon request of the head of an operating program when he asked for assistance in reviewing his program. There had not been many of these inspections and they covered only a small portion of the Commission's functions. Personnel management reviews were not being conducted on a regular basis.

63. If so, to what extent have the recommendations contained in these reports been carried out?

As a result of the problems pointed up by GAO and as a result of the need for initiation of the program, planning, and budgeting functions, the Office of Management Analysis and Audits was established in May 1967 in the Bureau of Management Services. This Office performs the functions of financial audits, management and operational audits, and personnel management audits; in addition it is the focal point for leadership in the initiation of the program, planning, and budgeting function in the Commission. The personnel management audits will become a part of management and operational audits. Financial audits will continue to be performed on a regular basis and, insofar as possible, will be coordinated with management and operational audits. A definite cycle is being established for management and operational audits which will insure coverage of all programs and activities over a reasonable period of time and they will no longer be dependent on the request of operating officials. The office of Management Analysis and Audits will also conduct special studies as needs arise to assist in solving special management or operational problems.

PROGRAM CATEGORY A—ADMINISTERING THE MERIT STAFFING SYSTEM

1. What is the nature of and authority for this program?

This program was established by the Civil Service Act of 1883. Basic policy governing its operations is found in that act and in the Veterans Preference Act. Both basic laws are now codified into title 5 of the United State Code.

The major objective of the program is to provide the public with a systematic means whereby they can compete for available Federal jobs, to evaluate and rank these applicants solely on the basis of merit and fitness and to refer the best qualified eligibles to the appointing officers for consideration in filling specific job vacancies.

2. Who is the person primarily in charge of this program at the operative level?

Mr. Raymond Jacobson, Director of the Bureau of Recruiting and Examining is primarly responsible for the operation of the competitive recruiting and examining system for all jobs through GS–15. Mr. Seymour S. Berlin, Director of the Bureau of Executive Manpower is responsible for the staffing of positions at grades GS–16 through 18, or equivalents. Mr. O. Glenn Stahl, Director of the Bureau of Policies and Standards is responsible for the establishment of the qualifications requirements for the various occupations and for the development of the tests and other measurement methods.

3. How much money and capital equipment is available under this program for fiscal 1968?

Funds available for fiscal year 1968 total $19,163,000, of which $29,000 is for capital equipment.

4. Would you describe the output generated by this program?

The basic purposes of this program are to provide the public with an opportunity for competition for employment and to provide the agencies with well-qualified candidates for their specific job vacancies. Thus, the principal outputs of the program are—

1. the answering of public inquiries about examinations and job opportunities;

2. the conduct of open competitive examinations through which we receive and evaluate applications from the public, and rank those found to be qualified;

3. the referral of candidates to agency appointing officers for consideration in filling specific job vacancies; and

4. the handling of agency requests for the approval of candidates to GS–16, 17, or 18 grade levels or their equivalents.

5. Can you quantify this output in any way?

The principal output can be quantified as follows—

1. About 6 million public inquiries will be answered.

2. 1,842,000 applications for Federal employment will be processed through competitive examinations.

3. The qualifications of nearly 2,000 candidates proposed by agencies for positions in GS–16, 17, and 18, or equivalent, will be reviewed.

4. The names of 1,591,000 eligibles will be referred to appointing officers from which they will fill 283,100 job vacancies.

5. Through the Executive Assignment System, approximately 600 to 800 referrals of highly qualified candidates for GS–16, 17, and 18 positions will be referred to agency managers.

6. Would you describe the principal operations that are involved in producing this ouput?

Qualifications standards for each occupation are established by the Commission—these apply both to persons being newly appointed and to in-service personnel actions. As a part of this standard, we also decide the method by which job candidates are to be measured; i.e., by a written test, by experience and training requirements, or—and more generally—by a combination of both.

As the appointing needs of the service require, examination announcements are issued. These sometimes cover a labor market, a State, a region, or the entire service, depending upon the nature of the job and the competition to be expected. Provision is also made for positive recruiting efforts to attract well-qualified candidates.

Applicants are tested, and their test papers are scored; their experience and training is evaluated against the standard, a rating is assigned and they are notified of the results.

Lists of qualified eligibles are set up and the names of the top three are referred in connection with the specific job vacancies as they occur. In shortage categories, agencies may be authorized to appoint any eligible, or sometimes those who have ratings above the point where it is known all persons so qualified will receive appointment offers. All appointments are audited to verify that the "rules" have been followed and the requirements of the Veterans Preference Act have been adhered to in making the selection—and to purge from the list those who indicated they are no longer interested or available.

An inventory of executive level employees (GS-15 and up) is maintained and a comprehensive search is made to assist the agencies in filling upper-level positions. Qualifications of candidates proposed by the agencies for all upper-level positions are reviewed and passed on before appointment.

7. How many employees are involved in the program and in what general type of employment categories do they fall?

For fiscal 1968, an average of 1,930 employees are required in this program distributed by employment categories as follows—

A. Professional, administrative and technical, 650.

B. Clerical and support positions, 1,300.

8. What is the grade structure and how many supergrades—quota and non-quota—are involved?

One GS–17 (quota); five GS–16 (quota); 25 GS–15; 45 GS–14; 70 GS–13; 115 GS–12; 150 GS–11; 1,519 GS–9 and below.

9. What capital equipment, such as ADP, if any, do you rely upon to fulfill this program?

A. Digitek scoring machines are used to scan and score answer sheets from written tests.

B. An RCA Spectra 70 computer is used in nationwide high-volume examinations to schedule, rank and print notices of rating and prepare records necessary to establish lists of eligibles and to maintain the executive inventory.

C. IBM Document Writers are on trial in two large boards to prepare lists of eligibles to be referred to agencies with staff vacancies.

10. Do you expect the expenditures or the benefits of the program to grow appreciably in the future?

This program is essentially a service operation where work depends on public interest in Federal employment, labor market conditions, and agency demand for staff. In the immediate future, assuming relatively stable conditions in the Federal workforce and the general labor market, there will be some expansion for work currently being taken over from agency boards, including the absorption of the work currently being done in post office boards. There will also be a slight expansion to keep abreast of the work necessary to make sure the Government participates in utilizing new sources of manpower supply developing from Government-sponsored training efforts.

There will be an increase for additional and more comprehensive search and evaluation of candidates for upper level positions.

11. At what level are the personnel responsible for the various parts of the program coordinated to determine if the program as a whole is being efficiently carried on?

At the bureau level for intrabureau program operations and at the executive director level for interbureau program operations.

12. Is there a continual program review within the agency, other than the annual budgetary review, to determine more effective and efficient ways to achieve these program objectives?

Program results are monitored every 4 weeks through the work reporting system with a more detailed review made on a quarterly basis. The examination process is under continuous review to find better systems to examine for specific types of positions. Lengthy projects such as standards revision or development are subjected to a formal review every 6 months. Each interagency board, where the production is carried out, is evaluated in depth on a yearly basis with emphasis on quality and service as well as efficiency.

13. To your knowledge, does this program duplicate or parallel work being done by any other agency?

The CSC has sole responsibility for this program in the competitive service. A form of duplication exists in the excepted service where some agencies have their own merit system. Department of State and Tennessee Valley Authority are examples. Within the competitive system the Post Office Department operates an examining system through 15 boards of examiners which parallels the examining and referral functions of our interagency boards. Duplication does not exist since they cover exclusively post office positions related to processing the mail. This work is performed under our supervision and control and consideration is being given to absorbing the work in our interagency board system beginning in 1970.

14. Is your organizational structure such that the program is being carried out most efficiently and effectively?

In 1966, after a comprehensive study, modernization of the organization and system for accomplishing this program was begun. The organization was improved by consolidating examining work being done within the Commission and 661 agency boards of examiners into a network of 65 interagency boards of examiners. These are located in major centers of Federal employment, with at least one in each State. At the same time a series of broad coverage examinations have been designed to include positions with similar qualifications, which occur throughout the country and for which wide recruitment coverage is necessary or desirable.

The benefits resulting from this modernization are as follows:

The new IAB system has enabled us to establish at least one first-class job information center in each State. This makes it possible for the taxpayer to secure complete Federal job information in one place. This year we will answer about 3 million more inquiries than were answered with our old system.

The new system and broad coverage examinations make feasible the application and increased use of automated procedures so that we are able to handle an increased volume of applications more economically and efficiently.

In 1966 when we first started the modernization, the examining system cost about $16,500,000. This is our cost and the agencies cost for the old boards adjusted to today's pay rates. In 1969 when we will have a full year of operation with the new system, we have requested $16,353,000. Although this is $147,000 less, we expect we will need to process 2,235,000 applications as opposed to only 1,763,000 in 1966. The agencies will make about 312,000 appointments from our lists as opposed to 294,600 in 1966 and we will answer over 6 million inquiries in contrast with the 2,800,000 we estimate were answered in 1966.

We believe the current organization for this category is effective and economical. In our continual program review and appraisal, constant attention is paid to organization structure and changes are made, where desirable.

15. Are there any outstanding GAO reports on this program? If so, what is the status of the GAO recommendations which the report contains?

None.

16. What significant problems, if any, are you facing in accomplishing the program objectives?

A. *Attracting quality candidates into competition.*—Substantially full employment in the economy results in keen competition for workers. Positive efforts by our system and by the agencies is necessary to meet our needs and get our fair share of quality candidates at the college level and in shortage occupations and skills.

B. *Time lag in the examining process.*—Merit considerations in providing competition for available jobs requires time to complete the examining process, particularly when written tests are involved. We must constantly work to collapse the time between application receipt and referral of candidates to meet the desire of the applicant for a speedy determination of eligibility and the need of the employing agency for candidates currently in the employment market.

C. *Seasonal peaks.*—We have an obligation to provide competition when the applicant is ready to work and a need to be in the market when the best quality and quantity of candidates are available. As a result, we have workload peaks in the spring when job seekers from the educational systems come in the job market. This requires constant management effort to control work and staff to avoid excessive backlogs or time lags.

D. *Measurement and evaluation.*—Our program deals with people—their knowledges, skills, abilities, and interests. Evaluation of these factors requires objective, equitable measures which enjoy the confidence of those evaluated and which can be used with reasonable economy. Continuous effort, investment of resources and applied research to measurement methods is necessary to make sure our procedures accurately predict good performance on the job and at the same time provide opportunity for the citizen to demonstrate his potential and satisfy his desires for a worthwhile career.

17. Do you administer any grants, loans, or other disbursed funds related to this program? If so, is the size of your administrative staff commensurate with the magnitude of the outlays?

No.

18. If your appropriations were reduced, how would you absorb the cut—by an overall reduction or by cutting or curtailing certain activities?

A. Less frequent examinations would be held by having fewer open periods. Lists of eligibles would be used for longer periods before replenishment. This would result in forcing agencies to employ persons on lists even though better persons may be available in the labor market.

B. Some blocks of positions would be eliminated from examination coverage. Agencies would then make appointments outside the list without competition.

C. Public services would be reduced by limiting information service and by limiting or eliminating positive help to citizens on job counseling.

D. Greater use of more arbitrary, but less expensive, measurement methods such as an exclusive use of a written test for ranking purposes in those cases where we now use experience and training in combination with a written test.

19. If additional funds were available, what would you do with the new money?

A. Additional resources would be applied to more frequent examinations open for longer periods of time and which would provide full coverage of all occupations and grades. Resources could be applied to achieve the ideal system which would permit a qualified citizen to apply for any job at any time he is available.

B. Additional recruiting support to attract better candiates in all categories and especially in shortage skills areas. Additional work with educational institutions and training programs to apply efforts where skills are short and needed by Government.

C. Better, but more time-consuming, devices to measure qualifications. Personal interviews and evaluations by previous supervisors, for example.

D. Better and more comprehensive procedures for in-service placement to broaden opportunities for career employees and promote interchange of employees between agencies and programs.

E. A modern, effective rapid communication system is needed which would link our 65 interagency boards, our regional offices and our headquarters, especially the Data Processing Center. This would permit (a) more rapid transmission of the names of eligibles to agency appointing officers; (b) an ability to rapidly interchange available eligibles among boards; and (c) an ability to diminish the timelags involved in the examination process by providing remote access to centrally stored computer records.

PROGRAM CATEGORY B—ASSURING THE SUITABILITY AND LOYALTY OF THE FEDERAL WORK FORCE

1. What is the nature of and authority for this program?

Our national agency check and inquiry program is carried out under Executive Order 10450 which requires investigation of all persons entering the Federal service. Title 5, United States Code, section 1303, authorizes the Commission to investigate matters relating to administration of the competitive service; 5 U.S.C. 3304 authorizes the Commission to test relative capacity and fitness of applicants; section 5.2, Civil Service rules, authorizes appointments to be made subject to investigation.

Our reimbursable investigations program is carried out under these authorities: Executive Order 10450 requires full field investigations of all persons appointed to sensitive positions; 5 U.S.C. 1304 transfers to the Commission responsibility for investigations previously made by FBI and provides a revolving fund to finance investigations; Atomic Energy Act (Public Law 83–703 as amended) requires investigations of AEC contractors and contractor employees; Peace Corps Act (Public Law 87–293) requires security investigations of all persons employed or assigned to duties under the act; National Aeronautics and Space Act (Public Law 85–568) designates the Commission to conduct security or personnel investigations for the agency; National Science Foundation Act of 1950 requires investigation of employees having access to classified defense information or restricted atomic energy data: Public Law 80–402 requires investigation of employees of the U.S. Information Agency; Public Law 87–297 requires investigation of employees of the Arms Control and Disarmament Agency.

Investigations of U.S. citizens for employment in international organizations are required by Executive Order 10422.

Our agency file search service is rendered under section 9(a) of Executive Order 10450 which provides for a security investigations index.

Evaluating agency security programs is authorized by section 14 of Executive Order 10450 which requires a continuing study of the implementation of the order.

2. Who is the person primarily in charge of this program at the operative level?

Kimbell Johnson, Director, Bureau of Personnel Investigations.

3. How much money and capital equipment is available under this program for fiscal year 1968?

Funds available for fiscal year 1968 total $18,181,000 of which $92,000 is for capital equipment.

4. Would you describe the output generated by this program?

486,600 national agency check and inquiry (NACI) investigations on persons entering the Federal service in nonsensitive or noncritical-sensitive positions. These include (1) checks of major governmental investigative and intelligence files, including FBI and CSC, and (2) written inquiries to local law enforcement offices, employers, supervisors, schools and references.

33,360 full field investigations on persons entering sensitive positions of critical importance to the national security; on Atomic Energy Commission contractors and contractor employees; and on Peace Corps volunteers.

1,340 full field investigations of U.S. citizens for employment in international organizations.

185,000 agency requests for information from CSC files serviced. This service provides information on the existence of previous investigations by the Commission or other agencies and makes available investigative information from the Commission's files.

Evaluations of the manner in which agencies carry out their security program responsibilities under Executive Order 10450. Quality and comprehensiveness take precedence over volume in this important function carried out by a small staff.

5. Can you quantify this output in any way?

As indicated above, the basic output can be quantified. The results of our completion of the several types of investigations can be quantified further as follows based on cost-effectiveness studies:

NACI investigations:

About 3 percent of the NACI cases develop derogatory information.

About 3,500 of the 486,600 cases will require further investigation by CSC.

About 2,000 will require loyalty investigation by FBI.

About 420 will be separated as a result of CSC action, and about 700 will resign during investigation or after being sent a letter of interrogatory.

Reimbursable investigations:

15 percent, or 5,000 of the full field cases, produce derogatory suitability or security information.

2.5 percent, or 830 cases, require referral to FBI for loyalty investigation.

5 percent, or 1,650 cases, result in separation or nonselection.

Other investigations:

6.5 percent of the 1,340 international organization cases produce loyalty information requiring referral to FBI for loyalty investigation.

8 percent produce significantly derogatory suitability information.

These outputs are essentially negative in character, in that they reflect the incidence of derogatory information. There are other significant but intangible values of the program, as follows:

Safeguards the Federal service against employment or retention of the unsuitable, unfit, and disloyal.

Deters persons with bad records from seeking Government employment.

Promotes the quality of the Federal work force.

Fosters public confidence in the integrity of the Federal service.

6. Would you describe the principal operations that are involved in producing this output?

NACI investigations are essentially clerical in nature. Three area NACI centers located at New York, Chicago, and San Francisco process cases received from employing agencies; submit papers to the Commission's central office for conduct of checks of the files of the major governmental investigative and intelligence agencies; address and mail inquiries to employers, references, schools, and law enforcement offices; review the results of the checks and replies; and forward the results to the requesting agencies. They schedule additional investigation as necessary to resolve suitability issues. Cases involving loyalty questions go to FBI for investigation. The Commission decides on employment or retention in the competitive service.

Full field investigations are comprehensive investigations conducted personally by investigators to obtain full facts about the background and activities of the person investigated. These cases are scheduled and controlled centrally in Washington. The investigative work is done by investigators stationed throughout the country under the supervision of investigative centers located in New York, Philadelphia, Atlanta, Chicago, Dallas, San Francisco, and Washington. The reports are transcribed in the field and referred to the central office where they are reviewed and forwarded to the requesting agency. There, a determination is made as to whether the person meets security requirements for employment, along with a judgment as to whether he meets suitability requirements and possesses the attributes needed for proper performance in the particular type of position being filled.

Full field investigations for employment in international organizations are similar in scope to those described above. The Commission furnishes advisory determinations to the international organization and furnishes appropriate summaries of information to the State Department. The International Employees Loyalty Board within the Commission conducts necessary hearings on cases in which adverse action is recommended.

7. How many employees are involved in the program and in what general type of employment categories do they fall?

There are 1,740 employees involved in the program. Of these, 755 are investigators and supervisory investigators, 331 perform NACI function, 185 transcribe reports of investigations, and 469 are principally clerical and related support personnel.

8. What is the grade structure and how many supergrades—quota and nonquota—are involved?

There is one quota supergrade position.

The investigators are GS–9 and 11, with trainee level at GS–7 and supervisory level at GS–12. The NACI, transcription, clerical, and support personnel are principally in the GS–2 to 5 range.

9. What capital equipment, such as ADP, if any, do you rely upon to fulfill the program?

We do not, at this point, rely upon ADP equipment. However, we have capital equipment investments in dictating and transcribing machines, and duplicating and filing equipment to help fulfill our program.

10. Do you expect the expenditures or the benefits of the program to grow appreciably in the future?

The program has been substantially stable in terms of its fundamental content for the last decade. We do not envision any significant change. As a service organization our volume fluctuates according to agency needs based on the fluctuating size of the Federal work force.

11. At what level are the personnel responsible for the various parts of the program coordinated to determine if the program as a whole is being efficiently carried on?

Overall program coordination is the responsibility of the Director, Bureau of Personnel Investigations.

12. Is there a continual program review within the agency, other than the annual budgetary review, to determine more effective and efficient ways to achieve these program objectives?

A weekly review of workloads and resources in the full field program is used as a basis for proper deployment of staff to areas of greatest need.

Every 4 weeks there is an in-depth review of workloads and costs compared to estimates, and an assessment of program inputs in relation to program outputs.

At least once a year a comprehensive evaluation visit is made to each investigative center region by the Director or Deputy Director of the Bureau of Personnel Investigations. This affords a full evaluation of program and operational effectiveness as well as an appraisal of the key personnel engaged in its execution.

13. To your knowledge, does this program duplicate or parallel work being done by any other agency?

While the Commission has primary responsibility for the investigations for the competitive service, we have entered into agreements, authorized by Executive Order 10450, which permit major departments having investigative staffs to conduct their own personnel investigations. These include Defense, State, Treasury, Post Office, and FBI for Justice. All have investigative, intelligence, compliance, or enforcement staffs and have the capability to conduct personnel investigations along with their other work.

The personnel investigations made by these agencies parallel but do not duplicate those being made by the Commission. Duplication of investigations is avoided by means of the Commission's security investigations index. The index contains records of approximately 10 million investigations initiated by the Commission and other agencies since 1939. The index is searched whenever any agency initiates an investigation. The agency is advised of the existence and location of any previous investigation reports. If the earlier investigation was conducted by the Commission, the investigative file is made available for review. This effectively eliminates duplication of investigation and repetitive investigative contacts.

14. Is your organizational structure such that the program is being carried out most efficiently and effectively?

Yes. We have in the past 6 years made significant changes in our nationwide organization structure as I discussed with you previously, in an effort to reduce overhead and to streamline procedures.

Illustrative of the effectiveness of these efforts is the fact that our cost for conducting a NACI investigation this year is the lowest it has been in the two

decades the Commission has been involved in the program, despite the fact that salary rates have doubled during that period.

15. Are there any outstanding GAO reports on this program?

No.

16. What significant problems, if any, are you facing in accomplishing the program objectives?

As always, we are faced with the challenges of producing a quality product economically and quickly in the face of increasing salary and travel costs. At the same time, in our treatment of applicants and employees, we must remain consistently objective, neutral and fair in an arena that is marked by increasing concern for safeguarding the rights and privacy of individuals, and we must be continually alert to keep our practices responsive to a succession of court decisions dealing with constitutional issues affecting the program.

17. Do you administer any grants, loans, or other disbursed funds related to this program?

No.

18. If your appropriations were reduced, how would you absorb the cut—by an overall reduction or by cutting or by curtailing certain activities?

Our investigative caseloads are uncontrollable, in that they are generated by agency appointing actions and thus are related to overall Federal employment levels and hiring rates. Every person entering the service is required to be investigated. We would have these possible alternatives if our funds were cut:

Backlog our work, which means delaying completion of investigations and providing less than timely service in furnishing results to employing agencies.

Close out NACI cases to employing agencies without resolving suitability questions.

19. If additional funds were available, what would you do with the new money?

Additional funds would be used to computerize the investigation indices and to conduct additional qualifications investigations on applicants for key positions.

PROGRAM CATEGORY C—PROVIDING PERSONNEL MANAGEMENT LEADERSHIP

1. What is the nature of and authority for this program?

The nature of this total program is best characterized by its emphasis on providing positive leadership to Federal personnel management.

The interrelated goals of such leadership are several. They include (1) keeping Federal merit personnel management generally abreast of modern developments in the profession of personnel management itself and contributing to such developments; (2) seeing that Federal personnel management is properly responsive to social, technological, educational, labor market, and other relevant changes in the national environment; (3) stimulating individual agencies to develop personnel and manpower programs that meet the needs of their respective missions within the overall Federal merit personnel management framework; (4) assuring that Federal personnel practices properly implement law and public policy; (5) making sure that Federal personnel are equipped to meet new and changing demands in their occupations and fields of work; and (6) assuring that Federal employees and applicants are treated fairly. This list of positive leadership goals could be further expanded or refined.

This is not to say that a leadership responsibility is not importantly involved in other Commission program categories; it is. Nor is it to say that only a leadership responsibility is involved in this program category; obviously a number of other functions—inspecting, classifying positions, conducting training, regulating, to name a few—are also involved. It is to say, however, that a primary thrust in this program area is one of providing positive leadership—this program represents the focus of general personnel management leadership in the executive branch. If coordinated leadership does not come from this program, it will not come from anywhere else.

The individual nature of some of the major subcategories of this overall program category include—

Guidance and direction of a Government-wide training effort.

Development of a modern executive manpower system for Government.

Determining the degree of agency compliance with legal, regulatory, and public policy requirements and the effectiveness of agency management in carrying out the intent of executive and legislative direction in the use of manpower resources.

Assisting agencies in improving the management of their manpower resources and providing technical advice and assistance on personnel management matters.

Providing guidance, advice, and encouragement to agencies in activities designed to assure equality of employment opportunity.

Considering and deciding appeals from employees and agencies.

Developing legislation and recommending new or changed policies to make basic improvements in Federal personnel management.

Developing regulations and instructions to implement new laws and policies, judicial decisions, etc.

Developing position classification and job grading standards.

Developing pay recommendations and coordinating Federal wage systems.

Authority for this program is derived from the following:

Title 5, United States Code, "Government Organization and Employees."

Section 3502 of title 39, United States Code, "Appeals to the Civil Service Commission."

Executive Order 10987, "Agency Systems for Appeals From Adverse Action."

Executive Order 9830, part I, "Organization for Personnel Management."

Executive Order 10988, "Employee-Management Cooperation in the Federal Service."

Executive Order 11073, "Providing for Federal Salary Administration."

Executive Order 11246, "Equal Employment Opportunity."

