

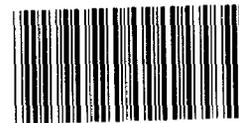
125968
WPA

BY THE U.S. GENERAL ACCOUNTING OFFICE

**Report To The Chairwoman,
Subcommittee On Civil Service
Committee On Post Office And Civil Service
House Of Representatives**

**Appointments To Professional And
Administrative Career Positions**

This report provides information about appointments made to entry level professional and administrative career (PAC) positions before and after the abolishment of the Professional and Administrative Career Examination (PACE). The PACE, a written examination, was used to examine applicants for 120 different occupations. The PACE was abolished in August 1982 as a result of a consent decree negotiated in the case of Luevano v. Devine. The objective of the consent decree was to eliminate adverse impact in the hiring of blacks and hispanics to positions filled through PACE. The Office of Personnel Management has not developed examination alternatives for those PAC positions previously covered by PACE.



125968

GAO/GGD-85-18
DECEMBER 10, 1984

830754

Request for copies of GAO reports should be sent to:

**U.S. General Accounting Office
Document Handling and Information
Services Facility
P.O. Box 6015
Gaithersburg, Md. 20760**

Telephone (202) 275-6241

The first five copies of individual reports are free of charge. Additional copies of bound audit reports are \$3.25 each. Additional copies of unbound report (i.e., letter reports) and most other publications are \$1.00 each. There will be a 25% discount on all orders for 100 or more copies mailed to a single address. Sales orders must be prepaid on a cash, check, or money order basis. Check should be made out to the "Superintendent of Documents".



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT
DIVISION

B-217032

The Honorable Patricia Schroeder
Chairwoman, Subcommittee on Civil
Service
Committee on Post Office and Civil
Service
House of Representatives

Dear Madam Chairwoman:

In an August 8, 1983, letter, you asked us to obtain information on appointments made to entry level professional and administrative career (PAC) positions¹ before and after the abolishment of the Professional and Administrative Career Examination (PACE). The Office of Personnel Management (OPM) abolished PACE in August 1982 as a result of a consent decree negotiated in the case of Luevano v. Devine. The objective of this consent decree was to eliminate adverse impact² in the hiring of blacks and hispanics for positions filled through PACE.

As an interim replacement for PACE, OPM established a new Schedule B³ appointing authority (Schedule B PAC) to be used in external hiring of employees for entry level PAC positions. These positions were covered by PACE at the time it was abolished. Thus far, no alternative competitive examining procedures have been developed.

¹PAC positions are nonclerical in nature and involve regulatory and compliance work, administrative and management functions, claims and benefit examining, investigative and law enforcement duties, and social service work.

²Adverse impact is defined under the consent decree as a circumstance in which the percentage of minority applicants who are hired in a job category is less than 80 percent of the percentage of white applicants who are hired.

³Schedule B authority covers positions for which OPM has determined that it is not practical to hold a competitive examination. Authorization to use Schedule B must be requested and approved by OPM.

You asked us to provide information on a number of questions related to PACE and the new Schedule B authority for filling entry level PAC positions. Our responses to these questions are summarized below and presented in more detail in the appendices to this letter.

We conducted our survey at OPM headquarters and four federal agencies--the Departments of the Navy and Health and Human Services, the Defense Logistics Agency, and the Internal Revenue Service. These agencies were selected because, as of October 1983 when we began our survey, they had authority to fill about 77 percent of the total number of PAC positions covered by the Schedule B authority. A detailed description of the scope of our review is presented in appendix I.

WHAT POSITIONS WERE FORMERLY FILLED THROUGH PACE AND HOW HAVE THEY BEEN FILLED SINCE PACE WAS ABOLISHED?

Data on positions filled through PACE were not available for each agency. Governmentwide, PACE covered GS-5 and GS-7 entry level positions in 120 different PAC occupations, but it was only one of many methods used to fill PAC positions. Other methods included internal promotions and reassignments and transfers from other agencies. Although the principal method for external hiring, PACE generally accounted for less than 10 percent of total PAC appointments. For example, total hires from the PACE were 4,606 in fiscal year 1979 and 1,472 in the last three quarters of fiscal year 1982. They comprised about 8 and 6 percent of total PAC hires for those periods (58,483 and 26,451, respectively).

From October 1982 through June 1983,⁴ appointments were made in all but 11 of the 120 PAC occupations that were formerly covered by PACE. Approximately 26,000 GS-5/7 PAC positions were filled during this time. Nearly three-fourths (19,194) of these positions were filled by promoting or reassigning current employees. Other methods included transfers from other federal agencies, reinstatements of former employees, and placement programs for federal employees who had either been or were scheduled to be displaced from their positions through no fault of their own. These methods have traditionally been used to fill the majority of PAC vacancies. About 1 percent (354) of total GS-5/7 PAC appointments were made under the new Schedule B PAC. Appendix III shows how PAC positions were filled from October 1,

⁴At the time of our survey, October 1982 to June 1983 data were the most recent detailed data available from OPM's Central Personnel Data File on PAC positions filled after PACE was abolished.

1982, to June 30, 1983. Agency officials attributed the small number of Schedule B PAC appointments in the 9-month period to budget and personnel ceiling constraints and start-up delays associated with the newness of the authority.

On July 24, 1984, OPM provided us with summary data showing the number of Schedule B PAC appointments from July through December 1983. During that period, 1,732 additional Schedule B PAC appointments were made, bringing the total number of these appointments from October 1982 through December 1983 to 2,086. Limited demographic data on these appointments are contained in the tables below and in appendix III (p. 17). More detailed demographic data on total PAC appointments and the methods of appointment were not available.

WHAT ARE THE DEMOGRAPHICS OF PAC APPOINTEES SINCE PACE WAS ABOLISHED?

The tables below contain a summary of demographic data obtained from OPM on all employees appointed to PAC positions from October 1982 to June 1983.

