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B-178205

MAY 1, 1979

The Honorable John D. Dingell
Chairman, Subcommittee on Energy
and Power
Committee on Interstate and
Foreign Commerce
House of Representatives



HSE 02303

Dear Mr. Chairman:

Your letter dated November 21, 1978, requested that we *AGC* provide your Subcommittee with information on the Department *00912* of Energy's (DOE) personnel management and procurement practices. As you know, we provided testimony on these matters during Subcommittee hearings held February 15, 1979.

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This report discusses the Department's personnel management relating to (1) the impact of the Federal hiring freeze and staffing needs of the Department and the Federal Energy Regulatory Commission (FERC), (2) the allocation of supergrade positions, and (3) actions taken by the Department to correct personnel management problems discussed in a recent Civil *AGC 00013* Service Commission report. Our review work was completed in February 1979.

A forthcoming report will discuss the Department's overall procurement policies and practices, including the Subcommittee's concerns regarding the Department's management support service contracts and sole-source contracts.

IMPACT OF THE HIRING FREEZE AND
STAFFING NEEDS OF THE DEPARTMENT OF ENERGY
AND THE FEDERAL ENERGY REGULATORY COMMISSION

The Subcommittee expressed particular concern regarding the impact of the Federal hiring freeze on certain Department organizations, vacancies, and personnel needs in fiscal years 1979 and 1980. The Subcommittee was particularly interested in staffing requirements necessary to implement the National Energy Act.

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Between October 25, 1978, when the hiring freeze went into effect, and January 1979 DOE's total on-board personnel decreased by 152 positions from 19,077 to 18,925, while its headquarters staff increased by 9 positions from 7,690 to 7,699. A Department official informed us that DOE honored all job commitments that had been made before the hiring freeze.

We contacted several Department organizations ^{contacted} 1/ and found that most had been given some form of staffing relief and had generally increased their on-board personnel since the hiring freeze began (see enc. I). For instance, FERC increased its staff from 1,325 positions to 1,385 positions during this time period. Department officials generally told us that the hiring freeze did not have a serious impact on their organizations.

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DOE's Office of the Assistant Secretary, Conservation and Solar Applications was the only organization included in our review that indicated serious staffing problems as a result of the Federal hiring freeze. Although Conservation and Solar Applications has major ongoing National Energy Act responsibilities, it had not been given any type of relief at the time our review work was completed in February. A Conservation and Solar Application's official told us that the Office of Solar Applications and the Office of State and Local Programs are the two offices that have been severely affected. The Office of Solar Applications has high priority responsibilities for the development of solar energy, and the Office of State and Local Programs is responsible for administering grants totaling several hundred million dollars.

A DOE official informed us that although the hiring freeze was lifted on February 1, 1979, the Department has

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1/Economic Regulatory Administration and the Offices of Special Counsel and Enforcement within the Economic Regulatory Administration, Federal Energy Regulatory Commission, the Energy Information Administration, the Office of Conservation and Solar Applications, Hearings and Appeals, and General Counsel.

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advised some of its organizations, including Conservation and Solar Applications, to use caution in increasing their on-board strength until their fiscal year 1979 supplemental appropriations are approved.

The Department of Energy's fiscal years 1979 and 1980 budgets provide for 19,623 and 19,038 positions, respectively, and will include a substantial number of National Energy Act positions. The Department plans to devote approximately 956 positions to National Energy Act responsibilities in fiscal year 1979 and 986 positions to these responsibilities in fiscal year 1980.

The FERC estimates that 410 of the 1,800 positions in its fiscal year 1979 budget will be devoted to National Energy Act responsibilities. Other DOE organizations which will have a large number of National Energy Act related positions are the Economic Regulatory Administration (238 positions), Conservation and Solar Applications (182 positions), Energy Information Administration (63 positions), and General Counsel (51 positions).