Executive Order 11315, "Executive Assignment System."

Executive Order 11348, "Providing for the Further Training of Government Employees."

Section 202 of the Postal Field Service Compensation Act of 1955.

Section 223 of the Postal Revenue and Salary Act of 1967.

2. Who is the person primarily in charge of this program at the operative level (name and title)?

Nicholas J. Oganovic, Executive Director, for total program.

O. Glenn Stahl, Director, Bureau of Policies and Standards, for the policy development and review function.

Seymour S. Berlin, Director, Bureau of Executive Manpower, for the executive manpower function.

J. Kenneth Mulligan, Director, Bureau of Training, for the training function.

Gilbert A. Schulkind, Director, Bureau of Inspections, for the inspection function.

3. How much money and capital equipment are available under this program for fiscal year 1968?

Funds available for fiscal year 1968 total $10,922,000, of which $95,000 is for capital equipment.

4. Would you describe the output generated by this program.

Because of the complex nature of this total program, the output is necessarily quite varied.

It may roughly be divided for the purpose of this report, into tangible and intangible products.

Tangible products, for example, include draft legislative proposals, bill reports, draft Executive orders, agency inspection and evaluation reports, training and educational materials, regulations and instructions, position classification standards, personnel management pamphlets, grade level determinations at GS–16, GS–17, and GS–18, basic pay rate determinations for scientific and professional positions of the Public Law 313 type, special salary rates, pay study reports and recommendations, travel and transportation expense determinations, work force forecasts, personnel policy studies and recommendations, and decisions on appeals. Many more such products would need to be listed to complete the catalog, but these are among the most important.

Intangible products, for example, include the positive effects of Commission reviews of agency executive staffing plans, the improvements in agency personnel management resulting from Commission inspections and evaluations, the broadened perspectives and sharpened skills acquired by agency participants in Com-

mission training programs, and the practical uses to which technical advice, assistance, consultation, and information provided by the Commission is put by congressional committees, Federal agency management, employees and employee groups, educational and training institutions, State and local governments, and the general public. The overall personnel management leadership influence of the Commission is also, of course, an intangible output. The list of intangible products could also be considerably extended, but the items listed are fairly representative of the whole.

5. Can you quantify this output in any way?

The intangible products of this program, which form a very important part of the total output, cannot, of course, be quantified.

The more tangible products can be quantified in many cases, and quantified records are maintained wherever they are needed for management planning or control purposes.

The following data are representative. In all cases, except where specifically noted, the data is a count of actual Commission work.

Twenty-two administration legislative proposals were developed during the 90th Congress, and 222 bill reports were prepared during the first session of the 90th Congress.

There were 3,711 appeals processed at the first level of appeal to the Commission, and 2,111 appeals were considered by the Commission's Board of Appeals and Review, during fiscal year 1967.

Seven personnel management methods and informational pamphlets will be written or revised during fiscal year 1968.

Twenty-five white-collar and 12 blue-collar classification and job grading standards will be produced during fiscal year 1968.

The estimated number of special salary rates to be established during fiscal year 1968 is 35. Altogether, the Commission has set special salaries covering about 75,000 positions.

The estimated number of positions to be classified at the GS–16, GS–17, or GS–18 levels for this fiscal year is 1,300.

The estimated number of basic rates to be established for scientific and professional positions of the Public Law 313 type for this fiscal year is 1,000.

In the area of training during fiscal year 1968, the Commission has programed 192 courses of instruction, involving 1,436 training sessions, 43,599 classroom hours of instruction, and 41,290 participants.

The number of staffing reviews of agency executive manpower programs scheduled for this fiscal year is 19.

The number of agency personnel management reviews (involving onsite inspections and evaluation reports to agency managers) programed for fiscal year 1968 is 459, including 431 inspections of agency field installations, 20 inspections of agency headquarters or subordinate bureaus, and eight overall agency evaluations.

Two hundred and seventy-nine special inquiries are programed for fiscal year 1968, covering specific high interest programs or following through on previous inspection findings.

Fifty-eight community reviews are scheduled for fiscal year 1968. (These are equal employment opportunity reviews conducted on a Federal communitywide basis at centers of Federal employment.)

Four consolidated Government-wide reports of overall personnel programs will be made in fiscal year 1968.

The number of agency position classification actions reviewed during fiscal year 1967 was 7,543; and the number of decisions on classification appeals during fiscal year 1968 was 1,654.

Two hundred and eighty-four new exclusive recognition agreements were negotiated by agencies with employee organizations between August 1966 and November 1967, bringing the total of such agreements to 882; 184,331 Federal employees were added to those represented by employee organizations with exclusive recognition between August 1966 and November 1967, bringing the total number of such employees to 1,238,748. (These quantified data are only indirectly reflected in the Commission's workload.)

During fiscal year 1967, 72 complaints against State and local employees and 105 complaints against Federal employees were made relative to prohibited political activity; and 54 political activity cases involving State and local employees and 107 involving Federal employees were disposed of during fiscal year 1967.

In fiscal year 1967, 551,764 employee suggestions were submitted under the incentive awards program of which 141,535 were adopted; 88,424 superior performance awards and 3,078 honor awards for distinguished or meritorious service were approved in fiscal year 1967. (These quantified data, like those for exclusive recognition agreements, are only indirectly reflected in the Commission's workload.)

In terms of technical assistance rendered, the records of two of the subcategories of this program may illustrate the dimensions of this workload:

Policy development and review, during fiscal year 1968, will require responding to an estimated 14,248 telephone calls, attending 1,976 meetings, and replying to 3,016 pieces of correspondence.

Developing and maintaining systems and instructions, during fiscal year 1968, will require handling 36,800 telephone calls, 6,292 letters, and 2,600 meetings and conferences.

6. Would you describe the principal operations that are involved in producing this output?

The operations involved in this program are as numerous and as varied as the outputs themselves.

The following operations are the principal ones, but still more would have to be added to complete the list:

Conducting research studies and making recommendations on Federal personnel programs and policies. Also developing policy position papers on Government personnel plans and ideas initiated outside the Commission.

Preparing the Commission's legislative program, developing legislative proposals, commenting on other proposed personnel legislation, and drafting and recommending executive orders.

Implementing programs, policies, legislation, and judicial decisions by developing the necessary policies and procedures and setting them forth in regulations, directives, and instructions to be issued to Commission offices and Federal agencies.

Studying the need for modification of regulations and instructions due to changed or new conditions and developing policy proposals to meet such needs; and maintaining the Commission's issuance system of directives and instructions.

Providing technical guidance on employee appeal matters, and coordinating and evaluating the first-level appellate operation in the Commission.

Planning and directing the occupational standards program, which includes developing and reviewing classification standards and grade evaluation guides for broad functional activities. Conducting research on occupational analysis. Developing standardized job-match plans in support of salary comparability.

Planning and promoting improvements in such agency programs as merit promotion and position management.

Preparing recommendations for the required numbers of top level positions to manage Government programs. Providing an equitable distribution of approved supergrade positions among agencies, in conformance with congressional recommendations and the needs of Government programs. Classifying individual positions to the GS–16, 17, and 18 levels. Approving basic rates of pay proposed by agencies for designated scientific and professional positions.

Conducting joint reviews of agency executive staffing plans with agency managers. Developing policies, plans, and recommendations to bring about a more modern personnel system for Government executives. Making continuous analyses and evaluations of Government executive resources and requirements.

Analyzing the interagency training needs of Federal agencies, deciding on the relative priorities among these needs, developing training programs to meet the higher priority needs, identifying and obtaining qualified persons to give the training, providing the courses of instruction, and evaluating the results of the training program as a basis for future improvements.

Developing agency nationwide inspection plans as a basis for overall agency evaluations, spelling out the installations to be covered, the programs to be reviewed, and the time frame for reporting; inspecting[1] the field installations included in the plan and reporting findings to local agency management and to higher agency headquarters; reviewing agency headquarters for overall control

[1] Each inspection involves a review of basic policy statements; a review of personnel records, reports, and action documents; and in-depth interviews with a sample of agency managers, supervisors, staff specialists, employees, and employee organization representatives. Questionnaires are also administered to a sampling of employees and supervisors as an additional source of information on employee attitudes.

and direction of the agency personnel management program; and, finally, synthesizing the findings at the field level, at subordinate bureaus or military commands, and at agency headquarters as a basis for an overall evaluation, with appropriate recommendations, of the total agency personnel program.

Developing, at the Commission regional office level, local inspection plans for field installations not included in an overall agency evaluation plan, plans for reviews of Post Office Department field establishments, and plans for special inquiries.

Developing a communitywide evaluation of the status of equal employment opportunity programs in the Federal community, using such sources of information as onsite inspections, reports from agencies, contacts with Federal executive boards and Federal executive associations, etc.

Providing consultative services to agencies, agency groups, or organizations, through the means of conferences, presentations, informal meetings, visits, detail of personnel, etc. Answering correspondence or telephone calls to provide information and interpretations, particularly on individual situations. Channeling inspection information to various Commission program managers for their consideration and appropriate action.

Preparing consolidated reports of Government-wide inspection findings from all inspections conducted during a specified period of time for programs of current high interest and concern.

In connection with employee position classification appeals: (1) securing all pertinent facts, including a current position description, organization chart, and position evaluation report; and (2) adjudicating the appeal by comparing the duties and responsibilities of the position with appropriate published classification standards.

Maintaining close contacts with agency representatives to stimulate action to achieve equality of employment opportunity, using interagency committees set up for this purpose; utilizing onsite inspections to educate and motivate managers to take the positive actions required; following through on community reviews to insure that coordinated agency action is taken; and consulting with agencies on their action plans and attempts to find solutions to the specific problems which have been identified by discrimination complaints, third party complaints, and other information.

Consulting with national minority group leaders and with department and agency heads or their representatives on problems related to the overall Federal equal employment opportunity program. Promoting, coordinating, and directing the activities of citizen or public advisory groups created to assist in the development or implementation of the Federal program for achieving equal employment opportunities. Coordinating and preparing consolidated reports on the Federal equal employment opportunity program.

Maintaining contact with, and consulting, leaders of employee groups.

Administering and enforcing the prohibitions on political activities applied to Federal civil service employees and employees of State or local agencies whose principal employment is financed in whole or in part by loans or grants made by the United States or by any Federal agency.

Administering the Government-wide incentive awards program to obtain improved Government operations through superior employee performance and constructive suggestions, greater employee satisfaction through recognition of special achievements, and better public understanding of these achievements.

Assisting agencies to develop adequate occupational health programs, obtaining information from agencies concerning their occupational health programs, and annually reporting to the President the extent of costs and the results of such programs with appropriate records.

Conducting negotiations with other Government agencies on major administrative and policy questions through the interagency advisory group.

7. How many employees are involved in the program and in what general type of employment categories do they fall?

The program has 680 employees in professional, administrative, technical, and clerical positions. These employees include specialists in wage systems, position classification, personnel management, manpower forecasting, training and education, financial management, automatic data processing, communications, PPB, etc.

8. What is the grade structure and how many super grades—quota and nonquota—are involved?

All positions are under the general schedule of the Classification Act. Grades range from GS–2 through GS–18. Included are 13 supergrades allotted from the Government-wide quota.

9. What capital equipment, such as ADP, if any, do you rely upon to fulfill this program?

This program relies upon the use of in-house computers and printing and reproduction equipment. The Commission's computer center is utilized, for example, to process data collected on agency training activities and to appraise the Commission's own training courses. As another example, an inventory of Federal employment is maintained on the computer, identifying Federal civilian position by such groupings as: pay system, grade level, occupation, and agency. The equipment of the computer center is also utilized when available in Commission ADP training courses.

Printing and reproduction facilities are needed to publish such essential items as tentative classification standards, Federal personnel manual chapters, and personnel management handbooks, to name a few.

10. Do you expect the expenditures or the benefits of the program to grow appreciably in the future?

We have not recently analyzed the quantitative growth potential of this program as a whole. However, we have developed some projections on two or three major elements of the overall program.

In the executive manpower area, we expect expenditures to increase by approximately $110,000 in fiscal year 1968. There will be a corresponding increase in benefits through capability to handle increased workloads, more agency staffing reviews (on a more intensive basis), and improvements in executive manpower motivation.

In the training area, a 3-year plan through 1970 calls for an increase of $550,000 over the fiscal year 1968 allotment of $549,000 for personnel services. One-half of the increase requested is in the fiscal year 1969 budget—the remainder will be in fiscal year 1970. The reimbursable training program will increase approximately $915,000 in fiscal year 1969 for the purpose of launching the Federal Executive Institute. Benefits will result from (1) expanding evaluative systems, consultation, and guidance to field activities through the regional offices; (2) fully implementing a program of guidance and consultation at the central office; and (3) completing the development of information and evaluation systems at the national level.

The Intergovernmental Manpower Act, a legislative proposal presently under consideration in the Congress, would, if passed, authorize the Commission to provide assistance to State and local governments in strengthening their staffs and personnel systems. (One goal would be to improve the administration of grant-in-aid programs.) The fund authorizations sought to carry out this program are $20 million in fiscal year 1968, $30 million in fiscal year 1969, and $40 million in fiscal year 1970.

11. At what level are the personnel responsbile for the various parts of the program coordinated to determine if the program as a whole is being efficiently carried on?

The overall coordination of the total personnel management leadership program is the responsibility of the Executive Director of the Commission, reporting to the Chairman and the Commission.

In the areas of policy development and review, legislation, pay studies, developing and maintaining regulations, systems and instructions, position classification, and standards development, the Director of the Bureau of Policies and Standards is the responsible coordinating official.

In the training area, the Director of the Bureau of Training is the responsible coordinating official.

In the executive manpower area, the Director of the Bureau of Executive Manpower is responsible.

In the area of assessing agency personnel management, the Director of the Bureau of Inspections is responsible.

In the special programs areas, the program coordinating responsibility, above the level of the head of the particular program concerned, rests either with the Executive Director or the Chairman, depending on the specific program.

12. Is there a continual program review within the agency, other than the annual budgetary review, to determine more effective and efficient ways to achieve these program objectives?

The effectiveness and efficiency of the operations in program category C are under what is, in effect, a constant review because of the almost day-to-day contact of the program directors with those responsible for actual operations. In addition to these daily contacts, there are several more formalized reviews which are tailored to the objectives and operations of the particular program subcategory involved. For example:

The subcategories, policy development and review and developing and maintaining systems and instructions, are included in a semiannual activity progress report. This report delineates, among other things, the status of pending projects, the highlights of the past 6 months, and significant trends.

The executive manpower subcategory is subject to a continuous program review carried on by daily review of work activities, weekly meetings with division directors, and monthly and other periodic analyses of work results and expenditures.

Review of the appeals subcategory is carried out through audits of decisions, and periodic analysis of financial management and caseload statistics.

Reviews of the assessing agency personnel management subcategory are conducted on a regular and continual basis; for example, periodic evaluation visits to the regional offices, periodic evaluations of regional office inspection reports, assessments of inspection impact after each inspection, periodic conferences of regional directors in which inspection program objectives and methods are discussed and reviewed. Other reviews are more specific and concentrated on a particular aspect of the program; for example, a special study in connection with the development of our PPB system is scheduled for fiscal year 1969.

For the training subcategory, there is a system which provides for analysis of its efficiency and for alternative operating methods designed to enhance program achievement. There is also a program goal-appraisal plan in operation which measures regional operations both quantitatively and qualitatively.

13. To your knowledge, does this program duplicate or parallel work being done by any other agency?

To the best of our knowledge, this program does not duplicate or parallel work being done by any other agency. Much of the actual work meshes with work done in the agencies, or represents guidance or review of such work, but the Commission has always given very careful attention to the elimination of duplicating work in Federal personnel management. Clearly, the Commission's authorities and responsibilities for central policy leadership, legislation, regulations, standards, appeals, executive assignments, interagency training, inspections, pay studies, etc., are not duplicated by any other agency.

14. Is your organizational structure such that the program is being carried out most efficiently and effectively?

The organizational structure for providing personnel management leadership lends itself to efficient and effective administration of the program.

The Bureau of Policies and Standards is organized to direct activities in (1) research, policy and legislative development and Government-wide leadership in most major areas of personnel management; (2) establishing classification standards; and (3) developing and issuing the regulations and instructions by which policies, legislation, judicial decisions, etc., are made effective.

The Bureau of Inspections' organizational structure is designed to provide flexibility in carrying out the wide variety of nationwide and local, general and special inspection activities involved in the program, and to render maximum information and technical assistance to agency and Commission program managers.

Within the past year two new bureaus were created to provide more effective and efficient administration for major subcategories or significant leadership elements of this program.

The Bureau of Executive Manpower and the Bureau of Training were both organized after careful planning of organizational structure to meet defined objectives. Both bureaus are new and are attentive to the fact that they may have areas of organization that will need further attention in the future.

As the intensity and character of demands on the program change, it may be that new or modified organization structures may be needed. This has been true in the past. The Commission periodically studies its operations, functional assignments, delegations of authority, lines of communication, and work flow and methods.

At this time, we feel that the current organizational structure provides for effective, efficient, and economical administration of the program.

15. Are there any outstanding GAO reports on this program? If so, what is the status of the GAO recommendations which the report contains?

There are no GAO reports outstanding on this program.

16. What significant problems, if any are you facing in accomplishing the program objectives?

The most basic problems being faced in this program area stem from dynamics of our society, the need to meet the changing program priorities of Government, manpower shortages in the labor market, etc. Shortages of staff, funds, and time also do not permit us to do many of the things we think should be done. Aside from these general, and not specifically relevant points, there are also specific problems in the various subcategories:

The accomplishment of our inspection objectives is complicated fundamentally by the character of the Federal workforce—its size, geographic dispersion, organizational complexity, and diversity. Other problems in this subcategory include the complex lines of communication and executive direction in Government, the increasing involvement of the Federal Government in new social programs, the need to accommodate disadvantaged citizens within the merit system, and the great scope of modern personnel and manpower management and of the related areas of the management and behavioral sciences.

In the executive manpower leadership area, there are such significant problems as:

The inadequacy of the number of positions available to the Commission and the executive branch for flexible, responsive, and modern executive manpower management.

The fragmenting of authorities and legislative requirements covering the varied types and numbers of positions at the supergrade level, without a sufficient focus of central authority and responsibility in the Commission as the central personnel agency.

In the training subcategory, the system for funding reimbursable training requires that the Commission obtain reimbursement for all costs incurred during a fiscal year. Because of the short span of time, the Commission cannot invest in capital equipment or make substantial investments in course development.

In the policy development subcategory, a major problem relates to the stepped-up pace and complexity of policy decisionmaking in our society, especially when urgent programs are involved, joined with the need to develop information systems and analytical techniques that facilitate the development of sound policy recommendations, fully backed up by facts and analysis, in order that they may be presented to top management in sufficient time to meet the requirements of the decisionmaking process. The range of subject matter and disciplines involved and the number of interested groups to be consulted and considered, compound the problem.

In developing systems and instructions, the major problems especially relate to the progressively complex relationships between new and existing programs, the need for full consultation with unions, veterans organizations, and other groups, the need to resolve the frequently conflicting interests of these groups in order to develop workable regulations and instructions, and, in general, the urgency surrounding the implementation of many new laws and programs.

In administering the position classification system, there is significant increased public awareness and interest in the development of classification and job grading standards and corresponding activity to influence the final product. This has resulted in greatly increased consultation with union officials, professional societies, and agencies and correspondence with Congressmen.

In equal employment opportunity activities, a significant overall problem faced in accomplishing program objectives is that of overcoming the effects of past segregation and inequities of opportunity in education, housing and employment which makes personal achievement for minority group citizens in a highly competitive society extremely difficult. As a result, it is difficult to convince members of minority groups that we are committed to the goal of equal opportunity for all.

In the special program of labor management relations, there is a problem of making a minority of management officials aware, particularly in the field offices of Federal agencies, that employee organizations in the Federal Government are here to stay and that full cooperation with them is necessary. Employee organizations must also recognize that satisfactory solutions to problems require their full cooperation.

17. Do you administer any grants, loans, or other disbursed funds related to this program? If so, is the size of your administrative staff commensurate with the magnitude of the outlays?

The commission currently does not administer any grant or loan funds.

18. If your appropriations were reduced, how would you absorb the cut—by an overall reduction or by cutting or curtailing certain activities?

A cut in appropriations probably could not be absorbed by an overall program reduction. Much of our workload in this program category is not controllable—such as requests for legislative reports, correspondence from the public, annual studies and reports required by law, regulations and instructions to implement new laws, consideration of appeals, classification of all positions in grades GS–16, 17, and 18 by the three Commissioners as required by law, and certain work in support of other Commission or executive branch programs which might not be cut back.

Cutting and curtailing would have to be done selectively by such actions as:

Curtailing or delaying certain policy research and developmental projects.

Reducing the number of agency inspections and the scope of review.

Reviewing agency management problems in less depth.

Reviewing fewer agency position classification actions and other actions for legal and regulatory requirements.

Lessening or delaying the response to agency requests for technical assistance and advice.

Necessarily refusing agency requests for consultative services.

Delaying action on employee classification appeals.

Reducing the level of written and oral training guidance to agencies.

Reducing the number of evaluative studies of agency training.

Foregoing study and assessment of training technology.

Reducing activity in the executive manpower subcategory.

19. If additional funds were available, what would you do with the new money?

If additional funds were available, we would be able both to undertake certain significant work which has been deferred and to intensify our efforts and accelerate the timetables on work now being done at a lower level and a slower pace than seems desirable. Examples of some of these possible actions are:

Producing trades, labor, and crafts job grading standards within the original 3 years planned rather than the now projected 5 years.

Providing more expeditious service—such as reducing the backlogs in areas involving higher entrance rates in hard-to-fill jobs.

Undertaking certain occupational studies which have necessarily been deferred.

Giving much more attention to the special personnel problems of overseas operations.

Extending our occupational projections to additional occupations and breaking them down by geographic regions. Improving our manpower planning generally.

Intensifying efforts to improve and reduce costs to interagency boards and others in rating training and experience.

Resuming work to improve the personnel issuance system, eliminate obsolescent material and manuals, and improve the quality of issuances.

Making examining handbooks more responsive to the new interagency board setup.

Simplifying appointment systems, both competitive and excepted, with elimination of overlaps in present systems.

Increasing the number of indepth agency personnel management reviews which would place more attention on the opportunity for management improvements and which would better relate personnel programs to agency mission.

Reviewing a greater number of installations through the inspection process to achieve greater impact.

Making more and better followups on inspections to insure that improvements are made.

Increasing response to agency requests for consultative service on their personnel management problems.

Advancing the schedule for providing a fully tested training evaluation criteria and collecting and assessing data on training technology.

Extending the coverage of training evaluation studies.

Stepping up work with agencies to achieve effective executive manpower staffing reviews.

Engaging in much more intensive executive manpower analyses and planning for the Government as a whole.

Moving faster to plan and mount a program for meaningful recognition of the important contributions made by upper level executives.

PROGRAM CATEGORY D—ADMINISTERING RETIREMENT AND INSURANCE PROGRAMS

1. What is the nature of and authority for this program?

The Civil Service Commission has the responsibility for the development, direction, coordination, and evaluation of the Government-wide retirement, life insurance, and health benefits program for Federal employees, annuitants, and their survivors. The Bureau of Retirement and Insurance is the bureau designated to carry out operations.

Authority for this program is found in chapters 83, 87, and 89 of title 5, United States Code (Retirement, Life Insurance, and Employees Health Benefits); 48 United States Code 1373a (Panama Canal annuities); 33 United States Code 771–775 (Lighthouse Widows Benefits); and 74 Stat. 849, as amended (Retired Employees Health Benefits).

2. Who is the person primarily in charge of this program at the operative level?

Andrew E. Ruddock, Director, Bureau of Retirement and Insurance.

3. How much money and capital equipment is available under this program for fiscal 1968?

Moneys for administering the program are provided by transfer from four trust funds. For fiscal year 1968 the total is $5,802,000, of which $12,000 is for capital equipment.

4. Would you describe the output generated by this program?

Active and separated employees, and survivors of employees and annuitants apply for benefits to which they are entitled under the retirement system. These claims are adjudicated and approved for payment or disapproved.

Annuitants and survivors whose claims have been approved for payment are entered on the monthly benefit payment roll and maintained in current status, or dropped from the roll. The workload is the average number of annuitants on the roll during a fiscal year.

