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BY THE COMPTROLLER GENERAL

# Report To The Congress

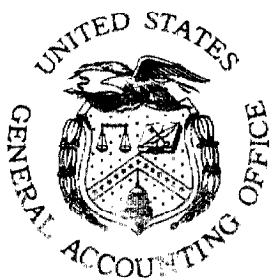
OF THE UNITED STATES

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## Equal Employment Opportunity In State And Local Governments: Improving The Federal Role

To encourage equal employment opportunity in State and local governments, agencies receiving funds under a number of Federal programs are required to establish merit systems that conform to standards issued by the Office of Personnel Management. Responsibility for administering the standards is shared by OPM and the Federal agencies.

There are insufficient criteria to determine whether a personnel system conforms to the merit standards, and there has been a lack of coordination and cooperation between OPM and the Federal agencies in reviewing personnel administration activities. As a result, equal employment opportunity deficiencies have not always been corrected promptly. GAO makes a number of recommendations to step up enforcement of OPM's merit standards.



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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-199004

To the President of the Senate and the  
Speaker of the House of Representatives

This report discusses how Federal agencies are carrying out the equal employment opportunity provisions of the Standards for a Merit System of Personnel Administration. These standards are intended to strengthen State and local government personnel administration.

We are sending a copy of this report to the Director of the Office of Personnel Management.

*Milton A. Forster*

Acting Comptroller General  
of the United States



D I G E S T

Fair treatment of applicants and employees in all aspects of personnel administration without regard to race, color, religion, sex, national origin, political affiliation, age, handicap, or other nonmerit factors is a general requirement for State and local governments receiving grants or financial assistance from Federal programs subject to the Standards for a Merit System of Personnel Administration.

The standards are intended to help State and local governments improve personnel administration. They include criteria for

- establishing and maintaining a systematic approach to employing, advancing, and retaining employees;
- providing proper safeguards for fair treatment of employees;
- ensuring compliance with Federal equal employment opportunity requirements;
- ensuring effective employee management relations; and
- sustaining proper administration of the standards through evaluation, technical assistance, and, when necessary, enforcement action. (See p. 1.)

MINORITIES AND WOMEN HAVE  
MADE LIMITED PROGRESS IN  
OBTAINING HIGHER LEVEL POSITIONS

Even though minorities and women have made progress in recent years in gaining employment with State and local governments, the improvements have been in lower level

occupational categories, such as office/ clerical and service/maintenance, where women and minority employees traditionally have been concentrated. As a result, the increased employment opportunities have not significantly changed the occupational distribution of minorities and women. This tends to perpetuate past imbalances. (See p. 8.)

Under the Intergovernmental Personnel Act of 1970, the Office of Personnel Management (OPM) is responsible for helping State and local governments comply with merit standards as well as advising Federal agencies administering programs of grants or financial assistance how to apply required personnel administration standards, and coordinating these programs.

Although a direct cause-effect relationship between State and local employment trends and merit standards administration cannot be established, GAO believes resolution of the problems discussed below could help eliminate or minimize imbalances. (See p. 10.)

SUBSTANTIAL CONFORMITY NEEDS  
TO BE CLEARLY DEFINED AND  
PROGRESS TOWARD GOALS MEASURED

There are insufficient criteria for determining whether a personnel system is in conformity with merit standards. Accordingly, there is widespread uncertainty about what constitutes substantial conformity with the standards. As a result, OPM has not been able to fully ensure that equal employment opportunity is adequately provided for in the administration of financial assistance programs subject to the standards, and State and local agencies receiving Federal funds are uncertain about what is necessary to comply with equal employment opportunity requirements. (See p. 11.)

One useful measure for evaluating a merit system is to review the progress made toward achieving the goals and timetables of the State or financially aided agency's affirmative action plans. While OPM encouraged these evaluations, necessary statistical data were often not obtained or reviewed by regional representatives performing the evaluations. OPM did not provide guidance for determining what degree of progress was acceptable for concluding that a system in operation was in substantial conformity with the standards. (See pp. 14 and 15.)

