



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

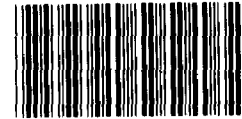
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FEDERAL PERSONNEL AND
COMPENSATION DIVISION

B-203094

AUGUST 5, 1981

The Honorable William V. Roth, Jr.
Chairman, Committee on Governmental
Affairs
United States Senate



116006

Subject: [Staffing Levels in the Department of
Education](FPCD-81-63)

Dear Mr. Chairman:

This letter is in response to your February 5, 1981, request that we review staffing levels in the Department of Education (ED) and in the agencies affected by its establishment.

You asked whether (1) the affected agencies had increased their staffing levels during the 2-year period before ED was established to offset legislatively mandated reductions, (2) agencies that transferred personnel to ED decreased their staffs accordingly, and (3) using full-time equivalent work years as an annual staffing limitation is more effective than end-of-year personnel ceilings.

The Congress created ED in October 1979 so that the Federal Government could manage its education functions more efficiently. As a result, the education and health functions of the former Department of Health, Education, and Welfare (HEW) were transferred in May 1980 to ED and the Department of Health and Human Services (HHS). In addition, some educational functions were transferred from other agencies to ED. Because of the Congress' desire to control the size of ED, the Department of Education Organization Act mandated a reduction of 500 full-time equivalent personnel positions by the end of the first fiscal year after ED was established.

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HEW did increase its education functions staffing before ED was established. These increases were, for the most part, court or legislatively mandated. At the time of ED's establishment, HHS reduced its staffing by about the same number transferred to ED. Since that time, however, HHS increased its staffing due to functional transfers between offices. In addition, ED plans to more than meet the mandated staffing reduction.

We believe that using full-time equivalent work years to annually limit the Federal work force is an improvement over the end-of-year personnel ceiling system.

OBJECTIVES, SCOPE, AND METHODOLOGY

We conducted our review from February through May 1981. As agreed with your office, we concentrated on HEW components directly affected by the transfer. These included the Education Division, which was transferred wholly to ED, and the Offices of the Secretary and Human Development Services which were transferred in part. Since Defense's overseas dependent school system would not be transferred to ED until October 1982, we agreed not to examine its staffing levels.

Since only 41 of the full-time permanent positions were transferred to the new department from agencies other than HEW, we also agreed with your office to restrict our review to the former HEW, ED, and HHS.

We interviewed budget and personnel officials of the affected agencies and the Office of Management and Budget. We reviewed budget and other staffing documents to determine staffing levels; identify changes in them; and, as agreed, attempt to identify reasons for significant increases. We also obtained information from documents these officials provided.

To determine whether HEW increased its staffing of functions during the 2 years before ED's establishment, we compared staffing at April 30, 1980 (latest data available before ED's establishment), with staffing at the end of fiscal year 1977 (most complete data at least 2 years before ED's establishment). To determine whether HHS had decreased its staffing by the number transferred to ED and whether HHS later increased it, we compared the April 30, 1980, staffing with the May 31, 1980, staffing (earliest data available after ED's establishment) and compared the May 31, 1980, staffing with February 28, 1981, staffing.

HEW INCREASED ITS STAFFING LEVELS
BEFORE ED WAS ESTABLISHED

During the 2-1/2 years before ED was established, HEW increased the number of full-time permanent positions by 772 for those functions which later were transferred to ED. As shown in enclosure I, the increase was due primarily to a court order requiring additional staffing to speed processing of educationally related civil rights complaints and the Inspector General legislation.

Information on the number of temporary and other personnel positions authorized was not available for that time period. Information on the number of temporary and other personnel actually employed is in enclosure II. HEW increased the number of these employees by 1,146 during the 2-1/2 years before the transfer. Some reasons for the increases were (1) the addition of staff to improve collection of student loans, (2) increased use of part-time in lieu of full-time employees, and (3) transfer of social security disability litigation and regional personnel management functions from the Social Security Administration to components of the Office of the Secretary, parts of which were transferred to ED.

HHS REDUCED ITS STAFFING
WHEN ED WAS ESTABLISHED

After the Department of Education Organization Act (Public Law 96-88, Oct. 17, 1979) was enacted, a task force of officials from the affected agencies determined which HEW and other agency functions would be transferred to ED. The task force also determined the number of full-time permanent positions and temporary and other employees that would be transferred with the functions, as shown on page 4.