Employees enrolled in a health benefit plan are eligible to continue this enrollment into retirement; certain survivors of deceased employees and annuitants also may be eligible to continue health benefits; other annuitants covered by the Retired Employees Health Benefits Act may be entitled to health benefits. The number of annuitants covered by these plans are subject to a deduction from or addition to their annuity payment.

5. Can you quantify this output in any way?

Quantification of outputs in fiscal year 1968:

New annuity and death claims received and adjudicated	102,000
Average number of annuitants and survivors maintained on the benefit payment rolls	852,000
Annuitants and survivors on the benefit payment roll who are covered under the health benefits programs	547,000

6. Would you describe the principal operations that are involved in producing this output?

Retirement—receiving and adjudicating claims from applicants entitled to monthly annuities because of age, optional, disability, death of employee or annuitant, or other reason; or claims from survivors entitled to lump-sum benefits of deceased employees or annuitants.

Maintaining the monthly benefit payment roll of annuitants and survivors entitled to receive benefits; making necessary changes in monthly payments or the address of payee; and making deductions or additions for health benefits premiums, etc.

Health benefits—determining the eligibility of retiring employees or survivors of deceased employees or retirees to continue or participate in health benefits programs.

7. How many employees are involved in the program and in what general type of employment categories do they fall?

A total of 563 employees are engaged in retirement and insurance operations. Of these 65 perform administrative, program direction and technical duties; 112 are adjudicators and claims examiners; and 386 are in clerical categories.

8. What is the grade structure and how many supergrades—quota and nonquota—are involved?

There are five supergrades in this program, of which four are under quota and one, a GS–18, is nonquota. The distribution of the grade structure is as follows:

GS–18	1
GS–17	1
GS–16	3
GS–15	10
GS–14	9
GS–13	15
GS–12	15
GS–11	22
GS–10	14
GS–9 (and below)	471
Wage Board	2
Total	563

9. What capital equipment, such as ADP, if any, do you rely upon to fulfill this program?

Automatic data processing support activities are provided on a centralized basis. The Commission recently acquired an RCA Spectra 70 computer system. A battery of auxiliary equipment, including add-punch and card-punch machines, completes the data processing support needed for this program. Insofar as the currently planned use of ADP in this program is concerned, a substantial number of applications are expected to be implemented on the new computer system by the fall of 1968. A number of subsystems, expansions, and refinements will be incorporated as soon as feasible thereafter.

10. Do you expect the expenditures or the benefits of the program to grow appreciably in the future?

Administrative expenses are expected to continue at about the same or a slightly higher level in the future. Benefit payments will grow in future years, reflecting cost-of-living increases and the larger number of annuitants receiving benefits.

11. At what level are the personnel responsible for the various parts of the program coordinated to determine if the program as a whole is being efficiently carried on?

Program coordination for the efficient conduct of retirement and insurance operations is performed at the Bureau Director and Bureau Deputy Director level.

12. Is there a continual program review within the agency, other than the annual budgetary review, to determine more effective and efficient ways to achieve these program objectives?

In addition to a comprehensive internal audit program with reviews of management and organization throughout the Commission, the retirement and insurance program conducts a continuing internal improvement program.

13. To your knowledge, does this program duplicate or parallel work being done by any other agency?

We know of no duplicate or parallel work in another agency which would administer the retirement and insurance programs for Federal employees.

14. Is your organizational structure such that the program is being carried out most efficiently and effectively?

To our knowledge the Commission's current organization is best suited to conducting this program in an effective and efficient manner.

15. Are there any outstanding GAO reports on this program? If so, what is the status of the GAO recommendations which the report contains?

Status of GAO recommendations, see hearing transcript.

16. What significant problems, if any, are you facing in accomplishing the program objectives?

There is one significant problem facing us with respect to accomplishing program objectives. That is "Retirement funding and financing." Congressional action

is needed to (1) give full recognition to retirement costs; (2) control growth of unfunded liability; (3) keep the fund solvent; and (4) assure prompt, full benefit payments.

17. Do you administer any grants, loans, or other disbursed funds related to this program? If so, is the size of your administrative staff commensurate with the magnitude of the outlays?

Administration of four trust funds involves annual benefit disbursements of approximately $3.1 billion. The size of administrative staff to conduct these programs is limited by annual appropriation language.

18. If your appropriations were reduced, how would you absorb the cut—by an overall reduction or by cutting or curtailing certain activities?

Funds for administration of this program are made available by transfer from trust funds, rather than by direct appropriation. If it were necessary to reduce spending, we would accomplish this by curtailing or postponing certain activities.

19. If additional funds were available, what would you do with the new money?

If additional funds were to become available for this program, we would use it to conduct more research studies on ways of improving the benefit systems, and on activities to train and develop personnel for future staffing needs.

PROGRAM CATEGORY E—VOTING RIGHTS

1. What is the nature of and authority for this program?

The nature of the program involves the listing of eligibles to vote, the determination of challenges of persons on eligibility lists, and the observation of elections.

The authority for this program is the Voting Rights Act of 1965, Public Law 89–110.

2. Who is the person primarily in charge of this program at the operative level?

Mr. Wilson Matthews, who serves as the Director of the Office of Hearing Examiners, working through the offices of the regional directors in the affected areas, has the primary responsibility for the operation of the voting rights program in the Civil Service Commission.

3. How much money and capital equipment is available under this program for fiscal 1968?

Funds available for fiscal year 1968 total $1,121,000. Capital equipment is not involved in this program.

4. Would you describe the output generated by this program.

As a direct result of the Commission's administration of the responsibilities created by law along with those assigned to it by the Attorney General under the act, vast numbers of the disenfranchised persons have been found eligible to vote within the past 2½ years; they have cast their votes in elections in various jurisdictions, and they have had their ballots tabulated. The Commission's operations have had a direct and immediate effect upon approximately 160,000 disenfranchised citizens. The act and the operations thereunder have, in turn, motivated hundreds of thousands of other disenfranchised citizens to exercise their constitutional rights.

The participation by minority member citizens as candidates in elections prior to August 1965 in the affected areas was rather rare and infrequent. However, in many elections held since the enactment of Public Law 89–110, minority member candidates have been elected to public office and in other cases, when not elected, they have received sufficient votes to require runoff contests. Operations by the Commission under this law have insured the free and uninhibited exercise by citizens of their democratic privileges.

5. Can you quantify this output in any way?

This cannot be readily calculated in terms of production or receipt of units and items. The impact of the program under the Voting Rights Act has, however, been profound and far reaching. Since the enactment of the act, the Attorney General has determined that examiners were required in 62 political subdivisions. As a result, the Commission established 108 voter listing offices in five States. The States are Alabama, Georgia, Louisiana, Mississippi, and South Carolina. As of December 31, 1967, 158,094 persons had been found eligible to vote from among 161,964 applicants. Also, 4,929 challenges of persons on eligibility lists were adjudicated involving 924 hearings. As of March 13, 1968, 22 elections had been observed in five States, involving 3,663 observers.

6. Would you describe the principal operations that are involved in producing this output.

The operations are:

The establishment of examining offices in political subdivisions designated by the Attorney General where persons not previously registered to vote may present themselves to a Commission voting rights examiner for the purpose of qualifying to vote. The eligibles are, at regular intervals under the act, certified to the local election officials who are required to place the names of such persons on the voting rolls of the political subdivision.

Such persons may be challenged if the challenge is supported by affidavits of at least two persons having personal knowledge of the facts constituting the grounds for the challenge. Challenges must be determined within 15 days by a hearing officer appointed by the Commission. The decision of the Commission's hearing officer becomes final unless a petition for review is filed within 15 days with the U.S. court of appeals for the circuit in which the person challenged resides. The decision of a hearing officer under the terms of the act shall not be reversed unless found "clearly erroneous."

During an election in a political subdivision in which an examiner has previously been appointed, an examiner must be available on election day and for 48 hours thereafter for the purpose of receiving complaints of eligibles denied their right to vote. If, in the judgment of the examiner such complaints are well founded, he forthwith notifies the Attorney General of the United States of such complaint.

At the request of the Attorney General, the Commission assigns observers in a previously designated political subdivision to observe the casting and counting of the ballots on election day. Observers do not control the election nor do they have responsibility for the conduct of the election, but on the other hand, they are responsible for observing all of the circumstances surrounding such election and reporting such matter to the Attorney General.

7. How many employees are involved in the program and in what general type of employment categories do they fall?

Average number of employees for fiscal 1968, 54. Employees range from clerical-through investigator-type personnel.

8. What is the grade structure and how many supergrades—quota and non-quota—are involved?

Inasmuch as the Department of Justice, under the act, must take the initial action to bring into being a listing or observer program, the program must, of necessity, be operated on an ad hoc basis. The grade structure results from the availability of personnel at the time of the request for the Commission to undertake an operation. This normally ranges from GS–5 going through GS–11.

One supergrade is involved on a part-time basis—the position is a quota position.

9. What capital equipment, such as ADP, if any, do you rely upon to fulfill this program?

ADP equipment is used for the purpose of maintaining lists of eligibles for each of the political subdivisions.

10. Do you expect the expenditures or the benefits of the program to grow appreciably in the future?

Due to a number of elections prior to the end of fiscal 1968, it is expected that expenditures for both the listing program and observation program will grow appreciably. It can be anticipated that the results of actions in future elections during the remainder of fiscal 1968 will insure the free and uninhibited exercise by a large number of citizens not now enjoying their democratic privilege.

11. At what level are the personnel responsible for the various parts of the program coordinated to determine if the program as a whole is being efficiently carried on?

This program is coordinated in the office of the Deputy Executive Director of the Civil Service Commission.

12. Is there a continual program review within the agency, other than the annual budgetary review, to determine more effective and efficient ways to achieve these program objectives?

Yes; there is continual program review.

13. To your knowledge, does this program duplicate or parallel work being done by any other agency?

No other agency duplicates or parallels this program.

14. Is your organizational structure such that the program is being carried out most efficiently and effectively?

Yes.

15. Are there any outstanding GAO reports on this program? If so, what is the status of the GAO recommendations which the report contains?

No.

16. What significant problems, if any, are you facing in accomplishing the program objectives?

Undoubtedly, the most significant problem is the uncertainty and the unknown that is present in the areas affected by this act until the very last moment prior to elections. Circumstances existing at the political subdivision level, which conceivably change from day to day, apparently dictate the action of the Attorney General in determining whether or not it is necessary for the Commission to react under any of its responsibilities. Under the act, the Commission's program is initiated by the Department of Justice. Consequently, the amount of expenditure of money that might be necessary and personnel that might be necessary cannot be developed until the very last moment prior to a necessary operation.

17. Do you administer any grants, loans, or other disbursed funds related to this program? If so, is the size of your administrative staff commensurate with the magnitude of the outlays?

No.

18. If your appropriations were reduced, how would you absorb the cut—by an overall reduction or by cutting or curtailing certain activities?

The activity of the Commission in the voting rights operation is dictated by actions and determinations made by organizations other than the Civil Service Commission, under the Voting Rights Act. Consequently, any reduction in appropriations would have to be closely coordinated with such organizations looking toward possible curtailment, to the extent possible, of all functions other than those absolutely necessary, disregarding efficiency, to meet the terms of the statute, even though possibly not as readily and efficiently as could be done otherwise.

19. If additional funds were available, what would you do with the new money?

We would utilize the new money for the purpose of advance preparedness under a less strenuous atmosphere in the way of developing our logistics than that which we must do now on practically a last-minute signal for the Commission to go into action.

PROGRAM CATEGORY F—GENERAL SUPPORT

1. What is the nature of and authority for this program?

The general support program is a grouping of those functions which are primarily concerned with executive direction, and the coordination and control of the personnel, fiscal, administrative, and business management activities of the Commission.

The authority for the program is implicit in the statutes, Executive orders, etc., that authorize the basic programs of the Civil Service Commission.

2. Who is the person primarily in charge of this program at the operative level (name and title)?

Mr. David F. Williams, Director, Bureau of Management Services.

3. How much money and capital equipment are available under this program for fiscal 1968?

Funds for this program for fiscal year 1968 total $7,008,000, of which $102,000 is for capital equipment.

4. Would you describe the output generated by this program?

The major outputs of the program can best be described as policy guidance, executive direction, and the related administrative management and legal services necessary to support the total Commission program activities.

5. Can you quantify this output in any way?

The support nature of this program does not lend itself to any single quantifiable output. A direct indication of the effectiveness of this support is in part reflected in the level of accomplishment of the Commission's operating programs.

6. Would you describe the principal operations that are involved in producing this output?

The principal operations involve the following:

(*a*) *Policy guidance.*—A three-member bipartisan Commission appointed by the President by and with the consent of the Senate establishes the overall policy of the Civil Service Commission.

(*b*) *Executive direction.*—The Executive Director provides direction of all internal management and other staff activities of the Commission and exercises general supervision from both a technical and a management viewpoint over all bureaus and staff offices of the Commission including its field operations.

(*c*) *Legal services.*—A variety of legal services are performed relating to the Commission's policies, procedures, and operations on which advice and counsel are sought by the Commissioners, Commission officials, officials of other Government agencies, Members of Congress, and attorneys having business before the Commission.

(*d*) *Budget and fiscal services.*—Internal services to Commission offices, both central office and field, are provided with respect to budget estimates, allotments of funds, work reporting and cost analysis, financial reporting, and centralized payroll services.

(*e*) *Personnel services.*—Advice and assistance are rendered to central office bureaus and regional offices pertaining to the classification of positions, selection of employees, reduction in force, appointments, training, and employee development.

(*f*) *Office services.*—General office services are provided to operating offices for procurement, property management, space assignment, printing, communication services, office equipment, mail, and records management.

(*g*) *Library services.*—A library collection is available to commission employees consisting of general reference books, and basic literature in professional and technical fields with particular emphasis on civil service, personnel administration, and public administration.

(*h*) *Management systems and internal audit services.*—A comprehensive internal audit program is conducted as well as reviews of the management and organization of Commission offices. The Commission's PPB capability is also located here.

(*i*) *Health services.*—Commission employees are provided health counseling service and emergency care in the event of illness or injury on the job.

(*j*) *Public information services.*—The general public is informed about activities of the Civil Service Commission and a close relationship is maintained with representatives of all news media.

7. How many employees are involved in the program and in what general type of employment categories do they fall?

The program has 590 employees in professional, administrative, technical, clerical, and blue collar positions.

8. What is the grade structure and how many supergrades—quota and nonquota—are involved?

The three Commissioners and the Executive Director are under the executive schedule; 539 positions are under the general schedule of the Classification Act in grades ranging from GS–2 through GS–18; and 47 positions are under the wage board schedule in levels ranging from WB–1 to WB–22. Included in those positions under the general schedule are 16 supergrades alloted from the Government-wide quota.

9. What capital equipment, such as ADP, if any, do you rely upon to fulfill this program?

ADP equipment, printing and reproduction equipment, and communications equipment.

10. Do you expect the expenditures or the benefits of the program to grow appreciably in the future?

Since approximately 75 percent of the resources available to the program are for providing services to operating programs, any increase in support costs will be predicated upon additional demands resulting from expanded program activity. Such increases in services provided would not necessarily result in proportionate increases in expenditures.

11. At what level are the personnel responsible for the various parts of the program coordinated to determine if the program as a whole is being efficiently carried on?

Executive direction is coordinated in the Office of the Executive Director. Administrative and management services are coordinated in the Office of the Director, Bureau of Management Services.

12. Is there a continual program review within the agency, other than the annual budgetary review, to determine more effective and efficient ways to achieve these program objectives?

Program review is a constant process carried out through our work reporting system and periodic management reports and meetings, and special studies. In addition, all segments of the program are subject to an independent audit by our Office of Management Analysis and Audits.

13. To your knowledge, does this program duplicate or parallel work being done by any other agency?

No.

14. Is your organizational structure such that the program is being carried out most efficiently and effectively?

Yes. However, the way in which we are organized to carry out our various functions is constantly under review with a view toward increased effectiveness and efficiency.

15. Are there any outstanding GAO reports on this program? If so, what is the status of the GAO recommendations which the report contains?

In March 1967 the General Accounting Office submitted a report of its review of the internal auditing activities of the Civil Service Commission recommending the establishment of a single centralized internal audit organization responsible to the highest organizational level practical, preferably the Chairman of the Commission or its Executive Director, with authority to review systematically all the Commission's programs and activities.

Responding to the GAO recommendation, in May 1967, the Office of Management Analysis and Audits was established in the Bureau of Management Services. This office performs the functions of financial audits, management and operational audits, and personnel management audits; in addition, it is the focal point for leadership in the implementation of the planning, programing, and budgeting system in the Commission. Although reporting to the Director of the Bureau of Management Services for most of the audit activities, the Office of Management Analysis and Audits reports directly to the Executive Director whenever internal audits are made of any portion of the Bureau of Management Services.

16. What significant problems, if any, are you facing in accomplishing the program objectives?

As the central personnel agency of the Government, the Commission's operating bureaus must be in a constant state of readiness to respond to the heavy demands placed on them by the increasing involvement of our Nation in a multitude of endeavors at home and abroad. To enable them to perform at peak efficiency places similar demands on the support function. Keeping up with these demands within the necessary budget restraints can only be accomplished through dynamic and inspirational leadership toward greater effort and increased productivity. Accomplishing this in the light of skilled manpower shortages such as we are experiencing with automatic data processing occupations poses a very real problem in the support program.

17. Do you administer any grants, loans, or other disbursed funds related to this program? If so, is the size of your administrative staff commensurate with the magnitude of the outlays?

No.

18. If your appropriations were reduced, how would you absorb the cut—by an overall reduction or by cutting or curtailing certain activities?

The support program would follow the level of the operating programs. Identification of program elements where reduction in spending might be made would depend upon the operating program areas identified for reduction in program effort.

19. If additional funds were available, what would you do with the new money?

The need for additional funds for support would be determined by the type and extent of expansion in other program areas. Because of the nature of the support program, increased expenditures would not necessarily be in direct ratio to the increased spending on the part of operating programs.

APPENDIX B.—CIVIL SERVICE COMMISSION INSPECTION HANDBOOK

INTRODUCTION

In talking about personnel management in this supplement we are using the definition that has been emphasized during the past few years as the inspection program has evolved toward total management review. That is, planning for, getting, developing and using people with the knowledge, abilities and attitudes necessary to get the mission accomplished while adhering to requirements of public policy.

The basic responsibility for personnel management rests with the manager, who also is responsible for the success of the substantive program, since personnel management is an integral part of his overall management responsibility. The manager cannot relieve himself of nor abdicate his underlying responsibility for personnel management nor for carrying out public policy.

In order to avoid confusion, it is also important to keep in mind the difference between "personnel management" as used in this context and "personnel administration." When we use "personnel administration" we mean systems, procedures, and techniques used or developed primarily by personnel specialists and technicians to help managers and supervisors carry out their basic management responsibilities and their legal, regulatory, and other public policy obligations. It is a significant element of personnel management frequently mistaken for the whole.

If we analyze further this total concept of personnel management we find that it breaks down into three broad areas of responsibility that are found at various levels and at varying degrees in any organization.

The first locus is that of top management. This is a relative term since by top management we mean the responsible manager at the level of the organization we are reviewing. Depending on his delegation of authority the top manager has the inescapable responsibility for decision making and policy setting. To the degree that he has delegation of authority or assigned responsibility, and depending upon the level of his organization in the hierarchy, he can make or fail to make the kinds of decisions that are crucial to effective and economical use of people. He is responsible, depending upon his level in the organization, for either determining or influencing the program that his organization will carry out. This, in turn, may have a basic effect on the numbers, kinds, and quality of people needed to get that program accomplished. Failure to think through or understand the program for which the organization is responsible can be detrimental to personnel management in the organization.

Similarly, he is responsible, depending upon his delegation of authority, for determining the organization and flow of work with full knowledge of the impact of these decisions, not only on effective program accomplishment but also on the frugality with which he uses all resources (including people) in getting effective mission accomplishment. He is also responsible for making sure that public policy of the Government, whether as a result of law or regulation or Presidential direction, is a reality in that part of the Government for which he

is responsible. He also has the underlying responsibility for seeing to it that all of the administrative staff activities that exist to help him carry out his program are fully integrated and coordinated toward the achievement of the common overall objectives, including both program achievement and the most economical and frugal use of resources.

The second locus of responsibility rests primarily with the supervisor. Here we are concerned with the people-to-people relations that occur at the work site or which may directly affect employees at the work site. This is another area that has sometimes been confused with all of personnel management. It is highly significant because poor supervision and leadership can undo all that the best intentioned management policies and directives try to achieve. We are concerned here with:

- activities that motivate employees to produce to their fullest potential;

- willingness to make differential decisions based on quality of performance as well as the judgment displayed in making these decisions;

- dealing with individual employees and with organized employee groups that represent them in a fair and equitable manner and in accordance with public policy; and

- the responsibility for most efficient use of manpower in terms of assignment of duties, setting standards, measuring performance, using the tools of management that exist, and being aware of the impact of supervisory decisions both on productivity and on economical use of resources.

The third locus of responsibility is the personnel office. Here is where we most usually find what was described earlier as "personnel administration." The personnel officer's basic responsibility is to help both of the other two levels carry out their responsibilities. The personnel office exists only to assist management as part of the management team. The personnel officer has no allegiance to some outside authority, nor is he properly a buffer between management and employees, interpreting each to the other. However, he does have responsibility for:

- functioning as the representative of, and advisor to, top management in relating program and mission requirements to the human resources necessary to carry them out;

- making available to line and top management professional expertise needed in evaluation, selection, motivation, discipline, and utilization of people;

- communicating to the manager what his (the manager's) obligations are if he does not fully understand them;

- creating channels of communication and feedback that permit the manager's decisions and policy to become known to the levels where they are important, that give him information about what is going on in his own organization, and employee attitudes and opinions that he should consider in making policy decisions, and most important, that give the manager information on how well his subordinate managers are living up to their personnel management responsibilities.

The significance of this three-way breakdown of the total personnel management concept is that both our onsite review and the report that results from it are aimed at looking only at those aspects of the total that exist where the review is being made. For example, a small field office with extremely limited delegation of authority and with no personnel specialist or technician on the staff may well call only for a review of the second locus of responsibility. Both the review and the report, however, should cover in depth any problems that exist, or any failure to make the most efficient and economical use of resources that is caused by action, or lack of action, at other locations or because of failure on the part of other levels of management to keep in touch with what is taking place at the installation.

The basic purpose of the entire inspection program, and of inspection reporting in particular, is to present an evaluation of personnel management. It is not simply to describe, but to motivate action at whatever level action is needed by coming to specific judgments on how well all three loci of personnel management responsibility are meeting their obligations.

These instructions approach this subject in terms of personnel management as a function of total management rather than in a personnel "program" context. We are concerned with how personnel management contributes to mission accomplishment and to carrying out public and Presidential policies and how managers are carrying out the President's directive to make the most economical and frugal use of resources, particularly people, in accomplishing these objectives.

S2-1. SURVEY PROCESS -- AN OVERVIEW

a. General

The purpose of this section is to present a brief picture of the overall inspection or survey process. It is written with the new inspector in mind and is intended to reflect the major steps and their relationship in the survey process.

Under the career merit system, the Civil Service Commission has the responsibility for reviewing and appraising many aspects of agency activities in managing their human resources. Following the principle expressed in Executive Order 9830, the Commission has delegated its authority in most personnel areas to the heads of agencies subject to published standards, rules, regulations, and guides. In some areas, for example, the classification of positions, the law holds agency heads directly responsible for placing jobs in classes and grades under standards issued by the Commission.

In addition, the President has directed that in managing human resources, Federal managers must also carry out the Administration's expressed policy in such areas as equal employment opportunity for all citizens and affirmative willingness to deal cooperatively with properly established employee organizations.

Federal managers therefore have a dual responsibility, no part of which can be delegated to others. They are responsible for getting their jobs effectively done with people and at the same time for doing this in a way that carries out public policy as it has been promulgated by appropriate authority.

Decentralization of operations requires a review of personnel management to assure proper use of delegated authorities. The Commission has a multipurpose role in this review function.

As the central personnel agency, the Commission has a leadership function. To exercise this function, the Commission conducts periodic audits and reviews to evaluate how personnel management is contributing to mission accomplishment.