Total PAC Appointments
26,349

<u>Race and national origin</u>	<u>Number</u>	<u>Percent</u>
White	19,575	74.3
Black	4,478	17.0
Hispanic	1,433	5.4
Other	863	3.3
<u>Sex</u>	<u>Number</u>	<u>Percent</u>
Female	16,419	62.3
Male	9,926	37.7
Unspecified	4	.0
<u>Age</u>	<u>Number</u>	<u>Percent</u>
Under 25 yrs.	3,839	14.6
25-40 yrs.	16,424	62.3
41-64 yrs.	5,990	22.7
65 yrs. or older	96	.4
<u>Veterans Preference</u>	<u>Number</u>	<u>Percent</u>
Vet. Pref.	5,225	19.8
Non-Vet. Pref.	21,112	80.1
Unspecified	12	.1

Appendix III (pp. 16 to 20) provides a detailed breakdown of the appointment methods used and demographic data on the PAC employees appointed during the period October 1982 to June 1983.

DO SCHEDULE B PAC PROCEDURES MEET
REQUIREMENTS OF MERIT SELECTION?

Section 2301 of Title 5 of the United States Code specifies that federal personnel management should be implemented consistent with merit system principles. These principles, which are broad guidelines for agencies to follow in carrying out their personnel management activities, cover all aspects of personnel management, including the selection of employees. The merit principle for selection of candidates for vacant positions requires that selection be based

". . . solely on the . . . relative ability, knowledge, and skills [of the candidates] after fair and open competition which assures that all receive equal opportunity."

As indicated on page 2, most of the PAC positions filled since the PACE was abolished were filled by methods other than Schedule B PAC. These methods, such as promotions and reassignments, were also used to fill PAC positions prior to the abolishment of PACE. Agencies must follow standard, OPM prescribed procedures in making appointments under any of these methods. We therefore did not review the selection procedures used under these methods to determine if they complied with the merit principle for employee selection. However, since Schedule B PAC is new, we reviewed the descriptions of the procedures used by our four survey agencies to select candidates for Schedule B PAC appointments. We found no indication that these selection procedures violate the requirements of merit selection under 5 U.S.C. 2301. They all provide for what appears to be open competition and a means of determining qualified candidates. It should be noted, however, that simply because a selection procedure conforms to merit requirements, there is no guarantee that during the actual selection process merit abuses will not occur. Still, personnel officials from the agencies we contacted and OPM told us that, to their knowledge, no complaints or grievances relating to Schedule B PAC selection practices had been made.

The Merit Systems Protection Board, which is responsible for safeguarding the merit system against abuses, reported on Schedule B PAC in its annual report on the significant actions

of OPM during calendar year 1982.⁵ The Board concluded that there may be an increased opportunity for merit abuse because of the "multitude" of agency-developed procedures that will be used to examine and select applicants. OPM waived the standard Schedule B requirements⁶ to allow agencies more flexibility in complying with the consent decree. Similarly, in a report on PACE and the consent decree,⁷ a panel of the National Academy of Public Administration concluded, among other things, that the use of Schedule B PAC invites abuse, such as vulnerability to personal and political influence in appointments. Personnel officials of the agencies we visited believe that their selection practices conform to merit principles, but they also believe that the variety of selection procedures increases the opportunity for abuse.

IS SCHEDULE B PAC AN
ADEQUATE REPLACEMENT FOR PACE?

Since use of the Schedule B PAC has been relatively limited to date, we believe that its overall impact will not be known for some time. However, in the opinion of personnel officials from the agencies we visited, the Schedule B PAC provided by OPM, while having advantages, such as more flexibility in recruiting, will not be an adequate replacement for PACE unless a procedure is provided for converting Schedule B PAC hires to the competitive service.⁸ Schedule B PAC appointments are in the excepted service⁹, and appointees do not have competitive

⁵Report on the Significant Actions of the Office of Personnel Management During 1982, U.S. Merit Systems Protection Board, December 1983.

⁶OPM's regulations (5 C.F.R. Part 302, Subparts C and D) provide uniform procedures that agencies must follow in accepting and rating applications for employment and in selecting and appointing employees.

⁷The Selection of College Graduates for the Federal Civil Service: The Problem of the "PACE" Examination and the Consent Decree, Panel of the National Academy of Public Administration, March 1984.

⁸The competitive service consists of all civilian positions in the federal government which are not specifically excepted from the civil service laws by statute, by the President, or by OPM.

⁹The excepted service consists of those civil service positions which are not in the competitive service.

status¹⁰ and cannot be noncompetitively promoted beyond the GS-7 level or reassigned to positions not covered by the authority. Schedule B PAC employees may be converted to a competitive service appointment only after successfully competing through a competitive examining process. The agency personnel officials believe that the competitive registers will be blocked by preference eligibles¹¹ who are not in Schedule B PAC positions. The officials believed they may, as a result, be unable to convert and promote large numbers of their Schedule B PAC employees to competitive service GS-9 positions. OPM, on the other hand, believes that because of the experience gained in their PAC positions, most Schedule B PAC employees will be able to compete successfully through the competitive examining process. OPM therefore sees no need for a special conversion procedure. Whether problems will occur in promoting the Schedule B PAC employees is not known at this time since, according to an OPM official, the majority of the initial Schedule B PAC appointees are not expected to be eligible for promotion until late in calendar year 1984.

WHAT ARE OPM'S PROCEDURES FOR OVERSIGHT
OF AGENCY USE OF SCHEDULE B PAC AUTHORITY?

Before approving agency requests for Schedule B PAC, OPM reviews the adequacy of the information submitted, requests clarification or additional information when necessary, and checks with its area offices to verify whether the agencies considered hiring federal employees who had been or are scheduled to be displaced from their jobs. According to OPM procedures, agencies' use of Schedule B PAC will be monitored and evaluated by reviewing agency reports required by the consent decree, data from OPM's Central Personnel Data File, and its evaluations of agency personnel management operations. OPM officials informed us that OPM does not plan to separately study Schedule B PAC. Schedule B, as well as other hiring authorities, was reviewed as part of a broad personnel management evaluation study relating to federal government staffing practices which was conducted by OPM's Office of Agency Compliance and Evaluation in the second

¹⁰Competitive status is a person's basic eligibility for noncompetitive assignment to a position in the competitive service without open, competitive examination for the position.