MORE INTERAGENCY COOPERATION  
IS NEEDED IN ADMINISTRATION  
OF THE MERIT STANDARDS

There has been a general lack of coordination and cooperation between OPM and other agencies in reviewing the personnel administration activities of State governments, and equal employment opportunity deficiencies in federally assisted programs have not always been promptly corrected.

OPM's regional offices have not been effective in encouraging and gaining the assistance of other Federal agencies to evaluate personnel operations and to remedy identified deficiencies. For the most part, Federal agencies rely on OPM to administer the merit standards, although it was intended that this be a cooperative effort. (See p. 23.)

RECOMMENDATIONS

The Director of OPM should:

- Develop more clearly defined guidance on what constitutes substantial conformity with the standards in the operation of a merit system and provide this guidance to its regional offices, Federal agencies administering financial assistance programs, and State and local governments receiving funds or administering merit systems for financial assistance programs subject to the standards. (See p. 17.)

- Reemphasize to OPM regional offices the need for obtaining and analyzing data on the minority and sex characteristics of State agency work forces when making qualitative evaluations and reaffirm the need for including the results of such analyses in the regional offices' evaluation reports. (See p. 22.)
  
- Issue instructions that clearly describe the roles and responsibilities of Federal agencies administering financial assistance programs to evaluate compliance with the merit standards and obtain corrective action on identified deficiencies.
  
- Direct OPM regional offices to expand their coordination efforts with other Federal agencies and to fully involve them in gaining corrective action when State agencies do not resolve deficiencies promptly. (See p. 26.)

#### AGENCY COMMENTS

OPM concurred with GAO's recommendations and reported a number of actions planned or already being taken to implement them. (See pp. 17, 22, and 27.)



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ABBREVIATIONS

|     |                                         |
|-----|-----------------------------------------|
| EEO | equal employment opportunity            |
| GAO | General Accounting Office               |
| HHS | Department of Health and Human Services |
| IPA | Intergovernmental Personnel Act         |
| OPM | Office of Personnel Management          |

## CHAPTER 1

### INTRODUCTION

The fair treatment of applicants and employees in all aspects of personnel administration without regard to race, color, religion, sex, national origin, political affiliation, age, handicap, or other nonmerit factors is a general requirement for State and local governments receiving grants or financial assistance from Federal programs subject to the Standards for a Merit System of Personnel Administration (5 C.F.R., part 900, subpart F).

The standards contain requirements and guides authorized by the Intergovernmental Personnel Act (IPA) of 1970, as amended (42 U.S.C. 4721, et seq.), for establishing and maintaining a system of personnel administration on a merit basis in more than 20 programs. (See app. I.) In addition to the programs with statutory, regulatory, and personnel requirements listed in appendix I, the IPA provides that Federal agencies may also require recipients to develop, as a condition of participation in financial assistance programs, systems of personnel administration consistent with the standards.

The primary purpose of the standards is to help strengthen State and local personnel administration. They include criteria for:

- Establishing and maintaining a systematic approach to employ, advance, and retain employees.
- Providing proper safeguards for fair treatment of employees.
- Ensuring compliance with Federal equal employment opportunity (EEO) requirements.
- Ensuring effective employee management relations.
- Sustaining proper administration of the standards through evaluation, technical assistance, and, when necessary, enforcement action.

State and local governments are also subject to titles VI and VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d and 2000e); the State and Local Fiscal Assistance Act of 1972, as amended (31 U.S.C. 1221, et seq.); and in many cases, Executive Order 11246, as amended. State and local

governments are required to conduct their activities without discrimination under all these authorities. This report, however, deals only with the IPA provisions.

#### ADMINISTRATION OF THE STANDARDS

The standards were originally established in 1939 to cover five grant-in-aid programs administered by the Social Security Board. They were later extended by congressional and executive branch action to cover additional financial assistance programs funded by the Departments of Labor; Health and Human Services (HHS); <sup>1/</sup> Defense; and Agriculture and were administered by HHS. In 1971, just before the IPA became effective, the standards were revised and issued as 45 C.F.R., part 70. Procedures for Federal administration of the standards were later issued as 5 C.F.R., part 900, subpart F, in 1974.