The Commission also has responsibility for assuring that the authorities that have been delegated or assigned to agency heads, either by the Commission or directly by law, are being exercised within the spirit of the requirements that apply and that employee rights embodied in law and regulation are being honored.

In most Federal personnel matters, the Commission serves as the eyes and ears of the Administration with responsibility for reviewing and reporting on how managers are carrying out the President's declared public policy objectives in equal employment opportunity, employee-management cooperation, appeals and grievances, and so on.

Since the inspection function is carried out primarily through the nationwide inspection concept the following discussion concentrates on the steps involved in nationwide inspections. However, most of the steps also appear in inspections other than those conducted under a nationwide plan.

b. Instructions and Guidelines

The steps involved in a survey are presented in three phases in this section: Planning, onsite action, and reporting. The steps are not necessarily in the

order in which they occur; however, unless modified by special instructions, each is usually performed and readily identifiable during the course of a survey. Instructions in detail relating to each phase of an inspection appear in other subchapters of this manual supplement.

(1) Phase 1 -- Planning

Planning as used in this manual supplement is synonymous with preparation. It means the process of establishing, on the basis of study and research, the objectives of an inspection or survey and devising the means calculated to achieve them. For each phase and step of an inspection, meaningful objectives should be apparent. This means that the desired results have been established for each significant inspection effort and they are understood by the team.

The importance of planning is pointed out in several subchapters of this supplement. Unless time is taken to plan the various aspects of an inspection, the overall result may simply be a reaction to events rather than an influence upon them. Some generalizations which may be made on the importance of planning are: Planning directs attention to objectives; prepares for the future; minimizes unnecessary costs; and provides operational control.

(a) Central Office

Planning for an inspection is usually in two closely related phases in both the central office and the regional offices. In the central office initial planning includes the contacts and discussions involved in issuing the nationwide plan. Steps 1 through 7 below describes this first phase.

The second planning phase draws upon the regional office reports and the comments contained in Bureau of Inspections transmittal memoranda. While the same general planning pattern is followed in the central office as in regional offices, inspections by the central office are scheduled to take advantage of information from regional office reports and contacts with agency officials which result from regional office inspection activity.It has been found that a number of field installations, during the onsite inspection, report frequently to their agency headquarters on matters stemming from the inspection. These matters occasionally are brought up for discussion with Commission officials and at times are the basis for agency requests for advice and assistance. These contacts are taken into consideration in formulating final plans.

In regard to regional office reports received during this phase, they are reviewed closely and as warranted, the nationwide plan is revised to shift emphases and actionable matters are taken up with agency headquarters officials.

The planning process in the central office includes such steps as:

1 Assign manpower and designate the team leader.

2 Establish a work plan.

3 Contacts with Commission officials. These contacts are to develop and obtain:

a General background information regarding the agency to be inspected.

b Information on any known agency problems.

c An understanding of agency relationships with the various offices in the Commission.

d Feedback information which Commission offices wish.

4 Contacts outside the Commission are made with the Bureau of the Budget and top management of the agency to be inspected. These contacts are made to determine the extent and nature of coverage which each are interested in.

5 Review of available reference material, e.g.:

a Latest annual report of the agency.

b Latest Government Organizational Manual.

c Latest Annual Report of the CSC.

d GAO audit report on the agency.

e Federal Employment Statistics Bulletin.

f Latest inspection report on the agency.

g Correspondence and leads file.

h Agency reports to the Commission.

i Appropriation hearings on the agency.

6 Drafting the proposed nationwide plan which is distributed to regional offices for comment. The proposed nationwide plan should contain sufficient information on agency policies and systems so that regional office reports can be confined to discussions of local implementation, supplementation, and results. Other instructions and guidelines which are contained in the

proposed nationwide plan include the following:

a Pertinent background information of the agency.

b Areas to be covered.

c Scheduling and reporting information.

7 Issuing approved nationwide plan. Comments from regional offices are incorporated into the final nationwide plan as warranted and the approved plan is issued.

8 Review of regional office inspection reports conducted in the agency's subordinate installations for leads; actionable matter to be taken up with agency headquarters; and the need for change in inspection emphases.

9 On the basis of regional office reports, revise nationwide plan and provide feedback to the regions as warranted.

10 Revise the work plan to meet any change in emphases and coverage.

(b) Regional Offices

The two planning phases in a regional office inspection are identified as pre-onsite planning and onsite planning. As in the central office there is considerable overlapping between planning and fact-finding during the initial phases of an inspection. To the overall inspection process, it is immaterial what we call it; however, for discussion purposes, the planning which takes place prior to the inspection team arriving at the installation to be inspected is termed pre-onsite planning. The second phase involves the planning which is usually accomplished after the opening conferences. Invariably the manager of the installation will provide information or make requests which call for additional coverage or point to areas for special attention. Each team, while holding to the main purposes of an inspection, should be sufficiently flexible to accommodate to such requests and information.

Planning an inspection in regional offices is discussed in detail in section 2 of this subchapter. The major steps are listed below.

1 Study applicable inspection guides, special coverage instructions, nationwide evaluation plan, etc.

2 Assign manpower resources and schedule inspections.

3 Use scheduling letters and contacts of Commission representatives to obtain current information about the installation to be inspected.

4 Review and analyze available material concerning the installation to be inspected.

5 Establish a work plan.

6 Assure that each member of the inspection team is fully informed and understands the objectives of the inspection, procedures to be followed, and what is expected of them.

7 Revise the work plan as needed following the opening conferences.

(2) Phase 2 -- Onsite Action

The onsite action phase of an inspection, for discussion purposes, extends from the inspection team's time of arrival at the installation to be inspected until their departure time. Considerable overlapping occurs between this phase and the planning and reporting phases since throughout the onsite action phase there is usually a need to round out plans and prepare for interviews and review of certain aspects of personnel management. Further, closeouts, discussed as part of the reporting phase, are usually conducted prior to the inspection team's departure.

Onsite action will differ in each inspection depending upon such factors as the type of inspection, coverage, issues and problems involved, etc. Subchapter 4 of this manual supplement discusses in detail onsite action for each major coverage area.

The onsite action phase is that period when the inspection team is a guest of the agency being inspected. It is that period when each inspector, as the Commission's representative, is on display and subject to scrutiny by officials and employees of the agency. As the Commission's representative, each inspector's conduct should be above reproach and reflect favorably upon the inspector and the Commission. To mention only a few characteristics, the inspector must be tactful, courteous, knowledgeable, and businesslike throughout the inspection.

First appearances are important and indicative of things to come. Therefore, from the moment the inspection team arrives at the installation every move should be purposeful and well coordinated. To the extent possible, the team's arrival time at the installation on the first day and all subsequent days should correspond to that observed by the employees. The daily departure time should also correspond to the installation's. The presence of a Commission inspection team at an installation is usually of keen interest to all employees. Since this may be the first and only time that employees have contact with a Commission representative, it is highly desirable that this one contact leave a favorable impression. In a sense, the conduct of a Commission inspector helps to set the high level of conduct expected of all Federal employees.

Immediately upon arrival, the inspection team must move toward getting opening conferences underway and on to other aspects of the inspection.

Arrangements for interviews and questionnaires, i.e., with whom, where, and time, should be firmed up on the first day. Office space must be arranged for; if possible, an office or conference room in which the inspectors can work and meet in private should be obtained.

It is generally a good practice for the team leader to hold a meeting with all team members shortly after the opening conferences. This meeting could be used to round out the work plan, insure full understanding of assignments and to discuss any matters developed during the opening conferences. After this meeting, each member of the inspection team should begin individual assignments indicated by the work plan.

The team must review agency issuances not previously available, conduct interviews, administer questionnaires, consult and review agency records, post-audit positions and personnel actions, hold conferences with personnel representatives responsible for aspects of personnel administration, resolve issues and problems, evaluate and synthesize findings -- these things constitute onsite inspection activity.

Throughout the onsite inspection activity the team should be careful not to impose unduly on the agency's resources. All interviews must be conducted in an expeditious manner. The inspection team should insure that disruption in the agency's routine is held to a minimum. At no time should an inspector hold himself out to employees and management as having a personal channel of communication to higher headquarters. Also, inspectors should avoid any involvement in disagreements between employees and management.

The major steps involved in the onsite action phase of an inspection are given in brief below.

(a) Regional Offices

1 Conduct of initial conferences with management primarily to insure a mutual understanding on the purpose and procedure of the inspection.

2 Review of agency policies, procedures, and instructions not previously available.

3 Review personnel records and files.

4 Post-audit classification actions.

5 Conduct interviews (and administer questionnaires as appropriate) with

a top management;

b supervisors;

c employees;

d officials of employee organizations; and

e community leaders (as discussed in subchapter 3).

6 Review and evaluate the system in effect for

a planning, work organization and position management;

b obtaining needed manpower;

c utilizing the workforce; and

d processing personnel actions and maintaining records.

7 Resolution of issues and problems. As controversial matters appear, efforts should be made to resolve them prior to the closeout.

8 Synthesize findings (on a continuum throughout the inspection). The synthesis of findings should be a team effort under the leadership of the team leader.

9 Preparation for the closeout. This is discussed in detail in S3-8, Closing Conferences.

(b) Central Office

Onsite action by an inspection team in the agency headquarters is usually the same as in a field installation. The primary differences are that the inspection team in an agency headquarters usually has the advantage of information from field inspection reports and must negotiate matters which regions have reported. Further, relationships between the agency levels, i.e., departmental, bureau and subordinate installations, become paramount considerations.

(3) Phase 3 - Reporting

This phase includes the closing conferences (closeout); the writing of reports; and assessing the impact of the inspection. Section 8 of this subchapter contains a detailed discussion on closing conferences; writing of reports is discussed in subchapter 6; and discussion on assessing the impact of an inspection is contained in the appendices. The primary difference between reporting in regional offices and in the central office is in the consolidation of reports which takes place in the central office and presentation of this report to the top manager of the agency as a nationwide evaluation.

(a) Verbal report (closeout)

In closing conferences, the Commission team assumes the task of translating inspection findings into meaningful terms for agency

management. It is during this closing conference that all significant findings are presented to the top manager.

Most closeouts are attended by all inspection team members, however, there will be times when only the team leader will represent the Commission and will present the inspection findings. At times, for training purposes or specialized knowledge in a particular area, team members will make presentations during the closeout. Quite often the regional director or other high level regional officials will attend closeouts. As pointed out under the discussion on closing conferences, this type of participation is desirable and shows top level Commission interest in the agency's personnel management.

There are two major viewpoints from which each closeout can be viewed. From the viewpoint of the Commission, considerable time and resources have been invested in factfinding, analyzing, evaluating and synthesizing aspects of the agency's personnel management, therefore, the findings to be presented and the recommendations which the Commission have to offer are not lightly made nor does the Commission expect them to be lightly received. The closeout is no time to short-cut nor is it something to approach with the attitude of "let's get this over with." This is the time when the biggest payoff of the whole survey process may be realized. Accordingly, the closeout must be well planned; there must be a meaningful translation of findings; a realistic audience analysis; coherent organization of findings; and use of appropriate presentation techniques.

From the viewpoint of the agency, it also has invested considerable time and resources in the inspection and it may fully expect a valid and objective evaluation of its personnel management as well as helpful and forward looking advice and assistance. Leaving a written closeout statement with the management is optional, but highly desirable in most inspections since such a statement can serve as a basis for agency action; confirm the findings; and negate the need for notetaking during the closeout presentation.

(b) Written Report

After the closeout, the written report is the next major order of business. To the extent possible the written report will follow the standardized report format provided for the particular type of inspection. However, there will be times when the format provided is inappropriate for the inspection and a different procedure or arrangement can be more meaningful. Our standard system of reporting consists of four separate communications which are:

1 A basic interrelated report which contains all essential findings and evaluations appropriate for communication for the manager of the inspected installation.

2 A communication to the manager of the inspected installation which transmits copies of the basic report and highlights matters of significance.

3 A communication which is addressed to the agency headquarters and transmits the basic interrelated report, a copy of the letter which was sent to the manager of the inspected installation, and which contains conclusions and recommendations appropriate for handling at this higher level.

4 A transmittal (CSC Form 784) to the Bureau of Inspections which transmits copies of the communications 1 through 3 above as well as any other matter which should be brought to the attention of the central office.

(c) Assessing the Impact of the Inspection

Inspections should not be considered completed until there has been a followup on the action taken as a result of the inspection. This followup may be accomplished through correspondence or by personal contacts. In the case of required actions, these are invaribly formalized in the inspection report and a report is required detailing the action taken by the inspected agency. Such reports and related communications are generally referred to as compliance correspondence. This correspondence will give some idea of the impact of an inspection. However, the opportunity offered by visits scheduled primarily for other purposes can be used advantageously in assessing impact. These visits usually can make the inspection findings more meaningful, give assurance of our continued interest in positive action on inspection findings, and be used to obtain first-hand information on impact.

Our approaches to assessing inspection impact is discussed in detail in Appendix A to this supplement.

S2-2. PLANNING THE INSPECTION

a. General

Careful planning, both in the development of nationwide plans and in preparation for individual inspections, is essential, if the inspections are to attain fully the objectives established for the Commission's evaluations of personnel management. It is also essential for efficient and effective use of Commission resources. This applies equally to agency resources which we involve in the inspection process and makes doubly important comprehensive plans for each inspection. The planning discussed in this section relates primarily to inspection team planning. Discussion of the procedures followed in developing plans for nationwide evaluations is contained in Appendix C of this supplement.

The inspection resource (time and staff) required for an inspection can be initially estimated based on the kind, size, and level of the organization to be inspected and the type of evaluation to be conducted. However, the basic consideration in making the final estimate has to be based on the total inspection resource needed to produce a meaningful and impact-oriented report which is responsive to the inspection plan. Inspections should not be distorted by forcing them into arbitrary or artificial time frames. The time and staff required should be derived from the factors noted above rather than the reverse of this process taking place.

The coverage areas and the emphases of an inspection are in most inspections predetermined or established by prevailing handbook instructions and nationwide evaluation plans. The maximum use of existing sources of information, clearly understood team assignments, and close coordination of team efforts throughout the inspection insure that the inspection is conducted with the utmost efficiency. Not only does a well planned inspection make for efficient and effective onsite action but it enhances the image of both the inspection team and the Commission. Further, as a consequence of well laid plans, agency officials can be well informed on what to expect during the course of the inspection and can better cooperate with the team effort.

With a firm plan to follow, the relevancy and importance of leads and management expressed concerns are easily kept in perspective. In this respect, while the emphasis on particular aspects of an inspection may change because of leads developed onsite, the basic course followed by the team should always lead to the prime objective of the inspection.

b. Instructions and Guidelines

Planning efforts should include the following:

(1) Study of applicable inspection guides, special coverage instructions, nationwide evaluation plans, etc.

(2) Use of scheduling letters and contacts of Commission representatives to

(a) obtain current information on the agency, e.g., position listings,

organizational and functional charts, statistical information on employment;

(b) arrange for information which takes more than usual time to complete, e.g., equal employment opportunity, status of women;

(c) arrange for or actually administer questionnaires; and

(d) set time for opening conferences.

(3) Review and analysis of available material concerning the establishment to be inspected, e.g.,

(a) previous inspection reports and compliance file;

(b) organization charts, mission and function statements, position descriptions, etc.;

(c) correspondence concerning the parent agency or field installations;

(d) complaint file and "leads" file;

(e) available material prepared for the Commission on such matters as training and equal employment opportunity;

(f) requests for waivers of CSC provisions;

(g) CSC Board audit reports; and

(h) training agreements;

(4) Establishment of a work plan.

(a) A work plan, based on comprehensive and realistic planning, and combining specificity and concreteness with leeway for change, should be developed for each inspection. Such a work plan will complement planning efforts and add to the effectiveness of onsite activities by:

1 Assuring a clear understanding by each inspector of objectives, approaches, roles, expectations and agency background.

2 Giving inspectors a framework for effective individual and group effort, e.g.,

a guidelines which provide for conformity in certain matters - kinds of interviews, matters to be inspected in depth - to save the time of inspectors and facilitate team activities, and

b a schedule which allows sufficient time for making full use of all inspection techniques and establishing an effective team working relationship.

3 Providing team leaders with a tool for effective supervision. With a good work plan, less supervision is needed to achieve results; initiative of team members can be unleashed while still maintaining a coordinated and directed effort.

(b) The degree to which a work plan should be formalized depends upon the complexities of an inspection. For example, a work plan for an inspection of a small sized organization may be very informal; however, a plan for a large, complex organization involving numerous inspectors may require a detailed outline of proposed inspection activities for each day. Irrespective of the degree to which a work plan is formalized, an inspection team should give attention to such matters as:

1 The background of the agency to be inspected, i.e.,

a the history, purpose, and activities of the agency;

b laws, regulations, and court decisions which relate to the functions of the agency;

c the size and geographical and occupational distribution of the workforce;

d the formal organization, including delegations of authority and responsibility and names of key officials;

e recent surveys, operations reports, and congressional hearings; and

f policies and procedures which relate to the utilization of manpower resources.

2 An analysis of the agency to be inspected - characteristics of the agency climate which appear to have an impact on the utilization of manpower resources, etc., - based on a synthesis and review of all pre-onsite inspection activities and including questionnaire results if available. This analysis should give inspectors some insight into problem areas and serve as a basis for determining specific inspection objectives (where and what to inspect in depth) and onsite approaches.

3 The objectives of the inspection program, including both the general objectives of the CSC inspection program and specific objectives of the pending inspection. Specific objectives are usually based on problems which are identified during the planning phase as needing special depth study. Teams should not hesitate to change inspection emphasis if certain problems are found after some study to be superficial or unreal or new problems are identified.

4 The approach to be used, e.g., types of interviews, kinds of interview questions, etc. Teams should tailor their approach in accord with the general and specific objectives of an inspection. Since objectives may change, variations in order and use of approaches should be introduced as required.

5 The role of each inspector in each phase of the inspection. Assignments made to team members early in the inspection will contribute to their involvement in the inspection, and thereby contribute to depth coverage and comprehensive and realistic reporting.

6 A structured or semi-structured format for reporting results of interviews and other inspection factfinding and survey techniques. Some conformity in the manner of reporting should be agreed upon to facilitate synthesis, analysis, and study of all findings at the completion of the inspection.

7 A work schedule which provides sufficient time for effectively carrying out inspection plans, e.g., sufficient time to enable inspectors to

a make full and effective use of all inspection techniques and procedures,

b develop an effective team working relationship, and

c attempt creative approaches to problem solving and report writing.

S1-3. MEANS OF INSPECTION

a. Nationwide Evaluations

(1) Nationwide evaluations are our most significant approach to accomplishment of the objectives of the inspection activity. These evaluations are agencywide surveys designed primarily to provide top ranking Commission and agency officials with periodic appraisals of their effectiveness in planning for, getting, developing,and using manpower resources efficiently and economically in accomplishing their missions; and complying with legal, regulatory, and public policy requirements.

(2) All departments and agencies of the Federal Government which have a significant number of field establishments are subject to nationwide evaluations. Under present policy, approximately 18-20 departments and agencies employing 97% of the total civilian workforce are covered under nationwide evaluation plans. Generally, each of these departments and agencies is inspected once every three years.

(3) The nationwide evaluation approach features:

(a) Use of the total inspection resources of the Commission on a coordinated basis;

(b) Inspection of a total agency including headquarters offices and a representative sample of field establishments, with emphasis on

1 reviewing agency policies as they are actually applied in constituent organizations,

2 obtaining information of sufficient validity to point up the need for reemphasis or redirection of certain personnel management responsibilities, and

3 differentiating between significant trends and isolated findings in large departments and agencies of the Federal Government;

(c) Analysis and coordination of findings from all inspections conducted within the agency during the specified period of time; and

(d) Presentation of a summary of inspection findings at each appropriate level of the agency reviewed, with an overall summary evaluation to the head of the agency.

(4) Plans for nationwide evaluations are developed jointly by representatives of the central office and the agency to be surveyed; reviewed by regional office officials; and issued to appropriate agency and Commission officials in the form of a nationwide evaluation plan.

(5) The coverage in nationwide plans is tailored to reflect the individual climate, organizational pattern, mission, and other factors peculiar to an agency, and to meet agency needs and CSC responsibilities. The specific

emphasis or orientation of nationwide evaluations at various administrative and management levels is discussed in S1-4 which follows.

(6) Coverage in nationwide evaluations is accomplished normally through general inspections, supplemented by other means of inspection as appropriate, depending on the objectives of a particular nationwide plan.

b. General Inspections

(1) General inspections include a full-scale evaluation of an agency's or establishment's personnel management program and operations, carried out with a view to determining the effectiveness with which management acquires, develops, and maintains a body of employees whose capabilities and utilization are directed toward able, efficient, and economical accomplishment of the agency's mission.

(2) These inspections can also be conducted in an agency or establishment outside of nationwide evaluations upon determination that a need exists for a comprehensive review of personnel management.

c. Special Inquiries

Special inquiries, which may include evaluation of the personnel operations in a single program area, a phase of a program or some of the elements of one or more related programs, are designed to:

(1) Cover certain high interest program areas such as the status of women in government employment, equal opportunity for all citizens, employment of the physically handicapped, etc., on a coordinated basis in offices and establishments throughout the country.

(2) Supplement the nationwide evaluation program by providing information on a governmentwide basis concerning items of special interest.

(3) Facilitate followup evaluations to assess progress in selected areas.

(4) Meet special needs, e.g., investigating and reporting upon specific matters brought to the Commission's attention by members of Congress, the White House, agencies, employees, etc.

d. Post Office Inspections

(1) Post Office inspections include review and evaluation of:

(a) Compliance with laws and regulations administered by the Civil Service Commission;

(b) Personnel programs described in the Postal Manual; and

(c) Special programs of interest to the Post Office Department, the Commission, the President, or Congress.

(2) Inspection and reporting instructions applicable to post offices are in subchapter 8.

S1-4. LEVELS OF REVIEW

Civil Service Commission evaluations occur at various management and administrative levels and carry out different purposes at each level.

a. Installation Level

At the individual installation, both in the field and in Washington, inspectors are concerned with:

(1) helping the responsible manager to solve his personnel problems through actions he can take locally;

(2) discovering and reporting to higher levels in the organization problems that are beyond the ability of the individual installation to solve; and

(3) providing a service to higher echelons by reporting to them the results of an outside, objective review of how delegated personnel authority is being exercised.

b. Bureau Level

At the bureau level, inspectors evaluate the effectiveness of personnel management in the bureau as a whole. This evaluation is designed to:

(1) help the bureau director to improve his personnel management; and

(2) provide a service to the head of the department or agency by giving him our summation of the way in which the authority he has delegated to the bureau is being exercised.

c. Department or Agency Level

In the case of a department or agency as a whole, inspectors assess the overall state of personnel management, with specific emphasis on management's effectiveness in:

(1) delegating authority and assigning responsibility;

(2) setting down guidelines for the exercise of this authority;

(3) giving day-to-day leadership, guidance, and assistance on how best to meet the problems that continually arise;

(4) getting prompt and accurate feedback on how delegated authority is being carried out; and

(5) taking prompt action when problems are identified.

While performing a service to management at each level of review, inspectors simultaneously determine how the Civil Service laws, rules and regulations are being applied; and they develop information for the President and other high officials in the Administration.

Subchapter 4. CONDUCTING THE INSPECTION

S4-1. GENERAL GUIDES

a. Subchapter 4 - Conducting the Inspection - discusses objectives, areas of coverage, and instructions and guidelines for review and evaluation of parts I through IV of inspection reports. These parts are:

(1) Planning, Work Organization and Position Management

(2) Obtaining Needed Manpower

(3) Utilizing the Workforce

(4) Processing Personnel Actions and Maintaining Records

b. Instructions and guides for preparation of the Introduction and Summary parts of inspection reports are discussed in Subchapter 6, Preparation and Distribution of Inspection Reports and Related Correspondence, of this supplement.

c. While largely predetermined, coverage in inspections is not unalterable. Flexibility in conducting inspections is provided in many ways. To illustrate:

(1) Where part of a nationwide plan, general inspections are tailored to meet individual agency needs as well as CSC responsibilities.

(2) Officials (team leaders or others as appropriate) responsible for conducting general inspections determine the depth and intensity of coverage on the basis of (a) general knowledge of the agency to be inspected and/or (b) knowledge of specific problems, e.g., problems identified during the pre-onsite planning or onsite phases of the inspection.