¹¹Preference eligibles are individuals who have been honorably discharged from a period of active military service; also included are wives, husbands, inlaws, widowers, and mothers of certain veterans. These individuals receive additional points on competitive examinations depending on their veteran's category.

quarter of fiscal year 1984. This office is responsible for conducting evaluations of agency personnel management practices. A report on the results of the study is due at the end of calendar year 1984.

- - - -

As requested by your office, we did not obtain agency comments on this report. Also, as arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time, we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

W. J. Anderson

William J. Anderson
Director



FILLING PROFESSIONAL AND ADMINISTRATIVE
CAREER POSITIONS BEFORE AND AFTER PACE

OBJECTIVES, SCOPE, AND METHODOLOGY

The Chairwoman, Subcommittee on Civil Service, House Committee on Post Office and Civil Service, asked us to obtain information on appointments made to PAC positions before and after the abolishment of PACE. As requested, we directed our efforts at answering five sets of questions.

- How many and what types of positions in each agency used to be filled through PACE? Have those same types of jobs been filled since the PACE was ended? How many have been filled, by agency? What selection devices have been used?
- What is the demographic makeup of employees hired under successor authorities to PACE?
- For each procedure currently in use for filling positions which used to be filled by PACE, does the selection device meet the requirements of merit selection under 5 U.S.C. 2301?
- Is the Schedule B hiring authority provided by OPM regulation adequate to replace PACE?
- How does OPM insure that agencies (a) comply with the requirements to receive Schedule B hiring authority, and (b) once that authority is received, carry out their appointment responsibilities consistent with applicable laws and regulations?

In conducting our work, we reviewed laws, regulations, OPM's and selected agencies' guidance relating to appointment methods, as well as agencies' selection procedures currently used to fill PAC positions formerly filled through PACE.

We reviewed past GAO reports on related subjects such as the PACE and the Uniform Guidelines on Employee Selection Procedures.¹ We also reviewed reports by the Merit Systems

¹Federal Employment Examinations: Do They Achieve Equal Opportunity and Merit Principle Goals? (FPCD-79-46, May 15, 1979); and Uniform Guidelines on Employee Selection Procedures Should Be Reviewed and Revised (GAO/FPCD-82-26, July 30, 1982).

Protection Board and the National Academy of Public Administration² that discussed the advantages and disadvantages of the Schedule B PAC hiring authority.

Further, we interviewed officials at OPM and four selected federal agencies--the Departments of Navy and Health and Human Services, the Defense Logistics Agency, and the Internal Revenue Service--about the questions raised by the Chairwoman. These four agencies were selected because, as of October 1983 when we began our survey, they had authority to fill about 77 percent of the total number of approved Schedule B PAC positions. We also discussed Schedule B PAC with officials at the Department of Defense and the Merit Systems Protection Board's Merit Systems Review and Studies Office.

At OPM, we reviewed the files containing agency requests for Schedule B PAC and other related documents to determine and verify OPM procedures for granting approvals to make appointments to PAC positions under Schedule B. We also obtained statistics from OPM, without independently verifying their accuracy, on (1) the number and type of PAC positions filled, by agency, (2) how these positions were filled before and after the PACE was abolished, and (3) demographic data on employees hired after PACE was abolished. Most of these data were taken from OPM's Central Personnel Data File and, according to an OPM official, were the most current and accurate information available as of March 1984.

As requested by your office, we did not obtain agency comments on this report. Our survey, conducted from October 1983 through March 1984, was performed in accordance with generally accepted government auditing standards.

BACKGROUND

The federal government uses a variety of methods to fill vacancies in GS-5 and -7 entry level PAC positions. These include internal promotions and reassignments, transfers from

²Report on the Significant Actions of the Office of Personnel Management During 1982, U.S. Merit Systems Protection Board, December 1983; and The Selection of College Graduates for the Federal Civil Service: The Problem of the "PACE" Examination and the Consent Decree, Panel of the National Academy of Public Administration, March 1984.

other federal agencies, priority placement programs,³ and hiring new employees. PAC appointments in these entry level positions have ranged from 58,483 in fiscal year 1979, to 26,451 in the last three quarters of fiscal year 1982.

From 1974 until its abolishment in August 1982, the principal device for examining and selecting new government employees for GS-5 and GS-7 entry level PAC positions was the PACE. It was a written, competitive examination. The number of PAC hires under PACE was 4,606 in fiscal year 1979 and 1,472 in the last three quarters of fiscal year 1982. One hundred twenty different career occupations were covered by the exam. These occupations are nonclerical in nature and involve regulatory and compliance work, administrative and management functions, claims and benefit examining, investigative and law enforcement duties, and social services work. See appendix II for a list of PAC occupations formerly filled through PACE.

The PACE was abolished as a result of a consent decree negotiated in the case of Luevano v. Devine. The objective of this consent decree was to eliminate adverse impact in the hiring of blacks and hispanics for positions filled through PACE. The decree required, in part, the phasing out of PACE and the development of alternative examining procedures which would validly and fairly test the relative capacity of applicants to perform in PAC occupations.

OPM abolished PACE in August 1982 and established a new Schedule B⁴ appointing authority (Schedule B PAC) to use in external hiring of employees for entry level PAC positions. These positions were covered by PACE at the time it was abolished. Thus far, no alternative competitive examining procedures have been developed. OPM decided that the Schedule B PAC positions should be excepted from the competitive service because (1) there were no alternative written tests; (2) restrictions in federal employment would result in substantially reduced external hires in many former PACE occupations; and (3) the cost of developing validated competitive examinations consistent with the consent decree would be prohibitive, especially for occupations where relatively few hires are expected. OPM

³Priority placement programs are designed to help find new jobs for federal employees who have either been or are scheduled to be displaced from their positions through no fault of their own.