<u>Components affected by ED's establishment</u>	<u>Number of full- time permanent positions to be transferred</u>	<u>Number of temporary and other employees to be transferred</u>
<u>HEW</u>		
Education Division	4,193	1,466
Office of Human Development Services	401	41
Office of the Secretary Office for Civil Rights	1,181	59
Office of the Inspector General	275	-
Departmental Management	<u>353</u>	<u>9</u>
Total	<u>6,403</u>	<u>1,575</u>
<u>Other agencies</u>		
Department of Justice	-	7
Department of Labor	1	-
Department of Housing and Urban Development	34	-
National Science Foundation	<u>6</u>	<u>-</u>
	<u>41</u>	<u>7</u>
Total	<u>6,444</u>	<u>1,582</u>

HHS officials' documentation also showed that 6,403 full-time permanent HEW positions were transferred to ED when it was established in May 1980. However, the documentation showed that only 1,359 temporary and other personnel were transferred rather than the 1,575 identified by the task force. Neither HHS nor ED officials could explain the difference of 216 personnel.

HHS INCREASED ITS STAFFING LEVELS
AFTER ED'S ESTABLISHMENT

Since ED's establishment, HHS increased by 346 the number of full-time permanent positions in offices which lost some functions to ED. According to HHS officials this increase was due mainly to expanded audit efforts of the Inspector General and transfers of personnel management functions from Public Health Service and Social Security Administration regions. HHS decreased by 356 the number of temporary and other employees in those offices. (See encs. III and IV for details.)

ED PLANS TO EXCEED MANDATED
PERSONNEL REDUCTION

The Education Organization Act required a reduction of 500 full-time equivalent personnel positions by the end of the first fiscal year--September 30, 1981--after ED's establishment. As the following table shows, subject to budget approval, ED will reduce its full-time equivalent positions by 572. The expected reduction would exceed the legislative requirement by 72 positions.

	<u>As of May 1980</u>	<u>End of fiscal year 1981</u>	<u>Change in positions</u>
Full-time permanent positions	6,444	6,008	-436
Other than full-time permanent positions	a/ <u>1,275</u>	<u>1,139</u>	<u>-136</u>
Total	<u>7,719</u>	<u>7,147</u>	<u>-572</u>

a/ED computed the number of other than full-time permanent positions as of May 1980 to be 1,448 by applying an estimated ratio of the hours employees worked to the number of such employees available for transfer according to the task force (1,575). Because support for the task force number was not available, we determined this number using ED's methodology and the number of personnel available for transfer according to HHS records (1,359).

WORK YEARS' CEILING BETTER THAN
YEAREND PERSONNEL COUNT

We believe that using full-time equivalent work years to limit the Federal work force is an improvement over the end-of-year personnel count system still used by many agencies. The improvement is in the potential value of the data on the use of personnel and the ability of agencies to better use other than full-time employees. This data can help management assess staffing requirements, performance, and productivity.

Our report, "Improving the Credibility and Management of the Federal Work Force Through Better Planning and Budgetary Controls" (FPCD-81-54, July 17, 1981), discusses the Administration's testing of the new ceiling system as well as the

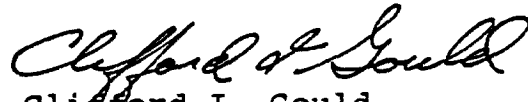
concept of work force planning and the need to more clearly identify total work force costs in budgets and related documents. We will send you a copy of this report when it is released.

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We are available to answer further questions or to provide additional information should you so desire.

We are sending copies of this report to ED, the Department of Health and Human Services, the Office of Management and Budget, other congressional committees having an interest in or responsibility for matters discussed, and to other interested parties.

Sincerely yours,


Clifford I. Gould
Director

Enclosures - 4

COMPARISON OF THE NUMBER OF HEW FULL-TIME PERMANENT
POSITIONS AT THE END OF FISCAL YEAR 1977 WITH THE NUMBER
AT APRIL 30, 1980 (IMMEDIATELY BEFORE ED'S ESTABLISHMENT)

<u>Components affected by ED's establishment</u>	<u>End of FY 1977</u>	<u>April 30, 1980</u>	<u>Changes</u>
Education Division:			
Assistant Secretary of Education	254	275	+ 21
National Institute of Education	340	340	-
Office of Education	<u>3,577</u>	<u>3,592</u>	+ <u>15</u>
Total	<u>4,171</u>	<u>4,207</u>	+ <u>36</u>
Office of Human Development Services			
	<u>1,977</u>	<u>1,898</u>	- <u>79</u>
Office of the Secretary:			
Office for Civil Rights	1,054	a/ 1,772	a/ + 718
Office of the Inspector General	-	1,337	b/ +1,337
Departmental Management	<u>5,484</u>	<u>4,244</u>	c/ <u>-1,240</u>
Total	<u>6,538</u>	<u>7,353</u>	+ <u>815</u>
Total	<u>d/12,686</u>	<u>d/13,458</u>	+ <u>772</u>

a/Increase largely due to a 1977 court order which required HEW to hire personnel to reduce the backlog of educationally related civil rights complaints. A total of 898 positions was approved, half in 1978 and half in 1979. The April 30, 1980, figure also includes a decrease of 120 positions due to reduction of the backlog.

