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A review was conducted to determine the impact of veterans' preference on the register placement of applicants and their opportunities for certification and selection to Federal entry-level positions. The preference accorded veterans in competing for Federal civil service jobs adversely affects all nonveterans. Specifically, the problems qualified women applicants may have in competing for Federal employment was assessed by examining whether women were being ranked lower or displaced from their positions on civil service registers because, as a group, they lacked veteran status. The adverse effects of veterans' preference were demonstrated by the: (1) displacement of women on civil service registers; (2) loss in ranking position of women on registers; (3) additional qualifications needed by nonveteran women to compete with veterans; and (4) lack of women on some civil service certificates. It was not possible to ascertain whether women were represented on civil service registers in proportion to their availability. Veterans' preference conflicts with the policy of providing equal employment opportunity to all job applicants, particularly women. It interferes with the principle of merit as the basis for selection to the Federal service.
(Author/SW)

STATEMENT OF CLIFFORD I. GOULD
DEPUTY DIRECTOR, U.S. GENERAL ACCOUNTING OFFICE
BEFORE THE SUBCOMMITTEE ON CIVIL SERVICE
DURING OVERSIGHT HEARINGS ON VETERANS'
PREFERENCE IN THE FEDERAL CIVIL SERVICE

Mr. Chairman and Members of the Subcommittee:

I appreciate your invitation to discuss our recent report to the Congress on the conflict between two major congressional policies: veterans' preference and equal employment opportunity. Today, I will briefly outline for you the scope of our review work, our findings and respond to any questions you may have concerning the report.

While the report deals with both veterans' preference and apportionment I will limit my comments to veterans' preference since this committee and the House of Representatives have already recommended that the apportionment requirement be repealed.

The Civil Service Commission was established nearly 100 years ago to bring a merit system of employment to Government service. Broadly speaking, merit means recruiting, selecting, and advancing persons on the basis of factors relevant to job performance: knowledge, skills, and abilities. The principle of merit in selection requires that CSC operate a competitive

examining system that provides equal opportunity for employment to all job applicants. Thus, we see that one of the basic tenets underlying the concept of merit is equal employment opportunity.

Veterans' preference in Federal civilian employment originated as a debt of gratitude or remuneration for services to the Nation. It has been successful in rewarding veterans, as evidenced by the fact that veterans comprise 50 percent of the Federal civil service. However, veterans' preference must also be viewed from the perspective of other mandated policies and national needs.

Our report indicates that the current policy of awarding veterans continuing, life-time preference in competing for entry into the Federal civil service conflicts with the principle of EEO in merit selection. Because few women have veteran status, their opportunities for Federal employment are diminished by the current operation of veterans' preference. Veterans' preference limits the ability of Federal agencies to achieve equal employment opportunity for women.

SCOPE OF REVIEW

During September 1976, we began a detailed review of the impact of veterans' preference in determining register placement and certification of applicants. We believed such information would provide the Congress and the public with a meaningful basis for evaluating the effects of veterans'

preference on the operation of the Federal merit examining and equal employment opportunity programs. Our review was conducted at the Civil Service Commission in Washington and at CSC regional and area offices in Atlanta, Dallas, Philadelphia, and San Francisco. We examined CSC's policies and procedures for implementing the Veterans' Preference Act. We interviewed CSC personnel, as well as personnel management and EEO officials of 22 other departments and agencies. Our review did not cover the preference in retention which is afforded to veterans in a reduction-in-force situation, nor did it encompass the degree or source of disability of veterans receiving 10-point preference. What we set out to do was determine the impact of veterans' preference on the register placement of applicants and their opportunities for certification and selection to Federal entry-level positions.

The preference accorded veterans in competing for Federal civil service jobs--additional rating points, preferred register placement and certification--adversely affects all nonveterans. Our report, however, specifically deals with problems qualified women applicants have in competing for Federal employment. Because neither the Selective Service System nor military authorities have encouraged women to serve in the Armed Forces until recently, only a small number of women have entered military service and obtained preference

eligible status. To determine the effects of veterans' preference on the employment opportunities of women, we reviewed CSC registers, rating schedules, and certifications to agencies.

FINDINGS

To demonstrate the effects of veterans' preference we assessed whether women were being displaced from their positions on CSC registers because, as a group, they lacked veteran status. To do this, we determined the ratings applicants needed to be certified from particular registers. The percentages of men and women who would be certified based on this rating was determined, first, with veterans' preference; then with veterans' preference not considered. Our review showed that for 36 of 44 registers examined, the potential for women to be certified increased when preference was not considered.