(3) The scope of a general inspection is determined by the extent to which an establishment has delegated authority and responsibility for personnel management. Inspectors concern themselves primarily with what is actually taking place at the establishment they are inspecting. Where an establishment operates with a great deal of autonomy in personnel management matters, the inspection would include a review and evaluation of local management's leadership and planning activities and the impact of such activities. Where an establishment has less than full authority and responsibility for personnel management, inspectors would concentrate on what impact the planning and action or lack thereof at other echelons has on the establishment being inspected.

(4) Areas of special interest to the Administration or central office are periodically added to or deleted from coverage in general inspections by BI in accord with determined need.

d. The inspection report format is structured, yet flexible.

(1) An individual report may be very brief or voluminous, depending on the nature of findings at the establishment inspected.

(2) There is no need to refer in reports to items which do not exist at or are not relevant to the establishment being inspected.

(See S6-1, Preparation of Written Reports, for further detailed information on flexibility in conducting and reporting inspections.)

S4-2. PLANNING, WORK ORGANIZATION AND POSITION MANAGEMENT

a. Objectives

(1) Our review in this area has the following objectives:

(a) To evaluate management action in establishing an effective framework for planning, work organization, and position management

(b) To evaluate the way in which agency management identifies present and future manpower requirements in terms of the proper numbers of people with the skills required to carry out the mission of the establishment

(c) To evaluate management's effectiveness in developing workable plans to meet manpower requirements

(d) To evaluate management action in carrying out responsibility for effective work planning and organization

(e) To evaluate management's effectiveness in assuring sound position classification on a continuing basis

(f) To evaluate the means by which management assures the most effective and economical use of manpower.

(2) Of primary importance is the way in which top management carries out its personnel management role at the installation or management level being reviewed; and whether or not operating managers really seek to have the most efficient organization of work at the least cost to the Government.

b. Areas of Coverage

Each of the following will generally be covered in written inspection reports under Planning, Work Organization and Position Management unless not applicable or relevant at the installation inspected. Instructions and guidelines which follow are keyed to these areas. (See S4-1, General Guides, and S6-1, Preparation of Written Reports, for information on flexibility in conducting and reporting inspections.)

(1) Summary

(2) Framework for Planning, Work Organization and Position Management

(3) Manpower Planning

(4) Work Organization and Position Management

(5) Classification of Positions

(6) Increasing Efficiency and Economy in Use of Manpower

c. Instructions and Guidelines

(1) Summary

Appraisal of the overall manner and effectiveness with which management carries out its responsibilities for planning, work organization, and position management.

(2) Framework for Planning, Work Organization and Position Management

(a) Background

Effectiveness in planning, work organization and position management depends, to a large extent, on the framework within and through which these responsibilities are exercised. This framework should meet the following basic requirements.

- o Provide a definite organizational arrangement for planning, work organization and position management, including assignment of overall responsibility to a high level official, and delegations of authority and responsibility to managers and supporting staffs at appropriate levels in the organization. (No specific organizational arrangement can be prescribed since these responsibilities are a concern of the total management process and the appropriate arrangement would depend on the nature, size and problems of the establishment inspected.)

- o Provide a comprehensive system, including policies and procedures for:

  - -- Analyzing and appraising work to be done to assure that it is essential and will contribute to the accomplishment of agency objectives, and that appropriate targets and priorities are set.

  - -- Organizing work and managing positions including position authorization, vacancy control, and approval of organizational change procedures.

  - -- Estimating, as far in the future and as specifically as possible, the numbers and kinds of people who will be needed.

  - -- Controlling manpower and increasing productivity on a continuous basis.

- o Provide for cohesion. Unless there is a cohesive policy and effort directed toward the objective of effective and efficient planning, work organization and position management, managers and the various supporting staffs tend to go their separate ways in accord with their own particular segmented viewpoints and interests.

(b) Coverage

The inspector should focus specifically on:

- o The way in which management establishes policy for and organizes manpower planning and control at the level of the establishment being inspected, including the extent of authority and responsibility delegated to the establishment.

o Management action to interrelate personnel management, mission planning, budget, manpower and position control, etc., rather than attempting to treat as separate staff entities.

(c) Factfinding Techniques and Sources of Information

1 Review and study of organization charts, functional statements, delegations, policies and procedures, including instructions from higher authorities, position descriptions for key personnel, operations reports, particularly personnel management and manpower reports which have been prepared for higher headquarters, and appropriation hearings.

2 Discussions with managers, supervisors, and supporting staffs.

(d) Specialized Reporting Instructions

1 The inspector should report (1) whether or not management has established a framework which meets the basic requirements discussed above under Background and (2) the extent to which there is actually a cohesive effort in planning, work organization and position management.

2 The framework should be described only as appropriate to support findings and conclusions.

(3) Manpower Planning

(a) Background

1 The method for determining manpower requirements is a key factor in the efficient utilization of manpower resources.

o An organization must have some rational basis for estimating manpower requirements based on projected workload.

o Managers must consider manpower requirements in planning to meet work objectives.

2 In view of the above, each organization should have a method for forecasting on a continuous basis its long- and short-range manpower needs, and managers should make every reasonable effort to identify both present and probable future manpower requirements.

3 Various means for establishing manpower requirements include:

o Work standards developed through work measurement, experience, or judgment. Such standards usually are of these kinds:

-- Statistical standards -- based on the data of past performance.

-- Engineered standards -- determined for specific situations by time and motion study, or by constructing from standard times for job elements or basic motions.

-- Estimated standards -- organization and staffing ratios based on experience, statistical data, and engineering estimates.

o Work measurement -- the measurement of work performed which may include work elements as well as end products. It may involve effort exerted, work units produced, or time used; hence, it is a measure of activity and time and not necessarily of actual production or program achievement.

o Productivity measurement -- the measurement of end products of given quality relative to the resources applied.

o Special manpower studies of specific functional activities or organizations to gain some understanding of the manpower required and where improvements can be made. The results of such studies may be reflected in tables of organization or staffing ratios.

4 While it may not be possible to use work standards or measurement as a means to determine manpower requirements for the total work of an organization, managers should seek out whatever yardsticks are available and establish a measurable relationship between workload and staffing. Accepting the work experience of a previous year as a basis for current or projected manpower requirements is not sufficient unless the staffing of the previous year has a rational basis.

5 Steps to determining manpower requirements include:

o Analysis and appraisal of the work to be performed. The first step in a conscious attempt to determine manpower requirements is analysis and appraisal of the job to be done. Efforts in this direction may include:

-- Internal mission and organization studies conducted by the activity staff.

-- Continuing or special appraisals of programs through analysis of reports, regular agency reviews or inspections, or special, one-time agency reviews or inspections.

o Inventory of the activity, taking into consideration the results of work and productivity measurement, employment trends, budget goals, etc.

o Establishment of relationship between job to be done and inventory findings.

o Forecast of manpower requirements.

6 To assure efficient and effective use of manpower resources, managers must design realistic policies, plans, and action programs to meet current and future manpower requirements.

7 Characteristics of such policies, plans, and programs include the following:

o They must be based on present and projected manpower requirements and manpower availability. The manager must take into consideration such factors as (1) kinds of skills, abilities, attitudes, and numbers of personnel needed to do the job and (2) kinds of skills available in the organization and in the labor market.

o They must contribute to mission accomplishment. Personnel policies, plans and programs must be designed as a means to an end -- mission accomplishment -- rather than as ends in themselves.

(4) Work Organization and Position Management

(a) Background

1 Work organization and position management is defined as the organizing of work among positions in a manner which recognizes the impact of organizational planning, distribution of functions, lines of authority and supervisory responsibility on the classification of positions, and assures the most effective personnel management possible in terms of:

- o Minimum number of positions
- o Minimum total cost for all positions
- o Maximum utilization of skills
- o Minimum number of managerial and supervisory positions
- o Provision of developmental and promotional opportunities
- o Sharp, nonconflicting delineation of duties and responsibilities, avoidance of overlap, duplication of effort,etc.

2 Work organization and position management is closely related to the classification of positions. The management actions involved in work organization and position management -- deciding what duties are to be performed, how a position will relate to other jobs in an organizational hierarchy, etc. -- are part of the process which results in the classification and price tagging of positions.

3 The importance of this review is highlighted by:

- o The President's requirement for increased frugality and efficiency.
- o Recent findings that many Federal establishments are not sufficiently concerned with tight, cost-conscious organization of work, resulting in
  - -- some measure of unwarranted grade escalation
  - -- fragmentation of high-level duties among jobs combined with lower-grade duties
  - -- too many supervisors in relation to those supervised
  - -- too many levels of supervision
  - -- too much duplication of effort

-- too many special assistants

-- deputies where deputies are unnecessary -- two or more deputies where one would do.

4 Basic elements and tools of an effective approach to work organization and position management are outlined below to provide guideposts for this review.

ASSIGNMENT OF RESPONSIBILITY. Responsibility for work organization and position management should be assigned explicitly to managers and supporting staffs at all levels of organization.

DETERMINATION OF OBJECTIVES. The first step in any attempt to organize work is complete and clear specification of objectives. Ways of determining objectives include mission and organization studies, regular or special agency reviews or inspections, and continuing or special appraisals of programs through analysis of reports.

DEVELOPMENT OF PLANS. After determining objectives, managers assess available means and resources, translate objectives into specific work processes needed to produce results, and organize work in such a way that individual jobs are identified.

It is in this action to assess ways and means, and subsequent actions to translate objectives into specific work processes and organize work so that individual jobs are identified that managers actually make the decisions which affect classification and result in classification of jobs; where managers make or fail to make the decisions which result in tight cost-conscious organization of work and related effective use of manpower resources.

While planning is the basis for classification, classification in turn provides an indispensable tool for use in planning to establish or change position structures. Information developed by classification can aid, e.g., in identifying overlapping duties, unnecessary levels of supervision, excessively broad spans of control, and insufficient or unclear delegations of authority.

ANALYSIS AND APPRAISAL. Position management is a continuous process of analysis and appraisal to assure that work is organized and assigned among positions in a manner which will serve mission needs most efficiently and economically. Tools which are available for use by managers in carrying out this responsibility include position authorization and control procedures, vacancy controls, procedures for review of organizational changes, inspections, surveys, or

audits and periodic reports. Normally an establishment's position management system should provide for position authorization and vacancy control procedures, approval of organizational changes, periodic reports and special reviews. Classification surveys are particularly helpful to the manager in analyzing and appraising work on a continuous basis.

In organizations where objectives are clearly identified, the key elements in the work organization and position management process consist of continuous analysis and appraisal and development of plans to improve operations.

COORDINATION. Wherever labor is divided, it must be coordinated and integrated to be fully effective. So it is with work organization and position management. Maximum effectiveness in carrying out these responsibilities requires a cohesive effort by managers and supporting staffs.

Both managers and supporting staffs have an integral part of the total responsibility for work organization and position management -- the managers for decision-making and action, and the supporting staffs for leadership, direction, advice and assistance in selected aspects of the work organization process. Joined together, through their varying expertise and perspective, these officials should be able to diagnose all factors which affect work organization and to recommend organizations which are most suitable for accomplishment of mission.

Cohesiveness in organizing work and managing positions must take several forms. There must be a close and effective working relationship not only between managers and the various supporting staffs -- personnel, comptroller, organization and management, etc. -- but also among supporting staffs. For example, classification can assist in staffing an organization by facilitating recruitment, career development, and career progression. Position classification standards can serve as guides in recruiting, testing, and selecting employees; can assist managers to group duties into jobs so as to facilitate recruiting, promoting, and reassigning personnel; and can permit the manager to organize work in such a way as to provide career ladders and cross occupational training.

One approach to a coordinated effort in establishing new position structures or modifying existing position structures is for the manager to obtain and consider alternative structures proposed, as a minimum, by the organization concerned, by other managers, by staff elements, and by appropriate higher echelons of organization.

(b) Coverage

1 The inspector should focus on the following in reviewing work organization and position management.

Management understanding and acceptance of work organization and position management responsibilities.

Effectiveness in carrying out these responsibilities requires both "know-how" and willingness to perform in accordance with policies, systems and procedures.

Management action -- the specific approach used by managers in establishing or altering position structure.

Implementation is a higher form of "know-how," requiring not only understanding, but also responsible and effective action. In most institutional settings, the action required consists of continuing efforts to analyze and appraise mission and operations, to assess means and resources, to translate objectives into specific work processes needed to produce results, and to organize work.

Our prime concern is whether or not managers really seek to have the most efficient and effective organization of work with the least cost to Government and use available services, tools and techniques to accomplish this goal.

Effectiveness of work organization and position management systems and procedures.

We are interested principally in the effectiveness of systems and techniques used by management in carrying out these responsibilities, e.g., whether or not classification and other approaches to analysis and appraisal:

- o Contribute to Federal objectives of continuing increase in employee productivity.
- o Avoid position actions which increase the relative proportion of managerial and supervisory employees to total employment.
- o Avoid continuing those positions which become vacant if their duties can be redistributed without inhibiting the accomplishment of essential functions.

Nature and characteristics of selected position structures.

Our objective is to assess management's effectiveness in establishing and maintaining a position structure which provides optimum balance between economy, efficiency, skills utilization,

employee motivation, and other relevant management considerations; e.g., a position structure which provides for:

- o A sound and economical ratio of managerial and supervisory positions to nonsupervisory positions.
- o Adequate numbers of senior level, journeyman, junior technician, trainee, and supportive personnel.
- o A clear delineation of work assignments and job-to-job relationships which avoids overlaps, conflicts, and ambiguities.
- o Sufficient job interest to attract, retain and motivate employees of the needed level of competence.

Manifestations of poor organization might include:

- o Evidence of (1) fragmentation of higher level duties, (2) proliferation of organizational units, (3) unnecessary numbers of deputies or assistants, or (4) duplication of effort.
- o Indications that (1) an office is not organized and operating as prescribed or (2) organization and assignment of duties have contributed to an unwarranted escalation in grades or have served to depress grades.

The extent of cohesiveness between and among managers and supporting staffs, for example, how the manager uses staff assistance and how supporting staffs integrate in carrying out this responsibility.

2 Findings resulting from this review should provide reasonable evidence of the effectiveness of management in organizing work and managing positions.

3 There is a very close relationship between coverage under this item and coverage of Classification of Positions which follows. Under Work Organization and Position Management the inspection focus is on actions of management which precede the classification and price tagging of positions while coverage of Classification of Positions focuses on results of the work organization and position management process as well as the administration of the classification function.

(c) Factfinding Techniques and Sources of Information

1 Review policies, procedures, training programs, etc., to identify formal efforts made to inform managers and other employees of their work organization and position management responsibilities.

2 Identify, through total evaluation of personnel management, the various factors, both internal and external, which have an impact on work organization and position management.

3 Review and analyze results of work organization and position management policies, systems and procedures. Whenever possible, follow through a system or procedure from beginning to end.

4 Interview managers, supervisors, nonsupervisory employees and supporting staffs as appropriate to determine:

- o Actual extent of understanding of policies, procedures, responsibilities, etc.
- o Manner of implementation of responsibilities.

5 Conduct a sampling of positions as discussed in the following section on Classification of Positions to:

- o Determine consistency between actual operations and functions and those described in organization and function charts and other issuances reflecting management decisions about work organization.
- o Identify misclassifications.

6 Analyze thoroughly evidence of poor organization and significant grade level changes and management justification of such changes.

(d) Illustrative Interview Questions

- o Have changes occurred in your staffing and grade structure during the past two years? If so, describe.
- o How do you go about establishing or altering position structures?
- o By what method and how often do you review your organizational structure to assure that its design fosters accomplishment of mission and the effective use of manpower?
- o To what extent do you use staff resources, e.g., personnel, budget, manpower, management science personnel, in organizing work and managing positions?
- o What changes in organization or assignment of duties might contribute to greater efficiency and more effective use of manpower?

o In what ways do you assist managers to organize work and manage positions?

o How are position management controls influencing program effectiveness or accomplishment of mission.

(Note: Responses to questions asked in classification audits and in reviewing other aspects of personnel management will clarify further the way in which managers organize work and manage positions.)

(e) Onsite Inspection Action and Specialized Reporting Instructions

Emphasis in reporting should be on concrete results rather than on description of techniques, procedures or systems and general statements of intent.

(5) Classification of Positions - General

(a) Background

1 The Classification Act requires departments and agencies to place positions covered by the act in their proper class in conformance with, or consistent with, standards published by the Commission.

2 While the classification of a position is the final step in the total management process of work organization, the process or system of classification, if carried out effectively, provides numerous opportunities (see below under coverage) for accomplishing a variety of management needs.

(b) Coverage

The inspector should focus on the following in his general review of position classification.

Accuracy of classifications - whether or not managers are applying approved Commission standards and agency guides reasonably.

Management action to make full use of flexibilities in the classification process. For example, use of classification in developing information which can aid in planning to establish or alter position structures, in recognizing man-job relationships, and establishing two-track systems for career advancement.

Promptness in classifying and reclassifying positions, including application of classification standards on a timely basis.

At the present time, agencies are required to apply new standards within a "reasonable" period of time. Practical considerations for the inspector in determining what is reasonable might include degree of impact of the classification standards on positions in the organization; number of positions in the organization which are affected; whether the agency has, in actuality, applied the standards, but has delayed effecting administrative action of a title or grade change, etc., because resources have been applied to higher priority matters.

Application of guidelines for determining coverage under the Classification Act.

The Commission has delegated to departments and agencies the authority to determine whether a position is subject to or is excluded from the Classification Act under the provisions of section 202(7) and 202(8) of the act.

This authority may be exercised only in accordance with guidelines and standards issued by the Civil Service Commission. The

Commission may revoke the delegation when it finds that the authority is not being properly used.

Guidelines for the determination of trades, crafts, or manual-labor positions, developed to help agencies determine whether individual positions not clearly categorized by direct application of the law are subject to or excluded from the act, have been distributed to departments and independent establishments (FPM Letter 511-3, dated 7-16-63).

We want to assure that agency officials have a proper understanding of the guidelines and that they are taking appropriate action to use the guides in the manner that was initially intended.

Position Documentation

The inspector should determine whether or not position classification is conducted efficiently -- without excessive paperwork -- and position descriptions are an effective communication media, i.e., are written in terms understandable to persons having a general familiarity with the activities, methods, practices, techniques, and terminology of the occupation concerned.

Management action to assure sound position classification on a continuing basis through periodic reviews of descriptions and classifications.

Proper control of details.

Salary retention operations.

We are particularly concerned that a system has been provided for assuring that employees who are downgraded through no fault of their own are given proper consideration for salary retention; and a positive effort is made by the agency to use the two-year period of salary retention to bring about assignment of such employees to positions in grades commensurate with the retained rate.

Followup action on previous inspection and appeals.

Whenever the Commission has ordered a corrective action on a position classification, either as a result of an inspection or a classification appeal, the inspector will, on the next inspection of the agency ascertain:

- Whether the reported compliance action was in fact effected.

- In those cases where the agency has other positions with identical duties or responsibilities, whether (1) the

agency has made the review necessary to determine that such positions are in fact identical to subject position; and (2) appropriate corrective action has been taken on all identical positions.

(c) Factfinding Techniques and Sources of Information

1 Interview managers, supervisors, nonsupervisory employees, and personnel staffs as appropriate to determine:

- o Ways in which classification techniques and procedures are used.
- o Degree of promptness in classifying and reclassifying positions.
- o Action taken to assure sound position classification on a continuing basis, to control details, and to take corrective action ordered in previous inspections.

2 Examine the plan and schedule established for the periodic review of positions.

3 Review a sampling of position descriptions.

4 Conduct a sufficient number of position reviews to help evaluate how well the agency organizes and classifies its positions. Unless specified by a nationwide plan, the regional offices have full freedom for choosing the positions which will result in a meaningful sample. Sampling will be determined by the primary classification interests of the inspection. For example:

- o When a comprehensive test is intended of the effectiveness with which work is organized, positions will be primarily selected from those which represent the principal mission-related occupational areas.
- o When the agency's administrative activities are of prime inspection concern, staff support type positions such as budget and personnel may make up the major part of the sample.
- o When the relationship between organizational levels in regard to delegations of authority and the exercise of that authority is of prime interest, the sample review would concentrate on supervisory positions and other key positions.
- o When the need for deputies and major assistants is questioned, the sample would center around the key positions and assistant-type positions.

5 Observe agency application of guidelines for determining coverage under the Classification Act.

6 Review agency program and practices in the area of salary retention. Reviews in this area are most effectively and economically made in conjunction with reviews ordinarily made in other personnel management areas. Specifically:

- o Staffing. In reviewing a demotion action taken by the agency, is there any evidence that the agency has made a determination as to the employee's eligibility for salary retention? In filling its vacant positions, what consideration does the agency give employees receiving salary savings for promotion or assignment to grades commensurate with their saved rate of pay?

- o Personnel records and reporting. Do the official records of the agency indicate the date of expiration of retained rates?

(Agency resources should be utilized fully in factfinding, in gathering materials and studies, and in justifying classification decisions through discussion or written evaluation statements.)

the agency or establishment is responsible for: (1) determining whether such other positions are, in fact, identical in duties and responsibilities to the subject position; and (2) applying equally the action directed on the position reviewed to all other positions."

o Each individual classification case on which a recommendation is made for a change in classification or documentation; or for which a Commission directed action is indicated should be listed, identifying:

-- Position number and organizational location

-- Name of incumbent (if vacant position, so state)

-- Current agency classification

-- Required action

o Cases the inspector finds on review to be adequately documented and classified consistently with CSC position classification standards will not be listed in the inspection report. Such findings, however, will be reported to the Director, Bureau of Inspections, as an attachment to the memorandum transmitting the report in the following two situations:

-- Cases were specifically designated for review as part of the nationwide plan for coverage in the agency; or

-- Cases were selected to meet a special occupational coverage requirement.

Accuracy of classifications.

The correction of an agency's improper classification action is a legal responsibility of the Commission. Therefore, whenever possible, the inspector must make a firm classification determination on positions which he reviews and finds inaccurate. (As noted previously, there should normally be a close relationship and consistency between work organization and position management and position classification findings.)

Any inspection finding that results in the conclusion that the agency decision is not correct and is due principally to improper application of classification standards rather than position management considerations will be reported as a "required action." The term "suggested action" will not be used in reporting a finding which implies that an agency classification decision is incorrect.

Actions seeking changes in the position description or any of the associated readily available records which the agency employs as an integral part of its position documentation also will be listed in the report as "required actions."

When the inspection develops sufficient information to question an agency determination but the local situation prevents the inspector's making a firm classification determination, "review and report" may be ordered as a "required action." Such cases should be kept to a minimum.

Determining coverage under the Classification Act.

Agency application of the guidelines, problems of interpretation, and observations of personnel officials, the impact of the delegation of authority, etc., should appear in the inspection report.

Where the agency's application and interpretation of the guides appear reasonable and no problems exist, a brief statement to that effect will suffice.

It will not be necessary to report individual cases in the report except to illustrate a problem. If the inspector or the regional office finds a case where the action taken by the agency appears reasonable and consistent with the guides, no action is necessary. Unless otherwise notified, however, regional offices should continue the present practice of submitting cases to the Bureau of Inspections for review before rendering a decision which changes the pay method category in which the agency has placed a position.

Position documentation.

When the inspection report cites the system of position documentation used by the agency as being partially responsible for the inadequacy of position descriptions the report should:

- o Suggest ways and means of improving the current system in use by the agency.

- o Suggest other methods of documentation only when it does not appear possible to correct the discrepancy by improving the agency's present method.

Salary retention operations.

Reporting on this item should be integrated within the appropriate program area in the report. As necessary, the memorandum transmitting the inspection report may be used to comment on noteworthy activities, or the lack thereof, by an agency in behalf of saved rate employees.

(6) Increasing Efficiency and Economy in Use of Manpower

(a) Background

1 Each agency or establishment should have a control system for regulating the flow of manpower into programs and activities, and for assuring its productive and efficient use. Several types of controls are available, such as:

o Allocations of personnel service funds and positions. These include ceilings, targets, or fund limitations by organizational or program element.

o Hiring and assignment controls. Generally, these take the form of limitations on new hires, reassignments or transfers, and periodic reviews of positions to determine their continued essentiality.

o Review of staffing, workload, and cost reports and application of more stringent controls on positions or hiring when conditions warrant.

o Management appraisal studies. Periodic appraisal studies may provide information on the use of manpower. Special organizational or functional studies of manpower utilization may also be used to determine the extent to which specific activities are efficiently staffed and whether available time is productively used.

o Budget process. The budget formulation, review, and execution process is an important tool in the exercise of manpower controls at all management levels, e.g., in reviewing budget estimates at all levels of an organization, analyses are made of the number of persons required for both present and proposed activities.

o Position management controls as discussed under instructions for Work Organization and Position Management.