⁴Schedule B authority covers positions for which OPM has determined that it is not practical to hold a competitive examination. Authorization to use Schedule B must be requested from and approved by OPM.

believed that agencies could fill most vacancies that arise either through internal placement, reinstatement of individuals with civil service status, or through priority placement programs. When external hiring is considered necessary, agencies may be granted Schedule B authority if they demonstrate to OPM that the positions cannot be filled through the other sources.

Employees hired under Schedule B PAC do not have competitive status and cannot be noncompetitively promoted beyond the GS-7 level or reassigned to positions not covered by the authority. Schedule B PAC appointees may be advanced to the GS-9 level and converted to a competitive position only after they undergo some form of competitive examining procedure and successfully compete with other applicants for a position vacancy. Pay, retirement, health benefits, life insurance, and leave accrual provisions for Schedule B PAC employees are the same as for competitive service employees. Also, agencies must observe veterans preference in making Schedule B PAC appointments.

RESPONSES TO QUESTIONS CONCERNING FILLING PAC POSITIONS

This section identifies the Chairwoman's questions relating to appointments to PAC positions and provides details on the information we developed.

How many and what types of positions in each agency used to be filled through PACE? Have those same types of jobs been filled since the PACE was ended? How many have been filled, by agency? What selection devices have been used?

What is the demographic makeup of employees hired under successor authorities to PACE?

According to OPM officials, data showing the number and types of PAC positions in each agency formerly filled through the PACE were not available. However, governmentwide data on PAC positions formerly filled through PACE were available along with selected demographic data on PAC employees. Summaries of this information are contained in appendix III.

For each procedure currently in use for filling positions which used to be filled by PACE, does the selection device meet the requirements of merit selection under 5 U.S.C. 2301?

Title 5 U.S.C. section 2301 enumerates the merit system principles which are intended to serve as guides to federal agencies in conducting their personnel management activities. The principles apply to the full range of personnel processes and decisions including recruitment, selection, advancement, pay, and training.

With respect to the requirements of merit selection, section 2301(b)(1) provides that:

". . . selection . . . should be determined solely on the basis of relative ability, knowledge, and skills after fair and open competition which assures that all receive equal opportunity."

Most of the PAC positions filled since the PACE was abolished were filled by methods other than Schedule B PAC. These methods, such as promotions and reassignments, were also used to fill PAC positions prior to the abolishment of PACE. Agencies must follow standard, OPM prescribed procedures in making appointments under any of these methods. We therefore did not review the selection procedures used under these methods to determine if they complied with the merit principle for employee selection. However, we did review descriptions of the procedures used by the four agencies surveyed to select candidates for Schedule B PAC positions and discussed the Schedule B PAC selection practices with officials at these agencies. We found no indication that these selection procedures would violate the requirements of merit selection under Title 5 U.S.C. 2301. They all provided for what appeared to be open competition and a means of determining qualified candidates. Further, officials from the agencies we contacted and OPM's Office of Agency Compliance and Evaluation told us that, to their knowledge, no complaints or grievances relating to Schedule B PAC selection practices had been made.

It should be noted, however, that simply because a selection procedure appears to conform to merit requirements, there is no guarantee that during the actual selection process merit abuses will not occur. Some concern has been expressed that under Schedule B PAC, an increased opportunity exists for merit abuses because differing selection procedures are being used. OPM waived the Schedule B regulatory requirements⁵ on selection for Schedule B PAC appointments to give agencies greater flexibility in complying with the requirements of the consent decree. As a result, agencies are permitted to use whatever selection procedure(s) they believe would best meet their particular needs.

The Merit Systems Protection Board and a panel of the National Academy of Public Administration expressed concern about the potential for merit abuse under Schedule B PAC. In

⁵ 5 C.F.R., Part 302, Subpart C--Accepting, Rating, and Arranging Applications and Subpart D--Selection and Appointment. These provisions set out uniform procedures that agencies must follow in selecting and appointing employees.

its annual report on the significant actions of OPM for calendar year 1982, the Board reported on the establishment of Schedule B PAC and concluded that:

". . . the weakest link in this newly formed segment of the merit system chain is likely to be contained in the multitude of agency-developed recruitment and selection strategies or procedures that will be used under the new Schedule B authority."

In the Board's view, the weakness is caused by the dispersion of responsibilities and the wide variety of formal and informal agency selection procedures. The Board concluded that this situation increases the opportunity for and the potential incidence of merit abuses and the commission of prohibited personnel practices. Similarly, in a report on the PACE and the consent decree, the Academy panel concluded, among other things, that the use of Schedule B PAC invites abuse, such as vulnerability to personal and political influence in appointments. The Board plans to continue monitoring the effects of the abolishment of PACE and will report again on the use of the new Schedule B PAC in its next annual report, which will focus on the significant actions of OPM in calendar year 1983.

Is the Schedule B hiring authority provided by the OPM regulation adequate to replace PACE?

Since the use of Schedule B PAC has been relatively limited to date, we believe that its overall impact will not be known for some time. We did, however, obtain the views of selected agency officials on the use of Schedule B PAC as a replacement for the PACE. In the opinion of the personnel officials from our survey agencies, Schedule B PAC, while having advantages, will not be an adequate replacement for PACE unless a viable procedure is provided for converting the Schedule B PAC hires to the competitive service. The agency officials cited the inability to noncompetitively convert Schedule B PAC employees to the competitive service or promote them beyond the GS-7 level as the major disadvantage of Schedule B PAC. On the other hand, these officials indicated that a major advantage of Schedule B PAC is the increased flexibility it allows in recruiting and selecting PAC employees.

According to OPM regulations, Schedule B PAC employees may be converted to a competitive service appointment after successfully competing through a competitive examining process. Agency personnel officials with whom we spoke believe that the competitive registers will be blocked by preference eligibles who are not in Schedule B PAC positions. These officials believed they may, as a result, be unable to convert and promote large numbers of their Schedule B PAC employees to competitive service GS-9

positions. That is, the Schedule B PAC employees may not be within reach on competitive registers because the preference eligibles will likely be at the top of most register certificates. OPM, on the other hand, believes that most Schedule B PAC employees will be able to compete successfully through the competitive examining process because of the specialized experience and training gained in their PAC positions.