Processing of FERC Job Applications

FERC officials informed us that DOE processing of job applications is being done in a reasonable time-frame and no serious problems exist. We noted that FERC has recently been able to fill a large number of vacant positions in a relatively short time period. Shortly after FERC was formed on October 1, 1977, it was faced with the task of staffing almost 300 vacant positions--83 positions as of October 1, 1977, and an additional 200 positions allocated to FERC for fiscal year 1978 to carry out its mandated functions and reduce the work backlog. As of January 1979 FERC had filled these positions in addition to other vacancies resulting from attrition and had 1,385 staff on-board.

ALLOCATION OF SUPERGRADE POSITIONS

The Subcommittee also expressed concern regarding the Department's procedure for allocating Supergrade positions. The Department of Energy Act authorized the Department a total of 511 Energy Executive Service and 178 Supergrade positions. An additional 20 Supergrade positions were authorized by the Emergency Petroleum Allocation Act bringing to 198 the number of authorized Supergrade positions. In addition FERC has 23 Administrative Law Judges (Supergrades)

which are from resources controlled by the Office of Personnel Management (formerly the Civil Service Commission). During last year's authorization hearings, the Committee on Interstate and Foreign Commerce pointed out that some Department offices appeared to have been allocated a large number of supergrade positions, while offices such as Economic Regulatory Administration and FERC were allocated very few.

DOE's initial allocation of supergrade positions was based on the number authorized the various headquarters and field offices before DOE's establishment on October 1, 1977. During fiscal year 1978, DOE reviewed several organizations which accounted for 41 percent of the total number of supergrade positions. Although FERC was allocated an additional 21 positions, the other offices only had minor changes.

In December 1978 the Department initiated its first systematic review of the allocation of supergrade positions among its various organizations except for FERC. The review was still in process as of April 10, 1979. The review is being made to better understand the current use of executive level positions and to identify areas where allocation adjustments may be necessary. The review objectives are:

- To identify the specific utilization of each allocated supergrade position.
- To identify supergrade positions which could be considered candidates for reallocation during fiscal year 1979.
- To identify critical requirements that organizations may have for additional positions.

It will include for the first time a review of 145 supergrade positions allocated to Energy Technology.

CIVIL SERVICE COMMISSION REPORT
CONCERNING PERSONNEL MANAGEMENT PROBLEMS

A Civil Service Commission report dated September 25, 1978, identified two major DOE personnel management problems:

--DOE lacked a complete organization structure, including a lack of mission and functional statements.

--Numerous Department positions were misclassified and overgraded.

The Civil Service Commission found that many major DOE organizational components did not have an approved organizational structure or mission and functional statements below the primary organizational levels. The Civil Service Commission recommended that DOE take corrective action no later than March 1979. A Department official informed us that as of April 10, 1979, DOE had approved all its organization structures and the mission and functional statements except for two offices in Conservation and Solar Applications.

The Civil Service Commission randomly sampled about 40 of 1,876 DOE positions which the Department had completed classifying at the time of the Commission's review and found 16 positions misclassified (11 overgraded). The Commission estimated that about 515 of the 1,876 positions might be overgraded. As of January 1979 DOE had classified over 9,000 positions and found a total of 390 misclassifications (50 overgraded). A Department official told us, however, that some DOE organizations with the greatest potential for overgrading problems, such as Energy Technology, have yet to be classified. DOE officials anticipate that its departmentwide classification review will be about 95 percent complete by the end of June 1979.

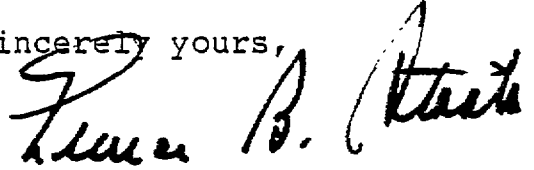
At the time we testified on this matter, the Department had not taken any action on the overgraded positions because it was awaiting Office of Personnel Management guidelines on downgrading. On March 2, 1979, the Office of Personnel Management issued interim regulations on downgrading in the Federal Register. A DOE official subsequently told us, however, that no downgrading actions will be taken before May 1979.

As you requested, in the interest of saving time, we did not obtain agency comments on this report. Unless you publicly announce its contents earlier, we plan no further

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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,

A handwritten signature in cursive script, appearing to read "James B. Atch".

Comptroller General
of the United States

Enclosure