2 An agency or establishment should also make specific efforts to increase productivity through such means as:

o Improvement in organization, e.g., elimination of duplicate activities, reduction of unnecessary overhead, and streamlining of authority and responsibility.

o Work design so as to perform the work more efficiently and conserve manpower including the following possible approaches:

-- Job enlargement to increase employee flexibility, productivity, and satisfaction.

-- Job purification so that higher professional and technical personnel devote most of their time to the higher-skilled work for which they are trained.

-- Job simplification so as to use better the kinds of skills that are available in the organization, or in the labor market, and to minimize training time.

-- Elimination of routine, repetitive, and dull work through mechanization.

-- Increasing human effectiveness through better design of equipment and work place.

o Improved methods, for example:

-- Improved work flow.

-- Simpler procedures.

-- More efficient total systems.

-- Improved programming through mathematical and other means.

-- More productive physical environment.

-- More efficient design of equipment.

o Upgrading or development of skills that are already potentially available in the organization which may include:

-- Development of skills not now available in the organization, and not readily available in the labor market.

-- Correcting for obsolescence resulting from technological change or deterioration of skills.

-- Preparation for more skilled and more responsible work.

(b) Coverage

The inspector should focus specifically on the following

o Management action to control the flow of manpower into mission-oriented programs and activities of the agency.

o Management action to assure maximum utilization of available manpower resources and skills in meeting current or projected needs (including elimination of nonessential

activities and positions by planned management action, increasing productivity, better utilization of available skills, etc.).

o Significant problems and accomplishments in increasing efficiency and economy.

(c) Factfinding Techniques and Sources of Information

1 Review of:

o Framework for manpower planning and control.

o Staffing, workload and cost reports, and management appraisal studies.

o Budget formulation, review, and execution process.

2 Discussions with managers, supervisors, nonsupervisory employees, and supporting staffs.

(To a large extent, information derived from coverage in other areas of personnel management responsibility should serve as the basis for an evaluation of management's effectiveness in increasing efficiency and economy in use of manpower.)

(d) Illustrative Interview Questions

o What specific efforts are you making to increase productivity?

o How do you feel about working conditions? Do you have suggestions for improvement?

o What provision is made for adjusting allocations of spaces or manpower requirements to meet changing conditions? Have adjustments been made as necessary?

o How does management assure itself that the activity is utilizing its manpower resources effectively?

o How does management assure itself that the skills of the present workforce are being utilized at their highest level of development?

o What has been the impact of various activity-conducted reviews on management's use of material and human resources?

o To what extent have efforts been made to analyze and control (1) employee turnover, (2) use of overtime in relation to manpower, (3) absence without leave and sick leave, and (4) lost time from accidents?

o Has the activity developed a self-evaluation technique to ascertain whether its manpower control and utilization activities are achieving results?

(e) Specialized Reporting Instructions.

1 In reporting, the inspector should focus on impact -- concrete results, significant problems, weaknesses, or achievements.

2 The inspector should not describe controls imposed from above except when these are not achieving results, are creating management problems, or are encouraging forms of evasion such as improper use of contract personnel, improper temporary appointments, etc.

S4-3. OBTAINING NEEDED MANPOWER

a. Objectives

(1) This section is concerned primarily with the means by which the organization attracts to itself the kind and quality of people it needs to do its job.

(2) Our review under Obtaining Needed Manpower has the following objectives:

(a) To evaluate management's effectiveness in identifying and cultivating appropriate sources of quality manpower.

(b) To determine the extent to which managers use career patterns as an effective tool in obtaining and retaining manpower resources.

(c) To evaluate management's efforts to recruit quality personnel.

(d) To evaluate management's efforts to comply with public policy requirements - equal employment opportunity for minority groups, Federal women's program, employment of the handicapped, etc., - in obtaining needed manpower.

(e) To evaluate management's success in using the flexibilities of the Civil Service system to meet manpower needs and in adjusting as necessary to increase effectiveness.

(f) To coordinate and refine as necessary the respective roles of management and personnel office staff in the total recruitment planning and action process.

(3) There is a close relationship between this section and the previous section on management's responsibility for planning, work organization, and position management. This relationship should be reflected in the inspection report either directly in narrative discussion or indirectly by cross-reference.

b. Areas of Coverage

Each of the following will generally be covered in written inspection reports under Obtaining Needed Manpower unless not applicable or relevant at the installation inspected. Instructions and guidelines which follow are keyed to these areas. (See S4-1, General Guides, and S6-1, Preparation of Written Reports, for information on flexibility in conducting and reporting inspections.)

(1) Summary

(2) Identification and Development of Recruitment Sources

(3) Career Patterns

(4) Recruitment

(5) Interagency Board of U. S. Civil Service Examiners

(6) Equal Employment Opportunity

(7) Management Action to Maintain Program Effectiveness

c. Instructions and Guidelines

(1) Summary

Summary evaluation of all the activities necessary and appropriate to bring into the organization the number, kinds, and quality of people needed at the time they are needed, with proper regard for public policy and the requirements of law and regulation.

(2) Identification and Development of Recruitment Sources

(a) Coverage

The inspector should evaluate actions taken by management to:

1 Determine the type and level of skills to be recruited based on long and short range manpower plans, and taking into consideration budget, classification and public policy programs.

2 Determine recruiting needs in terms of when employees should be brought in from outside the organization, which positions should be filled from within, what kinds of career patterns should be established, etc.

3 Appraise labor market conditions and sources of supply for each of the occupational areas for which outside recruitment is or may become necessary.

4 Identify and cultivate appropriate recruitment sources such as the Civil Service Commission, other Government agencies, U. S. Employment Service, Labor unions, high schools, commercial and trade schools, colleges, minority group organizations, professional associations, etc.

5 Project a positive image of the Federal service as an employer and of the work of the agency or establishment as a career.

(b) Factfinding Techniques and Sources of Information

1 Review of written staffing policies and procedures.

2 Review of recent classification actions.

3 Review of recent reports of staffing activities and plans.

4 Review of manpower and management analysis studies.

5 Discussions with managers, supervisors, and personnel staffs.

6 Appropriate contacts outside the agency with Interagency Boards of Examiners, high school and college counseling and placement officers, minority group organizations, etc.

(c) Illustrative Interview Questions

1 How are projected manpower needs related to the development of recruiting sources?

2 What steps have been taken to insure a continuing supply of competent employees with potential for growth and development?

3 How does the activity assess the adequacy of the labor market to meet projected future manpower needs?

4 How does the activity encourage its manpower sources to develop needed candidates?

5 Will the local labor market meet the agency's manpower needs in the event of expansion or changing skill requirements of the workforce?

6 What is the activity doing to identify significant trends in specific occupations essential to mission accomplishment?

7 What efforts have been made to make the work of the agency favorably known to potential candidates?

(3) Career Patterns

(a) Background

1 Career patterns are the sequence of positions or occupational fields in which an employee serves as he progresses from an entry level to the most responsible level he is capable of assuming. Effectively used, career patterns aid in attracting and retaining quality employees by showing

a the significance of an immediate position as it relates to future duties,

b advancement and development possibilities,

c the self-development activities necessary for advancement, and

d the role of the individual position within the total organization.

2 In some agencies, career patterns may be formalized through narrative and graphic descriptions that show types of positions, grade levels, lines of promotion, and prescribed self-development activities for particular career fields. Such formalized career patterns may serve as the basis for a career program or system that is administered by a headquarters office. A career program is not only intended to provide opportunities for the advancement of employees. Its primary purpose is to facilitate quality staffing by identifying and developing competent employees for future utilization. In order to construct suitable patterns for each career field, an agency must determine future manpower needs, the numbers of jobs affected, the technical and administrative structure, grade and salary opportunities, and other pertinent data such as employee age profiles, or attrition analyses, for each career field involved.

(b) Coverage

When problems exist in recruiting and retaining quality personnel the inspector should determine the extent to which better career planning through the development of career patterns would help to overcome these problems. He should determine what, if anything, stands in the way of more effective career planning. Where there is a formal career program or system the inspector should determine whether its existence is of significant benefit to management as well as employees; he should look into whether it is being used effectively for the development of recruitment sources and the recruitment of quality personnel.

(c) Factfinding Techniques and Sources of Information

1 Review of staffing and career development objectives, policies, and procedures.

2 Interviews with management, personnel staff, union and operating officials, and employees.

3 Review of organizational charts, functional statements, and appropriate qualification and classification standards.

4 Review of merit promotion program referral certificates.

(d) Illustrative Interview Questions

1 What career fields are covered by agencywide programs? By local career patterns or programs?

2 What effect have these programs had on local staffing efforts and problems? Mission accomplishment?

3 To what extent are career programs (formal or informal) affected by:

a Mobility requirements?

b Position management program?

c Local labor market conditions?

d Training opportunities?

4 What has been the effectiveness of such program elements as employee evaluation and consultation, developmental assignments, and self-development activities?

5 What program changes have been proposed or initiated? Why?

6 How are employees selected for the career program?

7 What is your role in planning, developing, and carrying out the career program?

(4) Recruitment - General

(a) Background

A recruitment program is effective to the extent it produces the best qualified candidates available within a reasonable time. When program results are poor or marginally satisfactory, the following elements should be considered in identifying the source of the deficiency.

1 Planning - does the recruitment plan provide both long and short range projections and take into account

Quantity - by specifying numbers and types of occupations needed, using such bases as historical data, organizational trends anticipated by management, present and projected labor market.

Quality - through realistic interrelationship of job requirements with the type of applicants sought and those available.

Alternatives - in determining the mix and degree of internal, other agency, and competitive sources to use in obtaining the best qualified candidates.

Budget - by assessing the manhours available for use by personnel, operating, and staff officials in recruiting, as well as the costs of miscellaneous items such as publicity and testing materials, recruiters' travel expenses.

Responsibilities - by delegations of recruiting authority to selected management, personnel, and operating officials.

2 Staff for Recruiting - has a recruiting staff been developed with such considerations in mind as:

Numbers - by reasonably proportioning the size of the staff both to the number of hires to be made and to the difficulty anticipated in their recruitment.

Composition - to achieve the balance of personnel, technical, and clerical employees necessary for recruiting particular occupations.

Selection - of the staff based on ability to meet the public, personal capability, knowledge of the organization and its work, and a positive interest in recruitment.

3 Recruitment Methods - have appropriate recruitment techniques been pursued? The following typify some of the general practices to examine in determining whether the local program utilizes effective techniques.

Community Relations - activities to enhance long range recruitment goals - e.g., "open house" days, exhibitions, employment of college faculty, publications and speeches by operating officials, assistance to community service projects, news stories on the installation and its occupations.

Publicizing Specific Needs - through such devices as press releases, paid advertising, direct mail solicitations.

Referral Programs - administered by the Commission or agency for separated employees, State Employment or Vocational Rehabilitation Services, alumni and college placement offices, minority group organizations, professional societies, and the agency's own workforce.

Personal Contacts - by recruiting representatives in the field with prospective candidates as well as with placement officers and others in a position to refer quality candidates.

4 Employment Interviewing - are the methods and facilities used for receiving and interviewing applicants such as to give interviewees a favorable impression of the activity? Points to be reviewed include:

Selection and Training of Interviewers - what steps has the activity taken to assure that interviewers have ability to meet the public, receive effective initial and refresher training, and are given timely and helpful evaluations of their performance?

Interview Facilities - is the employment office conveniently located and pleasant in appearance, with provision for prompt and friendly reception and sufficient privacy during the interview?

Treatment of Interviewees - how promptly and by what means are applicants informed of the outcome of the interview? Are they referred to other agencies for possible employment when appropriate? What action has the activity taken to determine and consider applicants' reactions to the interview?

5 Other Factors - a number of other factors should be considered in evaluating the effectiveness of a recruiting program. They include:

Economy - the cost per hire, especially in comparison with the cost figures for previous years.

Reputation - of the agency as a good employer.

Compensation and Working Conditions - as they compare to the best available elsewhere in the community.

6 Self-Evaluation Techniques - should produce valid appraisals upon which necessary action can be taken. Use of these techniques should result in:

Identification of Problems, their cause and solution.

Needed Modification in long range plans based on recent experience.

Realignment and redistribution of recruitment resources to meet immediate needs.

(b) Coverage

The inspector should determine whether management aggressively recruits quality personnel when there is a need to do so. The most effective techniques, including timely offers of appointment and all the flexibilities and delegated authorities provided by the Commission, should be used. Inspectors should bear in mind that the indicator of a successful program is not the number of applications received or the contacts made, but rather the number of positions filled with well qualified employees.

(c) Factfinding Techniques and Sources of Information

1 Review of recruitment plans, policies and procedures, and operations records and reports.

2 Interviews with personnel, operating, and staff officials to determine quality and timeliness of recruitment.

3 Reconstruction of steps taken in a sample of recruitment actions to discern unnecessary delays.

4 Review of placement followup and exit interview records, as well as reasons given for resignations.

5 Review of agency's analyses of such items as turnover rates and applicant-to-hire ratios.

6 Evaluation of position management and classification programs to find if they are sufficiently sound to be used by management as a basis for deciding on the qualifications for which to recruit.

7 Comparison of measurable workload and manpower projections against recruitment plans to determine whether goals are realistic.

(d) Illustrative Interview Questions

1 What factors complicate recruiting - e.g., number of scarce category vacancies, insufficient quality candidates, location or working conditions, organization's size or reputation?

2 Has management analyzed reasons given by applicants for declinations?

3 How does management periodically evaluate its recruitment program?

4 What have been its findings?

5 What remedial action has management taken to correct deficiencies?

6 Are the recruitment techniques used suitable and effective? Are resources expended in the most economical manner?

(4.02) Recruitment - Good Risk Offender Program

(a) Background

1 In the President's message to Congress of March 9, 1966, on national strategy against crime, he pointed out that "the best correctional programs will fail if legitimate avenues of employment are forever closed to reformed offenders."

2 As a result the Commission reexamined policies and guidelines regarding the employment of persons with arrest and/or confinement records. See FPM Letter 731-2 for background.

3 There are no set criteria for what constitutes a "good risk" offender. Agencies are to consider the merits of each individual case in deciding if an applicant is acceptable. As a guideline, good risk offenders could include:

a Successful participation under the work release program.

b Rehabilitation demonstrated by good conduct while living in a community.

c Convictions set aside under Federal Youth Convictions Act.

(b) Coverage

1 The inspector should ascertain:

a The manner in which management has adapted employment programs and practices to conform to CSC guidelines.

b The extent of the activity's actual participation in the program.

(c) Factfinding Techniques and Sources of Information

1 Interviews with managers having selection authority.

a Are they aware of the new policies?

b How have they demonstrated interest and support?

2 Interviews with appointing officials and personnel staff to ascertain their understanding and support.

3 Contacts with IAB's servicing installation for information on agency objections, if any, to good risk-type applicants?

(d) Illustrative Interview Questions

1 Are agency officials aware of policy?

2 Have they received any additional instructions or information from Headquarters? What is nature of guidelines?

3 What changes have been made in procedures for the handling and consideration of applications?

a How are applicants informed of change in arrest questions?

b Is installation now using revised applications with new arrest questions?

4 Has installation experienced any increase in applications from persons with arrest or criminal records?

5 How has installation publicized program? Has installation publicized the program among the disadvantaged, minority groups, etc?

6 How many good risk offenders have been appointed? Would they have been hired previously?

7 What has been experience with the program? Have any problems been identified with the good risk offenders hired?

(e) Specialized Reporting Instructions

Findings on the overall evaluation should be included as a separate item in the report, using the program heading, and should reflect the actions recommended by the inspector to improve the program.

(4.03) Recruitment - Concentrated Employment Program

(a) Background

The Concentrated Employment Program is a massive attack on hard core unemployment in depressed areas throughout the country. The purpose of the program, for which the Department of Labor has overall responsibility, is to help the disadvantaged get more and better jobs with futures. See FPM Letter 300-6 for background and information on agency participation, and FPM Letter (Internal) 300-6 for information on Commission activities in support of the program. A listing of the cities taking part in the program is attached to each of those letters.

(b) Coverage

The inspector should find out whether the activity is participating in the program and, if so, the nature, extent, and results of its participation. Such points as the following should be covered:

1 What programs are involved - e.g., the Economic Opportunity Act, the Vocational Education Act, the Manpower Development and Training Act, etc.?

2 What is the nature and extent of the activity's participation-e.g., has the program been integrated into the manpower utilization program?

3 Is there coordination with other agencies? If so, whose resources are used and for what purpose?

4 What has been the impact of the program so far on the activity and on the community? What is the potential impact?

5 If the activity is not participating, why not?

(c) Factfinding Techniques and Sources of Information

1 Interviews with management officials to determine their understanding and support.

2 Interviews with personnel staff to ascertain how program has been tied in with overall staffing activities.

3 Contacts with Commission Coordinators (a listing of Coordinators is attached to FPM Letter 300-6) and representatives of local community action agencies for information on their experience with the installation.

4 Review of installation's activities under Operation MUST to determine the extent to which job redesign has been used to support the program.

(d) Onsite Inspection Action and Specialized Reporting Instructions

1 In both the conduct of the inspection and the preparation of the report the inspector should work in close cooperation with the Commission Coordinator.

2 The program is designed to reach the total community and all of the hard core unemployed. The inspector should be careful, therefore, during the inspection and in his report, not to give the impression that agency efforts should be directed to any one segment of the community.

3 The program is also an affirmative action program. Accordingly, the report should cite specific examples of what the installation is doing to implement it. If there has been no action, the report should include cogent and pointed recommendations for improvement.

(5) Interagency Board of U. S. Civil Service Examiners

(a) Background

1 As a result of intensive study over the past several years, the Commission developed a modernized recruiting and examining system for positions at grades GS-1 through GS-15 and for all wage board jobs. The President, in his letter to Chairman Macy on November 27, 1965, gave his full endorsement to the Commission's plan and indicated his expectation that this program would enjoy the full support of heads of departments and agencies.

2 The Interagency Board system is founded on interagency coordination and cooperation. The major features of the system are:

a A basic network of 65 Interagency Boards located in selected centers of both general and Federal populations serving a clearly defined geographic segment.

b Revision of the examination structure itself to insure available lists of eligibles for all vacancies on a much more comprehensive basis than in the past.

c Provision of a one-stop information service about all kinds of Federal jobs.

(b) Coverage

The inspector should determine the extent to which agencies, through their participation and support, are taking full advantage of the modernized recruiting and examining system in satisfying their manpower needs. He should focus on:

1 Agency Understanding and Support of the IAB Program - Is management aware of the objectives of the IAB program? Does management recognize the IAB as an interagency rather than a CSC program? How has the personnel officer demonstrated his support of the IAB program?

2 Agency Participation in Board Operations - To what degree do management and staff officials recognize and assume responsibility for their part in the IAB program? To what extent does agency management at all levels, and agency program and staff officials, participate in the planning, management and operations of the Board? To what extent does the agency feel that this participation is necessary and productive in satisfying its manpower needs?

a Top Management Participation - If the installation head is a member of the Board of Directors, what is the extent to which he is called upon and is able to provide guidance and direction to the Board; the extent to which he has been involved in insuring that the Board is aware of agency staffing

plans and needs; the extent to which he has been involved (starting with the Fiscal Year 1969 Budget) in reviewing proposed IAB budget and program plans? Is the top manager satisfied with the degree to which he is able to influence and guide the IAB program? Is the top manager convinced of the value and importance of meetings of the IAB and the Board of Directors? Is he satisfied with the frequency, the subject, and results of these meetings? Does the top manager feel that the nature of the meetings requires his personal interest and attendance? If the top agency manager is not a member of the Board of Directors does he express interest in the prospect of serving on the Board?

b Participation of Agency Program Specialists - What agency criteria are used in selecting program specialists to serve on rating panels? Do these criteria result in the selection of panel members who are thoroughly familiar with the qualifications that current Federal programs require within their occupational fields? Are panel members called on and are they able to provide interagency guidance to the IAB recruiting and examining program in their occupational area? Where councils of agency specialists have been established, what contribution to IAB programs have they made?

c Participation of Agency Personnel Staff - To what extent do agency personnel specialists participate in the IAB program? If the Board has established an operations advisory committee to what extent does the personnel staff participate with other committee members in consultation with the Executive Officer about Board operations? How has the personnel officer participated in influencing the Board's operations?

3 Effect of IAB on Agency Staffing Objectives

a Agency Manpower Forecasts - Has the IAB's need for information on agency staffing needs stimulated or otherwise affected agency manpower planning activities? Does the agency consult with the IAB in developing its staffing plans?

b Agency Job Design - To what extent is the agency at all management and staff levels aware of the establishment of new career programs which are designed to make the maximum use of applicants' skills and training? Is the agency aware of the availability of manpower from newly opened examinations? What action has the agency taken to redesign jobs to make use of any new or different manpower resources which are being tapped by the IAB?

c Staffing Agency Positions - Are the IAB's examining programs adequate to meet the establishment's staffing needs? To what degree have IAB registers actually been effective in meeting the agency's need for applicants of the kind agency programs require? To what degree is agency management satisfied with the quality of eligibles on IAB registers? Have

those employees appointed from registers been successful in meeting the demands of the jobs? What action has the agency taken to increase the number and quality of eligibles available on IAB registers?

d Agency Recruitment Activity - Do agency management and personnel officials understand their primary responsibility for the recruitment for agency positions and the appropriate role of the IAB in recruitment activities? Has the IAB program had any effect on the extent of agency recruitment activity? How has the agency coordinated its recruitment activity with that of the Board?

e Response to High Interest Programs - What effect has the IAB had on the agency's ability to make a vigorous response to high interest programs such as EEO, Federal Women's Program, Placement of the Handicapped? What action has the agency taken to take advantage of special efforts by the IAB in the high interest areas?

4 One-Stop Information Service - Does the agency provide up-to-date information to the one-stop information service to assure maximum utilization of this facility? To what extent has the one-stop information service been of assistance in directing qualified applicants to meet agency manpower needs? To what extent does the agency have job information inquiries directed to them, and how does it handle these inquiries?

5 Agency-IAB Working Relationships - Have agency personnel specialists established effective working relationships and communication with the IAB? Does the physical location of the Board have any effect upon the agency staffing operation? Is the agency's personnel staff aware of the Board's program goals and current Board activities in the recruitment, examining, and information areas?

6 Agency Evaluation of Quality and Speed of IAB Service - What is agency management and staff officials' evaluation of the quality and timeliness of service by the IAB? How does agency management evaluate the quality and performance of the IAB staff? Has the IAB staff been successful in gaining the confidence of agency management and staff officials? Does the agency feel that the IAB staff understands and is responsive to agency needs and problems?

7 Agency Suggestions for Improvement - What are agency suggestions for improvement in the IAB program?

(c) Specialized Reporting Instructions

1 In reviewing and reporting on agency relationships with the Interagency Board, inspectors should be alert to any special situations which exist only because of the initial period of transition from the Board of Examiners program to the IAB.

2 Before presenting the inspection findings and recommendations to the agency manager in the closeout conference, the inspection team should coordinate its inspection findings with appropriate Commission regional office and IAB staff to insure that the inspection team's recommendations are consistent with instructions and program plans of the IAB.

3 In reporting inspection findings in this area inspectors should be particularly concerned with avoiding the confusion of fact and opinion. The finding that there exists a certain opinion about the IAB program or program operations can be an important indicator, but the usefulness of this information is greatly diminished unless we know the validity of the opinions expressed, and the reason that the opinions are held. Consequently, inspectors will be expected, where necessary, to probe further than management and program interviews to find whether there is in fact a valid basis for the opinions expressed by agency officials. Likewise where agency officials express criticism of the IAB system it is essential that we know both the source and validity of the criticism.