Because of the concern about potential conversion problems, the Department of Defense (DOD) developed a proposed executive order which would allow the non-competitive conversion of its Schedule B PAC employees to the competitive service. Conversion would be predicated, in part, on satisfactory performance; demonstrated possession of the skills, knowledge, and abilities required to perform successfully at the GS-9 level; and the agency's recommendation for conversion. However, we were told by a DOD official that after several unsuccessful attempts to obtain OPM's support, the Department decided not to pursue the matter further. OPM's position is that a special conversion procedure should not be considered unless there are actual problems. Since, according to an OPM official, the majority of the initial Schedule B PAC appointees will not be eligible for promotion to the GS-9 level until late 1984, it is not known at this time whether problems in promoting them will occur.

Several other problems associated with Schedule B PAC were also cited by agency officials we interviewed. These included the following.

--The lengthy process of requesting and obtaining approval to make appointments under Schedule B PAC. Under this authority, an activity must submit the request through its agency headquarters to OPM's central office.

--The lack of a governmentwide application point for applicants wishing to either obtain information about or be considered for a PAC position vacancy.

--The increased potential for abuse because agencies have developed and are using varied recruiting and selection procedures. For example, there could be increased opportunity to make appointments on the basis of personal or political patronage.

According to personnel officials at the surveyed agencies, Schedule B PAC allows increased flexibility to recruit and select individuals to fill PAC positions. These officials view this increased flexibility as the major advantage of Schedule B PAC. Agencies are allowed, within the guidelines set by OPM and in accordance with applicable regulations, to establish recruitment and selection procedures to suit their particular needs.

Agency officials stated that they can establish recruitment procedures which will give them more flexibility in meeting their hiring goals. For example, agencies can direct their recruiting efforts to schools which are likely to yield qualified minorities and women. The result, according to these officials, is a more diverse work force.

Agency officials cited two other advantages of Schedule B PAC.

- There should be fewer declinations after job offers are made since applicants are applying for a specific job in a particular agency.
- Line managers will be more directly involved in the actual recruitment and selection process.

OPM has also expressed some concern about the use of Schedule B PAC as a replacement for PACE. In announcing the abolishment of PACE and the planned establishment of the new Schedule B PAC, the Director, OPM stated that:

"This is not an ideal solution for filling professional administrative positions in the Federal Government Nevertheless, this is the best available solution, given the very tight constraints imposed by the decree."

It was OPM's opinion at the time PACE was abolished that the development of alternative examinations to PACE would be both extremely costly and time-consuming.

OPM officials informed us that job specific examinations are being developed for five PAC occupations which have large numbers of hires: tax technician, social insurance claims representative, social insurance claims examiner, customs inspector, and internal revenue officer. These examinations are at various stages of development, but OPM officials could not provide any firm estimates as to when they might be implemented. In addition, OPM officials stated that OPM has no definite plans on the type of examining procedure(s) that may be developed for the remaining PAC occupations. According to an OPM official, the development of the alternative examinations has been and may continue to be hindered by a lack of sufficient staffing. (The size of the staff working on the development of the examinations was reduced by about 50 percent in a 1982 reduction in force.)

How does OPM insure that agencies comply with the requirements to receive Schedule B hiring authority?

In its Federal Personnel Manual instructions on Schedule B PAC, OPM specified certain conditions that agencies must meet before it will grant Schedule B PAC. Prior to requesting the authority, agencies are required to make maximum use of internal priority placement programs as well as the two priority placement programs administered by OPM--the Displaced Employee Program (DEP) and the Interagency Placement Assistance Program (IPAP)--and give appropriate consideration to available and qualified candidates with civil service status (candidates available for promotion, reassignment, transfer, or reinstatement to PAC positions).

As a means of ensuring adherence to these requirements, OPM requires that all requests for Schedule B PAC be submitted through the agency's headquarters to OPM's central office. According to OPM officials, after the requests for Schedule B PAC are received, OPM reviews them and other related documents submitted by the agencies to make sure that the agencies have provided the required information. Agencies must indicate the position(s) for which authority is needed; the use made of DEP and IPAP lists, merit promotion programs, reemployment, and repromotion priority lists; and other sources of candidates with civil service status. They must also state how veterans preference will be applied.

OPM does not, however, verify that agencies have met all the requirements to receive Schedule B PAC. OPM's policy is to accept the agency's statements with regard to consideration given priority placement eligibles and other status candidates unless those statements contain obvious conflicts or information that appears implausible or inconsistent. Although they are not required to, some agencies will submit various other documents, such as merit promotion vacancy announcements, to demonstrate that they have pursued internal sources before requesting Schedule B PAC. OPM verifies that agencies have contacted the appropriate OPM area office for DEP/IPAP candidates. If consideration of DEP/IPAP and status candidates or the provision for veterans preference appears inadequate, OPM requires the agency to take further action or provide clarification or additional information before the Schedule B PAC request will be approved. For example, an agency could be required to check with one of OPM's area offices for DEP/IPAP candidates or to provide information regarding how it plans to apply veterans preference in making Schedule B PAC appointments. On the basis of its review of the request and the agency's demonstration that external hiring is appropriate, OPM then authorizes the use of Schedule B PAC.

Our review of the 79 agency requests for Schedule B PAC, received by OPM as of the end of October 1983, confirmed that agencies provided the required information and OPM verified the agencies' use of the DEP and IPAP lists before approving appointments under Schedule B PAC.

How does OPM insure that agencies, once Schedule B authority is received, carry out their appointment responsibilities consistent with applicable laws and regulations?

According to OPM procedures, Schedule B PAC monitoring and evaluation activities include reviewing agency reports required by the consent decree, data from OPM's Central Personnel Data File, and its evaluation of agency personnel management operations. OPM officials informed us that there are no plans to conduct any separate studies or evaluations regarding the use of Schedule B PAC. Rather, Schedule B PAC was reviewed in the second quarter of fiscal year 1984 as part of a broad personnel management evaluation study relating to federal staffing practices conducted by OPM's Office of Agency Compliance and Evaluation (ACE).