We found that large numbers of highly qualified women cannot be certified to Federal agencies for employment consideration because they are being displaced on registers by the preference afforded to veterans.

For example, on the Correctional Officer register (GS-6) 225 eligibles had certifiable ratings. With preference included 40 (18 percent) of the 225 eligibles were women. Without veterans' preference, there were 74 women eligibles available for certification. By excluding the extra points

and preferred register placement awarded veterans, the representation of women within certification ranges rose 85 percent.

A second way we determined the impact of preference was to calculate the number of register positions women applicants would advance if veterans' preference was excluded in ranking applicants on registers. We found individual women who achieved perfect or nearly perfect scores in CSC examinations ranked behind other applicants with lower scores. Without preference, women applicants would have a better chance of being selected.

For example, in San Francisco, 4 women scoring 99 on the accountant/auditor examination moved up almost 100 positions on the register if preference was not considered.

Modifying veterans' preference would significantly improve the opportunities of women applicants to be certified from some CSC registers.

Our report also illustrates the substantial additional qualifications nonveteran women need to compensate for the five-point preference awarded to veterans. Even with additional qualifications, the preferences awarded to veterans are often insurmountable barriers for female applicants, since veterans are placed ahead of nonveterans with the same ratings, and selecting officials generally cannot pass over a veteran to hire a nonveteran. Agencies provided numerous examples of CSC certificates with large numbers of veterans that lacked

female candidates for employment consideration.

We were unable to ascertain whether women were represented on CSC registers in proportion to their availability. However, in our opinion, the adverse effects of veterans' preference are demonstrated by the (1) displacement of women on CSC registers, (2) loss in ranking position of women on CSC registers, (3) additional qualifications needed by non-veteran women to compete with veterans, and (4) lack of women on some CSC certificates. This strongly indicates that veterans' preference is a formidable barrier to employment of qualified women who do appear on many registers.

Finally, we analyzed selected registers in Dallas and San Francisco because several agencies expressed concern that retired military personnel were at the top of registers. In the San Francisco region, 7 of the 10 registers we analyzed had retired military personnel among the top 10 register positions.

Some agencies believe that the concentration of military retirees at the top of many CSC registers has prevented non-veterans, particularly women, and even other veterans from gaining Federal employment. Veterans' preference for retired military personnel is, in our opinion, contrary to the idea of compensating veterans for time lost in their careers.

The Federal agencies we contacted had problems obtaining women from many CSC registers because of veterans' preference.

Since registers are the primary source of applicants for Federal jobs, the blockage of women on these registers has hampered agencies in meeting the hiring goals set forth in their affirmative action plans. While intensive recruiting may increase the number of women on registers, their opportunities to be certified and the agencies' ability to accomplish affirmative action plan goals will not improve if veterans are at the top of the registers.

CSC encourages agencies to make use of a variety of hiring practices (e.g., cooperative education, Upward Mobility, etc.) when problems are encountered in obtaining women eligibles from CSC registers. However, these programs usually offer only limited hiring opportunities. These practices can be costly and time-consuming, and smaller agencies may find such programs to be an inefficient use of resources.

Agencies suggested various modifications to alleviate the impact of veterans' preference. Most frequently suggested were (1) imposition of a time limit for possible use of veterans' preference and (2) limitation on the application of preference to a one-time use, such as first civilian employment.

CONCLUSIONS

The goal of compensating and rewarding veterans by awarding them preference for entry into the Federal civil service conflicts with the policy of providing equal

employment opportunity to all job applicants, particularly women. Veterans' preference interferes with the principle of merit as the basis for selection to the Federal service. Agencies have and will continue to have problems in hiring women because of current veterans' preference requirements. In commenting on our draft report, agencies expressed general agreement that something needs to be done to balance the Nation's obligation to its veterans and its obligation to provide equal employment opportunity for women.

The question of whether and to what extent one congressional policy objective should take precedence over another is a matter for the Congress to decide. However, we urge the Congress to reconsider whether granting preference in its present form is appropriate in light of its contradiction to EEO. If the Congress wishes to lessen the existing conflict between veterans' preference and EEO, modifications could be implemented that would diminish the adverse impact of veterans' preference.