4 The information developed in this area will fall into two broad categories, each of which will require different reporting treatment.

a Much of the information developed will consist of an evaluation of the effectiveness of agency management in taking advantage of the IAB program in meeting its manpower needs. This information should be reported in the body of the report.

b Other information will consist of the agency's evaluation and critique of the Commission's direction and operation of the IAB. The usefulness of this material is to Commission program managers and is not appropriate in a report to agency management. Therefore, the inspector will confine a report of his findings, which involve agency evaluation and critique of the IAB program, to the memorandum transmitting the inspection report to the Bureau of Inspections.

(6) Equal Employment Opportunity - Minority Groups

Because of the significant responsibilities assigned to the Commission by Executive Order 11246, the program of equal employment opportunity for minority groups is covered as a separate section in this subchapter. Guidance and inspection instructions for reviewing and evaluating the effectiveness of this program are contained in section 6, beginning on page 4-6-1.

(6.02) Equal Employment Opportunity - The Handicapped

(a) Background

1 P.L. 80-617, approved June 10, 1948, amended section 2 of the Civil Service Act, in part, as follows:

> "...no person shall be discriminated against in any case because of any physical handicap, in examination, appointment, reappointment, reinstatement, reemployment, promotion, transfer, retransfer, demotion or removal, with respect to any position, the duties of which, in the opinion of the Civil Service Commission, may be effectively performed by a person with such a physical handicap: and provided further that such appointment shall not be hazardous to the appointee or endanger the health or safety of his fellow employees or others."

2 Legislation dealing with veterans preference provides for waivers of physical requirements for veterans who can perform the duties of given jobs efficiently.

3 By Presidential letters in 1949 and 1952, the President's Committee on Employment of the Physically Handicapped was established to carry on promotional activities through Governors' committees in the States and Territories and in the District of Columbia. An Executive order in 1955 established an Advisory Council to the President's Committee.

4 The Chairman of the U. S. Civil Service Commission serves as a member of the Council as well as the Committee itself.

5 In the White House policy statement of September 1961, concerning employment and utilization of the physically handicapped in the executive branch of the Federal Government, the President specifically charged all levels of administration and supervision with responsibility for implementation of the policy.

6 In a special message to Congress on February 5, 1963, the President proposed a broad national program designed to direct our national efforts to alleviating the problems of the mentally retarded. He urged that we promote and insure full consideration of the mentally retarded for employment in positions when the performance requirements can be modified to take advantage of their abilities without any detriment to the Federal service.

7 To achieve these goals the Commission modified its regulations (paragraph 213.3102 (t)), to facilitate the use of Schedule A authority for appointment of this group of applicants.

8 P.L. 87-614 authorizes the employment of reading assistants for blind employees "without regard to the Civil Service laws and the Classification Act of 1949, as amended." The procedures under this act, which are unique, are described in FPM chapter 930, subchapter 6.

9 Reading assistants are given excepted appointments. These persons may be volunteers or they may be compensated by the blind employee or a nonprofit organization. Readers are not entitled to life insurance and health benefits but, if they serve on a full-time or substantially full-time basis, this service will become creditable for retirement coverage in a salaried position. Although not subject to civil service laws, readers who are veterans have statutory appeal rights after one year of current continuous employment.

(b) Coverage

1 The illustrative interview questions in this instruction, and in CSC Form 698, Work Sheet for Reviewing Placement of Handicapped, outline the general scope of inspection coverage for this program.

2 Information on the above form serves the needs of the Veterans Federal Employment Representatives in the regions and the Medical Division in the central office. Information is necessary in greater depth, however, for use of the Bureau of Inspections in analyzing the Governmentwide operation of the program and preparing reports for the Chairman and other interested audiences.

(c) Factfinding Techniques and Sources of Information

1 Completion of CSC Form 698.

2 Use of illustrative interview questions discussed below. These questions are not all-inclusive, but rather illustrate the type of information desired. Questions need not be answered individually. A summary statement may be made if there is no program or if there is limited program activity. In any event, the presence or absence of a program; the extent and nature of activity; and good and bad features of the program as it is found to be operating, should be determined. Whenever possible, trends also should be ascertained. If adverse trends are found by comparison with results of previous years, the cause of these trends should be established.

3 An important source of information about the sincerity with which an activity is conducting this program is a review of the activities of the coordinator for placement of the handicapped.

4 The review of the staffing activity may give sufficient information to show whether persons with physical or mental impairments receive proper consideration for placement, since sound placement principles are the same whether they are applied to people with physical handicaps or to those who do not have handicaps. If the review of staffing does not provide sufficient information, the inspector should use other factfinding techniques as appropriate.

(d) Illustrative Interview Questions

1 What positive steps have been taken for placement of the handicapped?

a Has a coordinator been designated for the installation?

b Has the designation been publicized in the organization?

c Does the installation coordinator receive informational material and guidance from his agency?

d What has been done to assure that supervisors understand the policy regarding employment of the handicapped and techniques available to facilitate the employment of the handicapped?

2 What is being done to employ and fully utilize the handicapped?

a Are recruiters informed about the program for placement of the handicapped?

b What steps are taken to utilize the services of the handicapped (job analysis, job modification, use of reading assistants, etc.)?

c What has been done to utilize employees who have developed mental or physical handicaps, or both, while employed, but not necessarily as a result of employment? (Liberal leave, reemployment, counseling, etc.)

d What is done to assure that valid physical requirements are established and applied for any position?

3 Have environmental factors had an impact in placement of the handicapped?

-- Has there been any modification of buildings or equipment to accommodate to the needs of the handicapped (i.e., widened doors, special ramps, modified tools or equipment, special parking facilities, etc.)?

4 Has the activity established means to test the effectiveness of its placement of the handicapped?

a What means does the activity use to determine the success of placements? (Turnover studies, accident rate, absentee rate, etc.)

b What successes have been achieved?

c Are there any problems or local conditions considered by the agency to be a bar to placement of the handicapped?

d What review is made to ascertain whether there are patterns of nonselections due to handicaps?

e If patterns of nonselection because of handicaps have been found, what action has been taken?

5 What trends have developed in the placement of the handicapped?

a How does the program activity for the past 12 months compare with activity during the previous year?

b What caused a changing trend, either favorable or unfavorable?

c What has been the coordinator's participation in the development and implementation of the program for placement of the handicapped?

6 Does the agency have a written agreement with the Commission for the use of Schedule A authority for the mentally retarded?

7 What are the responsibilities of local management for employment of the mentally retarded, and what has management done to assume these responsibilities?

8 Has it been necessary to reengineer duties or to create new positions to make possible the appointment of mentally retarded? 1/

9 Are special arrangements necessary in connection with employment of the mentally retarded (i.e., arranging transportation, housing, off-the-job supervision, etc.)? 2/

10 Is special orientation and job training provided for the retarded?

11 What efforts have been made to assure acceptance of the mentally retarded by the total workforce?

1/ The President has said that extra positions (positions in excess of existing ceilings) should not be established to accommodate this program. However, the reorganizing of duties to create a set of duties (position) that a mentally retarded person can perform is encouraged. For example, routine, less complex duties may be removed from a number of positions and placed in a single position filled by a mentally retarded person.

2/ If such arrangements are necessary, they are the responsibility of social services or persons outside the installation. Federal agencies are not asked, and are not expected, to employ persons who are untrained, incompetent, emotionally unstable, or unable to maintain themselves in the work environment. Agency management is not expected to make any special arrangements beyond those made for nondisabled employees or other handicapped.

12 To what extent have the mentally retarded contributed to or impeded mission accomplishment?

13 What advantages or disadvantages have accrued to the agency because of the use of mentally retarded?

14 What is the reaction of managers and supervisors to the use of the special authority for appointment of the mentally retarded?

15 Has the installation studied the potential use of reading assistants for blind employees?

16 To what extent has the use of these assistants aided or impaired mission accomplishment?

17 What advantages and/or disadvantages has management found in the use of reading assistants (when they have been used)?

18 What problems, if any, has the installation encountered in appointing, processing, and retaining readers?

19 Have the readers been paid, and by whom?

20 What means has the installation used to staff the reader positions?

21 What actions has the Coordinator taken with respect to employment of readers for the blind and employment of the mentally retarded?

(e) Onsite Inspection Action

When the inspector identifies program deficiencies during an inspection he should at that time make appropriate suggestions leading toward remedial action. Problems and agency corrective actions, if any, as agreed to or taken during the inspection, should be documented in the report or CSC Form 698 or both, as appropriate.

(f) Specialized Reporting Instructions

1 When deficiencies are noted, inspectors should make appropriate suggestions leading toward remedial action in the inspection report. For example, if a coordinator has not been designated at an installation when such designation is proper, the inspector should recommend that this be done.

2 Findings resulting from the review of agency programs for placement of the handicapped should also be reported on CSC Form 698 (see subchapter 7 of this supplement). The construction of these forms should not be construed as a limitation on the amount of information to be submitted. Inspectors should feel free to include information and comments which cannot be included in the report on sheets attached to CSC Form 698.

3 Regional offices should prepare copies of CSC Form 698 in duplicate (plus file copy for the inspecting office). Original copies should be submitted to the Director, BI, as an attachment to CSC Form 784. Duplicate copies should be routed to the Veterans Federal Employment Representative in the regional office for his consideration. (The VFER is the point of contact for the program for placement of the handicapped in the regions and he has the responsibility for obtaining corrective action to the extent possible.)

4 Followup or corrective action other than that initiated on-site during the inspection is accomplished by the VFER on the basis of copies of CSC Form 698 which are furnished him as part of the reporting process.

(7) Management Action To Maintain Program Effectiveness

The inspector should focus on steps taken by management to appraise its success in meeting manpower needs, and in adjusting action to increase their effectiveness in doing so.

(4) Excepted Appointments

(a) Background

1 Positions are excepted from the competitive service by statute, Executive order, or civil service regulations. Schedule A, B, and C are basic listings of positions excepted by civil service regulation. Positions are excepted under Schedule A because of their examining impracticability, under Schedule B because of their competitive examining impracticability, and under Schedule C because of their confidential or policy determining character. Appropriation and other acts also provide for the appointment of some employees without regard to civil service regulations.

2 The Commission is responsible for determining when a position is properly excepted. Agencies may make excepted appointments to excepted positions, without prior approval of the Commission, when the positions are so specifically defined that they can easily and clearly be distinguished from positions in the competitive service. Agencies may not make excepted appointments, however, to positions with generic titles; e.g., consultant, expert, engineer, economist, and the like, without submission to the Commission for prior approval, unless the agency has reached an agreement with the Commission providing for appointment subject to postaudit. Whenever there is any doubt about the status of a position, it must be submitted to the Commission for prior approval.

3 Prior approval by the Commission is required for the classification of an "attorney" position under the classification law unless the position is clearly classifiable under the GS-905-0, General Attorney Series, or the GS-1222-0, Patent Attorney Series. In the case of positions which are not under the classification law, the Commission must specifically determine whether a position is in fact an attorney position. This is normally done after the position is filled. Detailed treatment of attorney positions is contained in appendix A, FPM chapter 213.

4 When prior approval of the Commission is not required, excepted appointments are subject to postaudit for propriety of the exception.

5 The agency has the authority to decide whether or not a person is qualified for an excepted position, except for Schedule B and supergrade positions. With Schedule B appointments, prior approval by the Commission is required, unless the Commission has delegated to the agency authority to apply Commission approved standards. The qualifications of applicants for all positions at the GS-16 through 18 levels, except in the rare cases cited in chapter 302 of the FPM, must receive prior approval by the Commission.

6 Legislation on veterans preference requires the Commission to establish regulations for appointing and separating employees in the excepted service. They are covered in part 302 of FPM Supplement 990-1, book 3, and FPM chapter 302. The head of the agency is responsible for seeing that these regulations are observed. Certain types of positions to which appointments are exempted from these requirements are discussed in subchapter 1-2b, FPM chapter 302.

7 An agency may submit to the Commission a system for making appointments that does not conform to the procedural requirements of part 302. The Commission must give prior approval before such a system may be put in effect.

(b) Coverage

The inspector should cover excepted appointments when they occur in the regulatory sample if he sees a need to review such actions.

(c) Factfinding Techniques and Sources of Information

1 Ascertain whether prior Commission approval for excepting positions was secured when required or whether an agreement exists between the agency and the Commission allowing the agency to appoint subject to postaudit.

2 Examine legal authorities cited in appointment actions to determine whether, in each case, the position is properly included under the authority. If the Commission's prior approval was not necessary, examine the duties of the position by review of job sheets, or other available material and discussion with persons familiar with the duties to determine that the position is one properly filled under the authority.

3 Review appointment records to determine that appointees to attorney positions are members of the bar. (For other special instructions on review of attorney positions see section 4-2-c (5.02), page 4-2-29 of this supplement.)

4 Examine authority for excepted appointments for time limitations imposed to insure that no employees are serving in excess of the term permitted.

5 Determine that appropriate procedural requirements have been met.

(d) Onsite Inspection Action and Specialized Reporting Instructions

1 When an excepted appointment, which by nature of the authority used requires prior Commission approval, has been made without securing this approval, require submission of the appointment to the appropriate Commission office for decision.

2 When an excepted appointment has been made to a position that is not properly excepted, require that the position be filled through competitive action.

3 If an excepted attorney position has been filled by an appointee who is not a member of the bar, require his separation from the position.

4 When time limitations imposed on an excepted position have been violated, recommend that the position be abolished or, if appropriate, filled through competitive action.

5 If the activity has violated the provisions of legislation dealing with veterans preference or Commission regulations which have been established in accordance with this legislation in making excepted appointments, require that appropriate corrective action be taken.

6 Findings relating to excepted appointments should be included as appropriate in the following portions of the report:

a Under Recruitment in Obtaining Needed Manpower. Findings reported here should focus on the overall use of excepted appointments as they relate to obtaining needed manpower.

b Processing Personnel Actions and Maintaining Records.

c Case Listing and Transmittals.

S4-6. SPECIAL INSPECTION AREAS

a. Purpose

(1) This section contains instructions and guidelines for reviewing program areas for which it has been determined that:

(a) Special emphasis is needed due to high program interest by the general public, the President, Congress, Civil Service Commission or Federal agencies. An example is the current equal employment opportunity program.

(b) New laws or Executive orders with subsequent regulations require inspection coverage in detail or depth not provided in other sections of Supplement 273. Interim or "trial" guidelines are needed which, as time and other factors permit, will be incorporated into appropriate sections for continuing use.

(2) For most program areas covered by this section, the instructions can be utilized as the basic document for guidance in conducting the onsite activities. This permits the individual sections to be used as unit instructions for inspector trainees, and also for use by trained inspectors in making special inquiries, such as followup visits in connection with the equal employment opportunity program.

(3) On the other hand, it is not intended that these sections be used as separate units without proper references to other parts of this supplement. For example, in preparing for and carrying out a survey of equal employment opportunity, the inspector would also use other guides such as those for reviewing agency career patterns (S4-3), agency actions to assure maximum use of skills and abilities (S4-4), and those covering inspection impact assessment (S2-3).

b. Reporting

Unless otherwise directed by a nationwide plan or specific instructions within the guidelines for program areas, reports should be prepared as described in S4-1, General Guides and S6-1, Preparation of Written Reports. These sections contain information on flexibility in conducting and reporting the inspection.

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S4-6.(1) EQUAL EMPLOYMENT OPPORTUNITY FOR MINORITY GROUPS

a. Background

Reviewing agency equal employment opportunity programs has been a regular part of the Commission's inspection activity since September 1, 1961. The inspection function has filled an important role in providing information on the status of the overall program and in motivating positive action through the identification of program problems and achievements and by offering recommendations for improvement.

Under Executive Order 11246, Commission inspectors are expected to take a more direct and intensified approach in reviewing, analyzing, and evaluating equal employment opportunity programs. Inspection findings will serve as the basis for firsthand appraisal and advice to installation officials, and for corrective action if needed. Inspectors will make action-oriented recommendations and otherwise assist installation managers in working toward truly effective programs.

(1) Responsibility for Equal Employment Opportunity

(a) Executive Order 11246, effective October 24, 1965 reemphasizes the policy of the Federal Government to provide equal employment opportunity without regard to race, color, creed or national origin and reaffirms the direct responsibility of each department and agency head to establish and maintain a positive program of equal opportunity within his activity.

(b) The Executive order assigns to the Civil Service Commission the responsibility to supervise and provide leadership and guidance in the area of equal opportunity and to review agency program accomplishments periodically. The Commission is also given regulatory authority in that department and agency heads are instructed to comply with the regulations, orders, and instructions issued by the Commission.

(2) Definition of a Positive Program

A positive equal employment opportunity program is one which:

(a) Is carried out under a Plan of Action which requires and provides for:

1 A systematic means for thorough analysis of the total agency program.

2 Identification of problems, weak spots and program needs.

3 Development and positive implementation of specific and realistic plans, including objectives and means for overcoming problems and moving the program to higher levels.

4 Ongoing evaluation of progress, potential trouble spots, and the need for changed emphasis or more intensive action.

5 Effective followup at all levels.

(b) Is initiated, supported and contributed to by top management.

(c) Involves the positive and continuing support of management, supervisors and staff officials at all levels as demonstrated by aggressive action in conceiving and pursuing constructive program activities.

(d) Goes beyond mere nondiscrimination by identifying and overcoming any obstacles that impede or prevent equal opportunity, thereby resulting in fully effective recruitment, development, and utilization and advancement of all employees in all occupations, at all levels and in all areas.

(e) Where applicable, goes beyond installation employment matters, taking into consideration community factors which relate to employability such as the availability of adequate housing, adequacy of transportation, responsiveness of school curricula to job demands, etc.

(f) Is communicated effectively to all concerned and qualified parties or groups such as employees, community organizations, clientele, etc,, in such a way as to foster full understanding, acceptance and appropriate cooperation and support.

b. Highlights of the Inspection Approach

(1) Important Notes:

The equal employment opportunity program is one of the most complex and sensitive program areas in which Commission inspectors have ever had to operate. These complexities and sensitivities require that our factfinding, evaluation and reporting be conducted with the highest level of technical skill and judgment. Beginning with the initial agency contact and continuing through the total inspection process, every effort must be made to insure that agency managers, staff and employees clearly understand the thrust of the EEO program, the purposes of our EEO inspections, and the program expectations in the Executive order and related issuances.

The level of program sophistication, knowledge and support varies widely among agency personnel. Because of this, our inspection approach, method and statements which are clear to those with more program experience may be subject to misinterpretation by others less knowledgable. Unless we exercise care in all activities and discussions, agency management can be left with mistaken impressions that we advocate or that they are required to take actions which are not in accord with merit principles and with the concept of equality of opportunity for all citizens as provided by Executive Order 11246.

The point which must be made is that the purpose of the program and our efforts is to insure equality of opportunity, not to give preference in opportunity to any one group. Unless this point is made, agency managers may issue statements and take actions (such as setting numerical quotas and goals) which are contrary to public policy and which lay the program open to charges of preferential treatment.

(2) Inspection Focus

The primary emphasis in each inspection will be on management's effectiveness in analyzing the factors and problems bearing on equal employment opportunity and planning and implementing an action program designed to achieve full equality of opportunity. Progress and results will be measured against management's actions, plans and goals, both short and long range, to meet and overcome obstacles to full equality of opportunity.

In factfinding, evaluating, and reporting, the inspector should focus his efforts on the following:

(a) Involvement and activities of management at all levels which reflect aggressive, positive planning and action designed to further equal employment opportunity.

(b) Results of management's activities as a measure of progress, with emphasis on actual program achievements -- improvements and breakthroughs in the employment and utilization of persons drawn from all segments of the community population and agency workforce, including minority members and other disadvantaged persons.

(c) Significant problem areas identified by management or the inspector which impede full equality of opportunity and management action to overcome them.

(d) Problem areas identified by minority and community leaders which should be brought to management's attention.

(e) Reasons for success or failure in various aspects of program effectiveness as concluded by management officials and the inspector. In this regard, special attention should be given to the implementation of recommendations made as a result of previous agency and Commission inspections.

(f) Compliance with the spirit and intent, as well as the regulatory and procedural requirements, of the program.

(3) Specific Objectives of Inspection Activity

(a) To evaluate the effectiveness of management's efforts in:

1 Analyzing the equal employment opportunity situation within the agency, installation and community.

2 Identifying significant problem areas.

3 Developing a plan of positive action to solve identified problems and promote program progress.

4 Reviewing and properly assessing the total program to determine progress and to implement necessary changes.

5 Achieving the progress and objectives stated in the action plan.

(b) To determine the reasons for success or failure in achieving program effectiveness.

(c) To assist management in further program effectiveness by:

1 Identifying and bringing to management's attention, in a positive manner, required actions and suggestions for improvement where appropriate.

2 Assuring management is aware of and, as appropriate, uses CSC and other available resources to assist with the program (CSC region and central office staff, minority group organization contacts, etc.).

(d) To assure management makes full use of CSC report potential (distribution of appropriate excerpts to supervisors, etc.).

(e) To followup in all cases where the need for improvement has been identified and where corrective action has been ordered or suggestions for improvement have been made.

c. Review and Evaluation of Management Activities and Program Progress

The possibilities for positive management actions designed to further equality of opportunity are virtually unlimited. They should be tailored to the needs and resources of the activity being inspected; however, they must reflect management planning and development of a realistic program of action, including a well defined action plan with specific objectives, means of accomplishing objectives and effective review of progress.

In reviewing agency action programs, the inspector should differentiate between short and long-range objectives and judge progress accordingly.

(1) Planning and Designing the Inspection

(a) In order to provide the widest possible latitude to the inspector, a detailed inspection agenda has not been developed according to program areas (e.g., recruitment, training, promotion, etc.). The inspector will be responsible for exercising considerable judgment and imagination in conducting the inspection so that maximum benefit is accrued.

(b) The scope and direction of equal employment opportunity program coverage must be determined by the inspector in accordance with the circumstances involved. The inspector should feel free to design the coverage in the manner which, in his judgment, will result in the most impact and assure an accurate and balanced picture of the total agency program. Inspectors should view each facet of agency personnel management and all related areas as subjects for searching inquiry and

evaluation. Consideration should be given to such factors as:

1 Previous status of the installation's equal employment opportunity program.

2 The total community employment situation.

3 Agency size, occupational workforce and public contact functions.

4 Recent changes in mission or programs.

5 Effectiveness of personnel management programs (EEO is closely related to all personnel management programs and all available preinspection information on these areas should be considered in designing the inquiry.).

6 Current employment statistics

NOTE: Statistical data has an important role in EEO evaluations, but experience has shown that unless they are handled effectively, their use can lead to serious problems of agency misunderstanding of CSC purpose and intent. For this reason, careful thought and attention should be directed to this subject well in advance of the onsite visit. The team leader should assure that each team member reviews and clearly understands the instructions given in section d(2)(c) of this subchapter. In addition, advance review should be made of all available agency data and information on how and to what extent statistics have been utilized by the agency in the EEO program.

(c) Inspectors should remember that management will expect positive suggestions and assistance on program implementation and improvement. As a bare minimum, each team member should be thoroughly familiar with the Executive order, pertinent CSC regulations, the application of specific inspection procedures to the EEO program, and the contents of the Commission's EEO information kit for inspectors. Also, each inspection should be preceded by thorough review of the agency and community situation and factors which affect the program. In addition, team members should have good knowledge of other materials such as the CSC's internal action plan, issuances on Operation MUST, or any other publications which give new or imaginative approaches and solutions to problem areas. The need for complete, advance preparation for positive assistance cannot be overemphasized.

(2) Factfinding Techniques and Sources

(a) Any and all aspects of management activity, or inactivity, which influence equal employment opportunity are subject to complete review, and should be discussed openly with the head of the installation and other management officials.

(b) It will be necessary in most instances for the inspector to make contacts outside the installation itself in order to develop fully meaningful findings. These contacts will normally be with minority group and community leaders to discuss general problem areas relating to the equal opportunity program in the installation being inspected.

(c) Specific factfinding techniques will include the following areas, with appropriate inquiry and attention to the program as it exists in subordinate activities located elsewhere (district offices in a region, etc.).

1 Review of agency plans, policies, and procedures.

2 Review of all available surveys, studies, and inventories of employment by grade level, occupation, and organization distribution of minority group members.

3 Review of program records, particularly those which can be used to compare the employment, training, and promotion of minority group members.

4 Review of EEO complaint records--individual cases and program system, practices and procedures.

5 Conduct of indepth interviews with top management, supervisors, employees, officials of employee organizations, and community leaders.