OPM's current personnel management evaluation program is designed to provide information on the current status of governmentwide personnel programs and related personnel policy issues. Under its revised evaluation approach and methodology, ACE developed a 5-year plan which it believes will permit OPM to generalize governmentwide about the results of ACE's evaluation work. Previously, ACE's work was basically limited to evaluating the personnel management programs of individual agency installations. Over a 5-year period, fiscal years 1984 to 1988, ACE plans to gather baseline information on five personnel management issues: position classification; position management; staffing (which includes appointing authorities such as Schedule B PAC); performance management; and personnel administration. This will be accomplished through 1 day, on-site visits at approximately 4,000 government installations over the 5-year period.

As part of this new evaluation approach, ACE will conduct quarterly studies of aspects of the five personnel management programs. In this respect, one study, which was conducted in the second quarter of fiscal year 1984, addressed how the federal government appoints and promotes its employees. Specifically, the study examined the various ways hiring authorities (including Schedule B PAC) are administered, the results they achieve, the costs they incur, and whether they are in compliance with applicable laws and regulations. A report on the results of the study is due at the end of calendar year 1984. According to ACE's evaluation program plan, a more detailed, compliance type review would be conducted in any area, for example, the use of Schedule B PAC, if systemic problems are identified during the general evaluation phase of a study.

PAC OCCUPATIONS FORMERLY FILLED THROUGH PACE

<u>Series</u>	<u>Title</u>	<u>Series</u>	<u>Title</u>
011	Bond Sales Promotion	222	Occupational Analyst
018	Safety Management	223	Salary and Wage Administration
020	Community Planning		
023	Outdoor Recreation Specialist	230	Labor Management and Employee Relations
025	Park Management	233	Labor Relations
*027	Crop Insurance Administration (except for field man and field specialist positions)	235	Employee Development
		244	Labor Management Relations Examining
028	Environmental Protection	246	Contractor Industrial Relations
080	Security Administration	249	Wage and Hour Compliance Specialist
101	Social Science	301	General Clerical and Administrative
105	Social Insurance Administration	*334	Computer Specialist (Trainee)
106	Unemployment Insurance	341	Administrative Officer
*110	Economist	343	Management Analysis
120	Food Assistance Program Specialist	345	Program Analysis
130	Foreign Affairs	346	Logistic Management
131	International Relations	393	Communications Specialist
132	Intelligence	501	General Accounting Clerical and Administrative
140	Manpower Research and Analysis		
142	Manpower Development	526	Tax Technician
150	Geography	560	Budget Administration
170	History	**570	Financial Institution Examining ^a
180	Psychology		
184	Sociology	673	Hospital Housekeeping Management
187	Social Sciences		
190	General Anthropology	685	Public Health Program Specialist
193	Archeology		
201	Personnel Management	950	Paralegal Specialist
205	Military Personnel Management	962	Contact Representative
		965	Land Law Examining
212	Personnel Staffing	967	Passport and Visa Examining
221	Position Classification		

PAC OCCUPATIONS FORMERLY FILLED THROUGH PACE

<u>Series</u>	<u>Title</u>	<u>Series</u>	<u>Title</u>
987	Tax Law Specialist		Fisheries Marketing
990	General Claims Examining	1149	Reporter Wage and Hour Law Administration
991	Workmen's Compensation Claims Examining	1150	Industrial Specialist
993	Social Insurance Claims Examining	1160	Financial Analysis
994	Unemployment Compen- sation Claims Examining	1163	Insurance Examining
996	Veterans Claims Examining	1165	Loan Specialist
997	Civil Service Retire- ment Claims Examining	1169	Internal Revenue Officer
1001	General Arts and Information (Fine and Applied Arts positions are excluded)	1170	Realty
1015	Museum Curator	1171	Appraising and Assessing
1035	Public Affairs	1173	Housing Management
1081	Public Information	1176	Building Management
1082	Writing and Editing	*1410	Librarian (for certain trainee positions at GS-5)
1083	Technical Writing and Editing	1412	Technical Information Services
1101	General Business and Industry	1420	Archivist
1102	Contract and Procurement	1421	Archives Specialist
1103	Industrial Property Management	*1654	Printing Management
1104	Property Disposal	1701	General Education and Training
1130	Public Utility Specialist	1715	Vocational Rehabili- tation (GS-7 only)
1140	Trade Specialist	1720	Education Research and Program Specialist
1145	Agriculture Program Specialist	*/**1810	General Investigation
1146	Agriculture Marketing	1811	Criminal Investigation (except for Treasury Enforcement Agents)
1147	Agricultural and		

PAC OCCUPATIONS FORMERLY FILLED THROUGH PACE

<u>Series</u>	<u>Title</u>	<u>Series</u>	<u>Title</u>
*1812	Game Law Enforcement (GS-5 only)	2010 2030	Inventory Management Distribution Facilities and Storage
**1816	Immigration Inspection ^b		Management
1831	Securities Examining Compliance	2032	Packaging Specialist
1854	Alcohol, Tobacco, and Firearms Inspection	2050 2101	Supply Cataloging General Transportation
*1860	Public Health Inspection	*1135/2110	Transportation Industry Analysis
1864	Public Health Quarantine Inspection	2111 2125	Transportation Rate and Tariff Examiner Highway Safety Management
1889	Import Specialist		Traffic Management
1890	Customs Inspection	2130	Cargo Scheduling
*1893	Customs Marine Officer	2144	Transport Operations
**1910	Quality Assurance Specialist	2150	
2001	General Supply		
2003	Supply Program Management		

*These PAC occupations which were abolished or removed from coverage of PACE prior to the effective date of the consent decree were not subject to Schedule B PAC at the time of our survey.

**These PAC occupations which are competitively filled by agencies having delegated examining authority were not subject to Schedule B PAC at the time of our survey.