b/Increase due to establishment of the Inspector General's Office pursuant to law.

c/Includes 1,097 positions transferred to the Office of Inspector General during 1978.

d/In comparison, total HEW full-time permanent positions at the end of fiscal year 1977 and at April 30, 1980, were 145,373 and 151,040, respectively.

COMPARISON OF THE NUMBER OF HEW TEMPORARY AND OTHER
EMPLOYEES AT THE END OF FISCAL YEAR 1977 WITH THE NUMBER
AT APRIL 30, 1980 (IMMEDIATELY BEFORE ED'S ESTABLISHMENT)

<u>Components affected by</u> <u>ED's establishment</u>	<u>End of</u> <u>FY 1977</u>	<u>April 30, 1980</u>	<u>Changes</u>
Education Division:			
Assistant Secretary of Education	49	27	- 22
National Institute of Education	99	76	- 23
Office of Education	448	1,129	a/ + 681
Institute of Museum Services	<u>3</u>	<u>18</u>	+ <u>15</u>
Total	<u>599</u>	<u>1,250</u>	+ <u>651</u>
Office of the Secretary:			
Office for Civil Rights	120	113	- 7
Office of the Inspector General	53	72	+ 19
Departmental Management	<u>371</u>	<u>845</u>	b/ + <u>474</u>
Total	<u>544</u>	<u>1,030</u>	d/ + <u>486</u>
Office of Human Development Services			
	<u>284</u>	<u>293</u>	+ <u>9</u>
Total	<u>1,427</u>	<u>2,573</u>	+ <u>1,146</u>

a/Includes budgeted increases for student loan collectors.

b/Includes transfers to Departmental Management of Social Security Administration regional personnel management functions and social security disability litigation functions and increased use of part-time in lieu of full-time employees

COMPARISON OF THE NUMBER OF HHS FULL-TIME PERMANENT
POSITIONS AT MAY 31, 1980 (IMMEDIATELY AFTER ED'S
ESTABLISHMENT) WITH THE NUMBER AT FEBRUARY 28, 1981

<u>Components affected by ED's establishment</u>	<u>May 31, 1980</u>	<u>February 28, 1981</u>	<u>Changes</u>
Office of the Secretary:			
Office for Civil Rights	591	590	- 1
Office of the Inspector General	1,062	1,093	a/+ 31
Departmental Management	<u>3,891</u>	<u>4,197</u>	<u>b/+306</u>
Total	<u>5,544</u>	<u>5,880</u>	<u>+336</u>
Office of Human Development Services	<u>1,497</u>	<u>1,507</u>	<u>+ 10</u>
Total	<u>c/7,041</u>	<u>c/7,387</u>	<u>+346</u>

a/Increase due to expanded audit efforts in Medicaid and Public Assistance Programs.

b/Includes transfer of 260 positions for regional personnel management servicing functions from the Public Health Service and the Social Security Administration. Also includes minor transfers of Equal Employment Opportunity functions from the Health Care Financing Administration and the Public Health Service and disability litigation functions from the Social Security Administration.

c/In comparison, total HHS full-time permanent positions at May 31, 1980, and February 28, 1981, were 144,498 and 145,089, respectively.

COMPARISON OF THE NUMBER OF HHS TEMPORARY AND OTHER
EMPLOYEES AT MAY 31, 1980 (IMMEDIATELY AFTER ED'S
ESTABLISHMENT) WITH THE NUMBER AT FEBRUARY 28, 1981

<u>Components affected by ED's establishment</u>	<u>May 31, 1980</u>	<u>February 28, 1981</u>	<u>Changes</u>
Office of the Secretary:			
Office for Civil Rights	56	36	- 20
Office of the Inspector General	74	42	- 32
Departmental Management	<u>893</u>	<u>557</u>	<u>a/-336</u>
Total	<u>1,023</u>	<u>635</u>	<u>-388</u>
Office of Human Development Services	<u>283</u>	<u>315</u>	<u>+ 32</u>
Total	<u>1,306</u>	<u>950</u>	<u>-356</u>

a/Reduction due mainly to hiring freeze and budget reductions.