(3) Management Activities for Review

The following are examples of management actions and activities relating to equal employment opportunity which are open to full inquiry by the inspector. These "idea starters" are not all-inclusive and should not be used as a checklist. They are provided only as an illustrative device for the assistance of the inspector in making comprehensive coverage of equal employment opportunity programs.

(a) Development of a plan of action, based on Commission guides and agency directives, which are responsive to agency goals and to local conditions, situations, and needs.

(b) Implementation of the program in terms of policy and communication, to assure full understanding, acceptance, and support by managers and employees and by community and minority group leaders. For example:

1 Unequivocal statements of policy to all personnel.

2 Discussions and program presentations involving supervisors, employees, employee organization representatives, community and minority group leaders, etc., with provisions for adequate interchange of views and suggestions.

(c) Allocation of sufficient manpower and resources to carry out imaginative recruitment, placement counseling, and development programs. This might include providing staff and resources for:

1 Special program emphases such as the MUST program and youth opportunity programs--YOC, work-study, stay-in-school, etc.

2 Special or recurring studies to identify program weakness resulting from manpower or resource problems and to provide possible solutions.

(d) Actual effect of the hiring system by which trainees and other entrance level employees are brought into the organization. For example:

1 Review qualification standards, written tests, ranking devices, etc., to assure that these reflect actual job requirements and that they do not block equal consideration and opportunity for minority or other disadvantaged persons.

2 Review recruitment patterns to identify any traditional hiring practices which hinder the employment of minority group members and other disadvantaged persons. (Review of total recruitment activity, use of minority group high school and college contacts, news media to publicize jobs employment interview techniques, etc.)

3 Review other employment patterns and practices to assure that they agree with the policy of equal opportunity for all persons, including minority and other disadvantaged persons. For example:

a Are preselection actions (reviewing job structure, setting standards, surveying applicant sources, defining area of consideration, publicizing opportunities, etc.) designed and carried out so that equal opportunity for all persons is assured?

b Are selection criteria valid and applied equally to all persons? Are there variations in the use and nonuse of selection panels and if so, are there valid reasons for the variation?

c Are concompetitive actions (reassignment, transfer, reinstatement, etc.) carried out in a way which gives equal opportunity and consideration for all persons?

d To what extent are training details used to equip employees with the skills and knowledges required to move into better jobs and careers and are the opportunities open to all employees?

e Is there full coordination of all placement actions with the merit promotion program and employee development program to assure all advancement avenues are publicized and open to all employees?

f Does management monitor selections to verify full compliance with EEO policy and determine what actions are needed to correct or improve practices so that equal opportunity is assured?

g Are underutilized employees in other agencies given consideration for jobs which offer better career opportunities?

(e) Assimilation of minority group members into the workforce; i.e., various organization, occupation, and geographic areas, with special emphasis on placements of a significant breakthrough nature. Inquiry should be made on what management has done to:

1 Utilize all available recruitment sources to reach all segments of the population, including minority groups and other disadvantaged persons.

2 Facilitate reassignment of qualified minority employees to offices or areas where difficulties in hiring them are being experienced.

3 Use qualified minority employees in personnel and public contact work to openly demonstrate endorsement of the EEO program and facilitate communication with minority groups.

4 Review the assignment of working facilities, personnel and duties to identify and eliminate situations where in dealing with agency clientele, there may be actual (or the appearance of) segregated service facilities or service staff.

(f) Development and implementation of training and counseling program to provide equal advancement opportunity. For example:

1 Arrangements for adult education courses on the basis of potential employee participation and agency-employee needs.

2 Training programs to upgrade employee skills with full information to all employees on the opportunities available.

(g) Examination of organization structures to determine jobs susceptible to redesign to provide more opportunities for minority and other employees and applicants. For example:

1 Organization reviews and indepth surveys of existing jobs to identify more efficient structures with lower grade levels which will improve manpower utilization and at the same time, give better employment opportunities for minority group members or other disadvantaged persons with lower level skills and training.

1 Studies of the possibility of establishing trainee positions to enhance opportunities for minority persons or other persons with potential who lack adequate education or training for jobs requiring specific skills.

NOTE: Agencies often undertake various activities such as special training programs, job engineering, special standards development, etc., as part of their EEO efforts. Because of this, there may be a tendency to consider them as designed primarily for minority group members. This can give the inference of preferential treatment of minority group members. When reviewing and discussing with management activities suggested by (d), (e), (f) and (g) above, the following principles should be kept in mind.

No activity in these areas can be set up for or restricted to any one group. Opportunity for participation and benefit must be available for all persons who meet the criteria for participation.

Statistical data resulting from analysis of occupations, organizations, etc., which indicate imbalances or possible bias patterns must be given thorough, but objective consideration and under no circumstances may be used to require or justify percentage or numerical quotas.

Hiring, advancement and training opportunities must be offered in accord with merit principles. While management must seek to identify any patterns of nonselection or discrimination in these areas and eliminate those identified, they also bear the burden of assuring that consideration, selection and assistance is consistent with a policy of equal opportunity for all.

Preference cannot be extended to one minority group over another. For example, in advertising job opportunity the fact that one group may be larger or "better organized," does not justify less effort in contacting and informing other minority group populations (or, for that matter, to ignore the need to provide opportunity and consideration for nonminority group members).

(h) Involvement in community affairs and activities aimed at meeting and solving problems affecting the employability of minority persons and other disadvantaged citizens. The following paragraphs set forth Commission policy on this specific program area. Inspectors must have a thorough knowledge of this policy before making inquiry and assessment of management activities.

1 The basic requirement for community involvement (by agency management) in furthering equal opportunity in Federal employment is found in section 713.203(d) of the Commission's regulations.

2 This section is directed specifically at involvement in those kinds of community activities which directly relate to the Federal Government's role as a responsible employer. It is intended to express in regulation the obligation of the Government to be a model employer, and to cooperate actively with other groups, public and private, in the community that are working toward achieving equal opportunity in employment.

3 The requirements of this section are to be carried out by the heads of agencies and designated agency officials acting in their official capacities. Generally it is expected that the officials designated for this responsibility would be managers and supervisory officials and such officials as personnel and equal employment opportunity staff members whose responsibilities for implementing employment policy and practices could appropriately involve them in community activities.

4 There are many areas where agencies must become involved with community problems if they are to carry out fully their responsibilities as a model employer. In terms of the equal employment opportunity regulations, these activities must have a direct relationship to employability. Some examples of this kind of activity are:

a Working with schools and universities to improve and upgrade curricula and quality standards to better prepare students for potential employment in Federal jobs, when it is determined that Federal job candidates are not adequately prepared to meet civil service requirements.

b Working with local authorities to arrange for effective public transportation or other means of making it possible for people to get to work, where lack of public transportation or inadequate transportation exists and this is a barrier to the acceptance of employment opportunities in Federal installations.

c Assisting in finding suitable housing if the difficulty in obtaining housing acts as a barrier to the employment of members of minority groups in a particular area. Undertaking individually, or joining with other employers and groups in the community, to help eliminate these barriers.

d Using as a manpower source, and working with, local community action agencies, job corps, national youth corps, MDTA training programs, and other similar activities aimed at upgrading the employability of the disadvantaged.

e Participating with community organizations, public and private, to improve motivation and develop interest among all citizens in potential employment with the Federal Government, or to enter training which will prepare them for entrance into Federal occupations.

5 These are examples, not a comprehensive list, of community related actions affecting employability that the regulations intend will be taken when the needs of a particular agency or the conditions in a particular locality call for affirmative action. The regulations do not contemplate official agency participation in broader civil rights endeavors unrelated to the Government's role as an employer.

6 Nothing in our regulations calls for, nor do we advise, that an agency either encourage or discourage employee participation in civil rights activities not associated with their official agency responsibilities. This does not mean, however, that voluntary participation by individual employees as private citizens in lawful civil rights activities should be discouraged or viewed as incompatible with Federal employment.

7 In summary, the Commission's regulations establish agency responsibility for participating in community activities and affect only those employees who represent the agency in their official capacities. Aside from official responsibilities, individual employees may voluntarily participate as private citizens in lawful civil rights activities and such participation will not be discouraged or viewed as incompatible with Federal employment. The prevailing standard that an employee's behavior on and off the job should not reflect adversely upon his agency or impede the discharge of official duties, should, of course, be observed.

(i) Participation in and support of economic opportunity programs for the hard core unemployed such as those under the Concentrated Employment Program (Neighborhood Youth Corps, MDTA, Adult Experience Program, Operation Mainstream, or New careers). For example:

1 Serving as host office to enrollees under local Neighborhood Youth Corps programs, College Work Study programs, and Work Experience programs.

2 Working with local authorities to develop MDTA or other vocational training programs to meet interagency as well as individual agency employment needs.

3 Job redesign actions (through intensive application of MUST principles) to create entry level jobs in which program participants may be placed.

4 Assisting interagency boards and coordinating with board actions in the development and use of entry level examinations which coincide with completion dates of training courses given under these programs.

(j) Operation of the promotion program to assure that procedures and requirements do not have a discriminatory impact in actual operation.

1 Reviewing the use of written tests, standards and ranking devices to assure they are valid indicators of job success. As needed, developing and using valid standards and ranking devices that enhance opportunity for all employees by eliminating artifical barriers to job entrance and, where possible, permit placement at lower levels.

2 Surveying the utilization of all employees, including minority and other disadvantaged persons to identify skills and training which may qualify them for transfer to a new career field or advancement through inservice career development programs.

3 Evaluating related activities such as job analysis, employee development and noncompetitive actions (transfer, reassignment, details, etc.) to assure these are coordinated with and support equal opportunity through merit promotion actions.

4 Using effective management review, followup and controls to insure operations are maintained and where necessary, improved to provide equal opportunity for all persons.

(k) Establishment and maintenance of an effective EEO complaint system, including provisions for management review and analysis to assure that the system and procedures are fully responsive to regulatory and positive action program requirements. CSC inspectors should make a thorough review of the complaint system, related records and individual case files. In addition to coverage of regulatory requirements, the review should focus on the effectiveness of management's self-evaluation efforts in analyzing complaints and records to find and take action on problems in the total EEO program and related personnel management areas. Inspectors should evaluate management's actions in the following areas.

1 Full review of individual cases to assure that:

a Informal complaint procedures are understood and used.

b All formal complaints are investigated and resolved in a timely and objective manner, with full observance of the 60-90 day provisions of the regulations.

c Clear instructions on employee rights under the complaint system, including further appeal rights, are given to all complainants.

d There is complete compliance with all other regulatory requirements.

e All necessary corrective actions are taken promptly. (Immediate followup on any indications of retaliatory practices or harassment; disciplinary action where required; training for employees and supervisors on misunderstood policy, etc.)

2 Review and analysis of individual cases, groups of complaints and related records to:

a Identify patterns or trends which point to possible or actual problems such as supervisory favoritism for one group, unequal work treatment or demands, lack of employee or supervisory knowledge or complaint procedures, etc.

b Identify a need for further study or corrective action in personnel management programs where policy or practices are adversely affecting equal employment opportunity. (For example: evidence of questionable practices followed in considering employees for promotion; indications that better surveillance and control of disciplinary actions are needed to assure that such actions, when required, are applied equally to all employees; or, a need for increased emphasis, instruction and control to assure that training details and reassignments are made on an equal basis and in conformance with the merit system).

c Identify a need for initial or refresher training for EEO complaint investigators and hearing officers.

NOTE: During the record review and also in conducting program interviews with supervisors, DEEOO's and employees, inspectors should be alert to the approach and attitude taken by management in responding to complaints of discrimination. This is a sensitive, but important subject since employee confidence in the complaint system is often predicated on the assurance that they will receive fair and timely review. How management responds to employee complaints is a vital consideration. On the one hand, management can appear to be defending its position, resulting in an atmosphere characterized as an "adversary proceeding" which inhibits a mutually satisfactory resolution of a complaint. On the other hand, management can demonstrate an attitude of wanting to get at the truth of the matter by an objective, impartial, and timely review which properly recognizes and considers all pertinent facts and the nuances attendant to complaints of discrimination.

It is recognized that factfinding and evaluations on this subject is difficult; however, inspectors can make a meaningful contribution to the effectiveness and credibility of the complaint system by calling to management attention those instances where the handling of complaints has not reflected an impartial and objective approach.

(l) Designation of Deputy Equal Employment Opportunity Officer (or similar official in agencies which do not have DEEOOs) along with a clear understanding of the active leadership role he should have in program implementation and in such activities as community relations and employee counseling, as well as complaint investigation.

(m) Presence of effective, periodic self-evaluation process which provides for changes and improvements in the program as necessary.

(4) Review of Minority Group Statistical System

(a) Review of Specific Regulatory Requirements

Inspectors must have a thorough knowledge of the subject regulations and instructions in FPM chapter 713 and FPM Supplement 990-1. As a minimum, inspectors should determine that:

1 Data is collected only by visual survey methods, in the form of gross statistics and by authorized persons.

2 Self-identification methods are not used except when visual survey methods are not adequate to answer discrimination complaints (see section 713.214 of the regulations).

3 No records are collected or maintained which show the race or national origin of individual employees.

4 In collecting and maintaining data, agencies are following the specific procedures prescribed by the Commission (or have obtained advance CSC approval for any exceptions) and are using only CSC approved minority group designations.

5 Data is being used only in studies and analyses which contribute affirmatively to achieving EEO program objectives; specifically, that data studies or analyses are not being used as a basis for setting numerical goals or taking any other program actions which are not in accord with the concept of equal opportunity for all persons.

(b) Coordination With Other Program Review

The regulatory review of the minority group statistical system should not be regarded or conducted as an isolated part of the total program inquiry. Inspectors should assure that:

1 There is full coordination between the inspection of the statistical system and other EEO program areas.

2 Management and the agency staff responsible for maintaining the statistical system are aware of not only their own program responsibilities, but the need for effectively relating the statistical system to self-evaluation and positive action efforts.

3 Advantage is taken of each opportunity to provide guidance and assistance on the full and proper use of statistical data in self-evaluation and positive program efforts (see section d. (2) (c) below.)

(5) Coverage of Nonappropriated Fund Employees

The Commission's EEO regulations, part 713, subpart B, section 713.201 apply to employees of executive branch activities paid from nonappropriated

funds. A review of the EEO aspects of agency employment of nonappropriated fund employees will be made as part of every general inspection (nationwide and regional option) and every special inquiry where EEO is covered conducted in installations having such employees on the rolls.

Separate inspections directed solely at nonappropriated fund employment will not be scheduled except when specific situations warranting Commission review comes to light. Such instances should be rare and generally the coverage should be made as part of our overall EEO review.

(a) Extent of Coverage

Coverage will be determined to a large degree by the nature and extent of nonappropriated fund employment at the installation. Many nonappropriated fund employees are employed in post exchanges, commissaries, officer and noncommissioned officer clubs, etc. The skill levels required, training possibilities, and advancement opportunities are generally limited.

(b) Type of Coverage

While recognizing the limitations and unique nature of this employment, the coverage should follow the EEO inspection agenda as closely as possible. Information regarding the following will be of particular interest:

1 Provisions in agency plans of action pertaining to nonappropriated fund employment.

2 Recruiting activity undertaken to assure equality of opportunity in filling such positions.

3 Actions taken to increase the employability of these employees, e.g., identification of those with potential for advancement, training opportunities offered, use of such employees as a recruiting source for employment in the competitive service.

4 Provisions for and the processing of complaints of discrimination filed by nonappropriated fund employees.

(c) Improvement or correction may be required when the need is indicated. Here again, inspectors will have to exercise judgment in recognizing the unique nature of this employment and in determining the type of action to be taken by the agency.

(d) Inspection coverage and findings for this activity will be reported under the equal employment opportunity section of the report; however, it will be identified under a subheading that sets it apart from other equal employment opportunity coverage.

d. Report of Findings

(1) General Instructions

(a) Narrative Reports to Agencies

1 The evaluation of the equal employment opportunity program, when made as a part of a general inspection, will be reported in narrative form as a separate attachment to the overall report sent to the agency.

2 Comments on equal employment opportunity may be necessary in other parts of a general inspection report, especially under the program areas relating to recruitment, promotion, and employee development. In such cases, the separate attachment should still provide an overall report of significant findings and recommendations relating to equal employment opportunity. Reporting in detail should be in the attachment and, therefore, comments on equal employment opportunity in other parts of the report should be kept as brief as possible.

3 When the program is reviewed as a special inquiry, then the report may be prepared in letter form or as a separate attachment to the transmittal letter addressed to the installation head.

(b) Report Format

The narrative report should follow the outline below. This outline is based on the "inspection focus" explained in paragraph b.(2) above.

1 Summary evaluation.

2 Involvement and activities of management.

3 Results of management's activities.

4 Significant problem areas identified by management or the inspector.

5 Problem areas identified by minority and community leaders which should be brought to management's attention.

6 Reasons for success or failure in the program.

7 Compliance with national policy and agency and Commission requirements.

8 Any required corrective or followup action.

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(2) Special Instructions

It is essential that reports reflect accurately and in depth major problems found to exist in the installation. Effective implementation of the Commission's responsibility for providing leadership to the program and feedback to top officials in Government requires incisive factfinding and comprehensive reporting. Inspectors should be particularly alert to the need for corrective action, the best manner in which corrective action can be accomplished, and at what level corrective action should be taken.

(a) Reporting to Local Management

Program deficiencies falling within the purview of local management should be reported to the installation head along with appropriate recommendations for action and improvement. It should be indicated, in the report or in the transmittal letter, that the Commission will take followup action to assure that such deficiencies are corrected.

(b) Use of Internal Memorandum

1 Matters requiring corrective action by a higher headquarters should be pointed out in a letter transmitting the report to the higher headquarters or reported to the Director of the Bureau of Inspections, depending on the nature of the findings and the corrective action required.

2 Comments of inspectors, expressed opinions of management officials, or other items not appropriate for inclusion in the report to the installation should be reported to the Director of the Bureau of Inspections.

(c) Use of Statistical Data

1 Statistics are valuable indicators of program characteristics, problems and/or progress. They should be used to the extent they are meaningful and serve to clarify or support findings and conclusions. It is anticipated that some statistical measures of status and progress will be necessary in reports to present a clear overall picture of an installation program. These might include employment figures reflecting the employment, utilization, training and advancement of minority group members in various grades and series and in particular occupations, organizational units, and localities. As appropriate and to the extent selective figures are available, such data should direct attention to the status of EEO within various programs and activities (including dispersed locations) as well as the overall view in the principal installation inspected.

2 The extent and manner in which statistics are used will vary depending on the individual inspection results, but there are basic principles which must be carefully observed in all reports.

a Data use must be preceded by thorough analysis not only of the data, but all related circumstances and factors.

b Generally, the most valid use of statistics in reports is as an indicator of need for further analysis or specific support of inspection findings and conclusions. In every use, the report must clearly show how the data used relate to the inspection findings or conclusions drawn.

c Under no circumstances can we leave the impression we are evaluating in terms of numerical standards. Reports must clearly show that success or lack of it is judged on the basis of total program effort and not on the statistics used as inspection tools. (In this regard, inspectors should carefully consider how much data is needed to substantiate findings or conclusions.)

Excessive use of data can give erroneous impressions of emphasis on numbers. Statistics should be used to the degree that they are pertinent to and lend meaning to the report findings. When in the inspector's judgment a purpose is served by using extensive statistics, these may be placed in an appendix to the report with summary data used in the report proper to support findings and conclusions.

d Data use must avoid any inference that we require, advocate or permit the establishment of numerical goals, quotas or similar program actions which are not in full accord with the concept of equal opportunity for all persons as set forth in Executive Order 11246. If considered necessary (based on inspection interviews, etc.) this should be spelled out in the written report.

3 To the fullest extent possible, data use should be accompanied by advice and assistance on how such data may be properly used as program tools. For example:

a Probing the program surface and completing the analysis picture. Identifying possible or actual bias patterns, pinpointing employee underutilization, identifying personnel management program deficiencies such as inequality in promotion, details, or training opportunities.

b Providing information leading to actions for improvement such as data for use in developing more effective career ladders, or locating additional recruiting sources.

c Evaluating the effectiveness of actions taken. Have recruitment actions resulted in a broader range of applications from all persons, including, but not limited to minority and other disadvantaged persons? Does response from minority group organizations, state employment offices, colleges, etc., verify they have received, understand, and accept agency statements on equal consideration and opportunity?

d Determining if there is a need for further program analysis. Does data show wide discrepancies in overall turnover rates and those for minority and nonminority employees? Do employment "gaps" still remain despite repeated attempts to insure minority and other disadvantaged persons as well as nonminority persons are fully informed and considered?

The above are only examples. Individual situations will determine what guidance should be given; however, each inspector should be alert to all opportunities for bringing about improvement in agency development and utilization of EEO statistical data.

4 Wording such as "only blank percent of the employees in this installation are minority group members" or "only one of the ten professionals in this unit is a minority group member" has an evaluation flavor indicating that a certain percentage or number would be considered acceptable. The use of such crass wording which tends to place value judgments on statistics should be avoided. As noted above, we are looking for the facts behind the statistics.

5 The above principles should be carefully observed at all times, particularly when using:

a Comparisons of the ratio of minority group employment in an installation to the ratio present in the surrounding population area.

b Comparisons of changes in total installation employment to changes in minority employment.

c Statistical data on minority representation in various grades, occupations or organizations.

Stated differently, we must emphasize the facts behind the statistics--what is the turnover rate, what kind of jobs were filled, where was recruiting done, what were the qualification standards used, who were in the area of consideration, have there been patterns of nonselection of minority persons, what positive or negative impact have employment interview techniques had, what positive action has management taken to remedy problems, what are the results of concrete action? etc.

(d) Program Evaluation Statements

Program evaluations should consider the broad range of activity contemplated by Executive Order 11246 and the Commission's regulations. Our reports must strike an accurate and objective balance which reflects the total program situation and circumstance as found in the individual agency or installation. Hard-hitting reports which point out program deficiencies and motivate progress are still needed;

however, this approach should not be taken at the expense of a less than complete picture of the overall program, including agency efforts to improve the program. The emphasis must be on effective reporting which is truly reflective of the EEO situation in the activity--an accurate portrayal of problems faced, actions taken, results, what has not been done, and what is needed to achieve further progress.

1 Reports must give due credit to installations for positive efforts, actions taken and results achieved, but they must also point up problems, when found, and require whatever action is necessary for program improvement.

2 We must resist any inclination to criticize the lack of measurable progress if management has, in fact, made honest and extensive program efforts, but progress has been blocked by obstacles beyond their immediate control (staff reduction, absence of qualified applicants despite intensive recruitment, etc). On the other hand, we must avoid overly solicitous treatment of program problems which are subject to management control, but which have been used as an excuse for not taking positive action. (Some reports talk about program needs, but present the findings in terms that are too solicitous of management's problems; they fail to underscore management's responsibility for taking all possible action to resolve problems and effect improvement.)

3 We should give proper recognition for vigorous and imaginative action which has brought actual and significant progress, but we should be sure that recognition is warranted and will not serve to impede further progress. (Some reports have praised a manager who has merely acted within a nondiscrimination policy and complied with regulatory requirements or who has made only limited progress when much remains to be done before a truly positive EEO program is achieved. Improper use of laudatory remarks, which for all practical purposes places the Commission's stamp of approval upon either individual parts or the whole of an installation's EEO program, can lead to complacency rather than motivate management to increased efforts.

Reports must make crystal clear that efforts to reach minority group members, in order to improve their employment and career opportunities, must be made within the context of Federal efforts to reach the total community, including minority group members. Any time we talk about recruiting programs, training programs, etc., in connection with EEO, we should take special pains to point out that such programs are undertaken to provide improved opportunity for all segments of the population. We should never say that special efforts were made to reach minority groups unless we also point out the efforts made to reach others. The point is a sensitive one and imprecise reporting on it can lead to charges of reverse discrimination. In their reviews of reports, regional directors and members of their staffs should place great stress on this matter so that no false impressions are created by the reports.

(e) Corrective Action Statements

Inspectors should keep in mind the need for explicit directions where corrective action is necessary to bring the program in line with requirements of Executive Order 11246 or Commission regulations. When our review identifies program deficiencies which are in violation of such requirements, the report should clearly state what is wrong, the specific corrective action to be taken, and any applicable guidance or instructions.