^aThe Federal Deposit Insurance Corporation and Federal Home Loan Bank Board have delegated examining authority for GS-5 positions and GS-5/7 positions, respectively.

^bThe delegated examining authority for this PAC occupation covers GS-5 positions only.

PAC APPOINTMENTS UNDER PACE
FISCAL YEARS 1979 THROUGH 1982

<u>Occupational Series and Group</u>	<u>Fiscal Year 1979</u>		<u>Fiscal Year 1980</u>		<u>Fiscal Year 1981</u>		<u>Fiscal Year 1982</u>	
	<u>Number of Appointments</u>	<u>Percent</u>						
000 Miscellaneous Occupations Group	75	1.6	89	2.1	76	2.5	15	1.0
100 Social Science, Psychology, and Welfare Group	796	17.3	652	15.7	136	4.5	15	1.0
200 Personnel Management and Industrial Relations Group	125	2.7	137	3.3	73	2.4	13	.9
300 General Administrative, Clerical, and Office Service Group	628	13.6	766	18.4	361	11.9	106	7.2
500 Accounting and Budget Group	553	12.0	530	12.8	198	6.5	37	2.5
600 Medical, Hospital, Dental, and Public Health Group	26	.6	49	1.2	10	.3	24	1.6
900 Legal and Kindred Group	823	17.9	592	14.3	1,100	36.2	433	29.4
1000 Information and Art Group	68	1.5	66	1.6	55	1.8	13	.9
1100 Business and Industry Group	776	16.8	615	14.8	582	19.1	698	47.4
1400 Library and Archives Group	36	.8	19	.5	8	.3	6	.4
1600 Equipment, Facilities, and Service Group	3	.1	0	.0	0	.0	0	.0
1700 Education Group	10	.2	1	.0	9	.3	0	.0
1800 Investigation Group	306	6.6	281	6.8	108	3.5	22	1.5

PAC APPOINTMENTS UNDER PACE
FISCAL YEARS 1979 THROUGH 1982

<u>Occupation Series and Group</u>	<u>Fiscal Year 1979</u>		<u>Fiscal Year 1980</u>		<u>Fiscal Year 1981</u>		<u>Fiscal Year 1982^a</u>	
	<u>Number of</u> <u>Appointments</u>	<u>Percent</u>						
1900 Quality Assurance, Inspection and Grading Group	129	2.8	142	3.4	127	4.2	4	.3
2000 Supply Group	229	5.0	179	4.3	173	5.7	84	5.7
2100 Transportation Group	23	.5	32	.8	25	.8	2	.2
Total	<u>4,606</u>	<u>100.0</u>	<u>4,150</u>	<u>100.0</u>	<u>3,041</u>	<u>100.0</u>	<u>1,472</u>	<u>100.0</u>

^aIncludes only those appointments made in the last three quarters of fiscal year 1982.

APPOINTMENTS^a BY RACE AND NATIONAL ORIGIN
 AFTER THE ABOLISHMENT OF PACE
 OCTOBER 1, 1982 TO JUNE 30, 1983

Appointment Method	White		Black		Hispanic		Other		Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Promotion	8,630	73.3	2,145	18.2	653	5.5	353	3.0	11,781
Reassignment	5,509	74.3	1,322	17.8	359	4.9	223	3.0	7,413
Reinstatement	519	73.6	111	15.8	56	7.9	19	2.7	705
Transfer	271	75.7	55	15.3	21	5.9	11	3.1	358
OPM Alternative Competitive Exams	401	84.4	40	8.4	16	3.4	18	3.8	475
PACE ^b	384	85.5	43	9.6	16	3.6	6	1.3	449
Schedule B PAC Authority	185	52.3	95	26.8	53	15.0	21	5.9	354
Veterans Readjustment Authority	177	71.1	47	18.9	13	5.2	12	4.8	249
Delegated Examining Authority	166	75.5	28	12.7	22	10.0	4	1.8	220
Direct Hire Authority	75	81.5	9	9.8	5	5.4	3	3.3	92
Cooperative Education Program	49	69.0	16	22.6	2	2.8	4	5.6	71
Bicultural/Bilingual Program	0	.0	0	.0	1	25.0	3	75.0	4
Outstanding Scholar Program	0	.0	0	.0	0	.0	0	.0	0
Federal Junior Fellowship Program	0	.0	0	.0	0	.0	0	.0	0
Other	<u>3,209</u>	76.8	<u>567</u>	13.6	<u>216</u>	5.2	<u>186</u>	4.4	<u>4,178</u>
Total	<u>19,575</u>	74.3	<u>4,478</u>	17.0	<u>1,433</u>	5.4	<u>863</u>	3.3	<u>26,349</u>

^aCovers appointments to GS-5 and GS-7 entry level positions only. Includes promotions, reassignments, reinstatements, or transfers occurring when an individual moves from either a non-PAC occupation or another PAC occupation.

^bPACE certificates could be used for a 60-day period after OPM announced the abolishment of PACE on September 9, 1982.

SCHEDULE B PAC APPOINTMENTS
BY RACE AND NATIONAL ORIGIN AFTER
THE ABOLISHMENT OF PACE
OCTOBER 1, 1982 TO DECEMBER 31, 1983

	<u>Oct. 1, 1982 to June 30, 1983</u>		<u>July 1, 1983 to Dec. 30, 1983</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
White	185	52.3	1,171	67.6	1,356	65.
Black	95	26.8	414	23.9	509	24.4
Hispanic	53	15.0	147	8.5	200	9.6
Other	<u>21</u>	<u>5.9</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>1.0</u>
Total	<u>354</u>	<u>100.0</u>	<u>1,732</u>	<u>100.0</u>	<u>2,086</u>	<u>100.0</u>

GOVERNMENTWIDE PAC APPOINTMENTS^a BY SEX AFTER
THE ABOLISHMENT OF PACE
OCTOBER 1, 1982 TO JUNE 30, 1983

<u>Appointment Method</u>	<u>Female</u>		<u>Male</u>		<u>Unspecified</u>		<u>Total</u>
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	
Promotion	8,142	69.1	3,637	30.9	2	.0	11,781
Reassignment	5,257	70.9	2,155	29.1	1	.0	7,413
Reinstatement	379	53.8	326	46.2	0	.0	705
Transfer	186	52.0	172	48.0	0	.0	358
OPM Alternative Competitive Exams	194	40.8	281	59.2	0	.0	475
PACE ^b	242	53.9	207	46.1	0	.0	449
Schedule B PAC Authority	120	33.9	234	66.1	0	.0	354
Veterans Readjustment Authority	8	3.2	241	96.8	0	.0	249
Delegated Examining Authority	44	20.0	176	80.0	0	.0	220
Direct Hire Authority	36	39.1	56	60.9	0	.0	92
Cooperative Education Program	41	57.7	30	42.3	0	.0	71
Bicultural/Bilingual Program	1	25.0	3	75.0	0	.0	4
Outstanding Scholar Program	0	.0	0	.0	0	.0	0
Federal Junior Fellowship Program	0	.0	0	.0	0	.0	0
Other	<u>1,769</u>	42.4	<u>2,408</u>	57.6	<u>1</u>	.0	<u>4,178</u>
Total	<u>16,419</u>	62.3	<u>9,926</u>	37.7	<u>4</u>	.0	<u>26,349</u>

^aCovers appointments to GS-5 and GS-7 entry level positions only. Includes promotions, reassignments, reinstatements, or transfers occurring when an individual moves from either a non-PAC occupation or another PAC occupation.

^bPACE certificates could be used for a 60-day period after OPM announced the abolishment of PACE on September 9, 1982.

GOVERNMENTWIDE PAC APPOINTMENTS^a BY VETERANS PREFERENCE STATUS
AFTER THE ABOLISHMENT OF PACE
OCTOBER 1, 1982 TO JUNE 30, 1983

<u>Appointment Method</u>	<u>Veterans Preference</u>		<u>Non-Veterans Preference</u>		<u>Unspecified</u>		<u>Total</u>
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	
Promotion	2,087	17.7	9,691	82.3	3	.0	11,781
Reassignment	1,337	18.0	6,076	82.0	0	.0	7,413
Reinstatement	175	24.8	530	75.2	0	.0	705
Transfer	101	28.2	257	71.8	0	.0	358
OPM Alternative Competitive Exams	144	30.3	331	69.7	0	.0	475
PACE ^b	81	18.0	368	82.0	0	.0	449
Schedule B PAC Authority	115	32.5	239	67.5	0	.0	354
Veterans Readjustment Authority	247	99.2	2	.8	0	.0	249
Delegated Examining Authority	100	45.5	120	54.5	0	.0	220
Direct Hire Authority	26	28.3	66	71.7	0	.0	92
Cooperative Education Program	2	2.8	69	97.2	0	.0	71
Bicultural/Bilingual Program	2	50.0	2	50.0	0	.0	4
Outstanding Scholar Program	0	.0	0	.0	0	.0	0
Federal Junior Fellowship Program	0	.0	0	.0	0	.0	0
Other	808	19.3	3,361	80.5	9	.2	4,178
Total	5,225	19.8	21,112	80.1	12	.1	26,349

^aCovers appointments to GS-5 and GS-7 entry level positions only. Includes promotions, reassignments, reinstatements, or transfers occurring when an individual moves from either a non-PAC occupation or another PAC occupation.

^bPACE certificates could be used for a 60-day period after OPM announced the abolishment of PACE on September 9, 1982.

(966175)

20

GOVERNMENTWIDE PAC APPOINTMENTS^a BY AGE
AFTER THE ABOLISHMENT OF PACE
OCTOBER 1, 1982 TO JUNE 30, 1983

<u>Appointment Method</u>	<u>Under</u>		<u>25-40 Years Old</u>		<u>41-64 Years Old</u>		<u>65 Years Or Older</u>		<u>Total</u>
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	
Promotion	1,522	12.9	7,557	64.1	2,671	22.7	31	.3	11,781
Reassignment	633	8.5	4,641	62.6	2,105	28.4	34	.5	7,413
Reinstatement	46	6.5	539	76.5	119	16.9	1	.1	705
Transfer	11	3.1	253	70.6	93	26.0	1	.3	358
OPM Alternative Competitive Exams	114	24.0	297	62.5	62	13.1	2	.4	475
PACE ^b	147	32.7	244	54.4	58	12.9	0	.0	449
Schedule B PAC Authority	59	16.7	229	64.7	66	18.6	0	.0	354
Veterans Readjustment Authority	0	.0	149	59.8	100	40.2	0	.0	249
Delegated Examining Authority	28	12.7	140	63.6	51	23.2	1	.5	220
Direct Hire Authority	20	21.8	59	64.1	13	14.1	0	.0	92
Cooperative Education Program	32	45.1	38	53.5	1	1.4	0	.0	71
Bicultural/Bilingual Program	1	25.0	1	25.0	2	50.0	0	.0	4
Outstanding Scholar Program	0	.0	0	.0	0	.0	0	.0	0
Federal Junior Fellowship Program	0	.0	0	.0	0	.0	0	.0	0
Other	<u>1,226</u>	29.4	<u>2,277</u>	54.5	<u>649</u>	15.5	<u>26</u>	.6	<u>4,178</u>
Total	<u>3,839</u>	14.6	<u>16,424</u>	62.3	<u>5,990</u>	22.7	<u>96</u>	.4	<u>26,349</u>

^aCovers appointments to GS-5 and GS-7 entry level positions only. Includes promotions, reassignments, reinstatements, or transfers occurring when an individual moves from either a non-PAC occupation or another PAC occupation.

^bPACE certificates could be used for a 60-day period after OPM announced the abolishment of PACE on September 9, 1982.

29966

AN EQUAL OPPORTUNITY EMPLOYER

UNITED STATES
GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

POSTAGE AND FEES PAID
U. S. GENERAL ACCOUNTING OFFICE



THIRD CLASS

GE