#### Intergovernmental Personnel Act centralized administration of the standards

Under the IPA, the Civil Service Commission was given authority to (1) provide consultation, technical advice, and technical assistance to State and local governments to aid them in complying with merit standards prescribed by the Commission, (2) advise Federal agencies administering grant or financial assistance programs to the application of required personnel administration standards, and (3) recommend and coordinate Federal agencies taking such actions the Commission considers most effective to carry out IPA's purposes. The Civil Service Commission carried out its IPA functions using the 1971 standards until Reorganization Plan No. 2 of 1978 abolished it and transferred its IPA functions to the newly created Office of Personnel Management (OPM) on January 1, 1979.

#### Merit standards revised to incorporate changes since 1971

Shortly after the transfer of functions, OPM issued new regulations on February 16, 1979, that revised the merit standards and the procedures for administering them. These new

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<sup>1/</sup>On May 4, 1980, a separate Department of Education was created. The part of the Department of Health, Education, and Welfare responsible for the activities discussed in this report became the Department of Health and Human Services.

regulations appear as 5 C.F.R., part 900, subpart F. Many factors led to OPM revising the standards in 1979. One was that previous standards were issued by Federal agencies (such as HHS) that no longer were responsible for administering them. Also, an amendment to the Civil Rights Act of 1964 (Public Law 92-261, Mar. 24, 1972,) extended its coverage to State and local governments. In addition, the Congress amended section 208(b) of the IPA in the Civil Service Reform Act of 1978 to require that the standards be prescribed in a manner minimizing Federal intervention in State and local personnel administration, and to make the following merit principles established by the IPA part of the standards:

- Recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment.
- Providing equitable and adequate compensation.
- Training employees, as needed, to assure high-quality performance.
- Retaining employees on the basis of the adequacy of their performance and separating employees whose inadequate performance cannot be corrected.
- Assuring fair treatment of applicants and employees in all aspects of personnel administration without regard to political affiliation, race, color, national origin, sex, or religious creed and with proper regard for their privacy and constitutional rights as citizens.
- Assuring that employees are protected against coercion for partisan political purposes and are prohibited from using their official authority to interfere with or affect the result of an election or a nomination for office.

#### FUNDING AND ADMINISTRATION

As shown in our December 19, 1979, report, "An Evaluation of the Intergovernmental Personnel Act of 1970" (FPCD-80-11), Federal grant-in-aid outlays to State and local governments were estimated to be \$82.1 billion in fiscal year 1979. Federal grant programs subject to the merit standards accounted for approximately \$46 billion of that amount.

IPA and regulatory requirements for administration of the standards are carried out by OPM through its Office of Intergovernmental Personnel Programs in Washington, D.C., and through the Office of Intergovernmental Personnel Programs in each of its 10 regions.

SCOPE OF REVIEW

Our review was performed to determine the effectiveness of OPM and other Federal agencies' administration of the provisions in the IPA and Federal merit standards for ensuring EEO in State and local governments receiving Federal financial assistance. Our fieldwork covered the activities of OPM and selected financial assistance programs in HHS and the Departments of Agriculture, Labor, and Defense from October 1976 through June 1979. We reviewed the following financial assistance programs, which required conformity with the merit standards as a condition of eligibility, because they account for a significant portion of the funds awarded under the programs shown in appendix I.

| <u>Program</u>                                                      | <u>Department<br/>administering<br/>program</u> |
|---------------------------------------------------------------------|-------------------------------------------------|
| Employment Security (Unemployment Insurance and Employment Service) | Labor                                           |
| Aid to Families with Dependent Children                             | HHS                                             |
| Grants to States for Social Services                                | HHS                                             |
| State and Community Programs on Aging                               | HHS                                             |
| Civil Defense Personnel and Administrative Expenses                 | Defense                                         |
| Food Stamp                                                          | Agriculture                                     |
| Vocational Rehabilitation Services                                  | HHS                                             |

In performing this assignment, we interviewed officials of OPM, Agriculture, Defense Civil Preparedness Agency, Labor, and HHS in Washington, D.C., and in three field offices. We also interviewed officials of State merit system agencies with financially assisted programs in California, Georgia, Maryland, Nevada, North Carolina, Pennsylvania, and Virginia. The Federal agencies, their field offices, and the State agencies were selected to provide a broad programmatic and geographic

sample of how the merit standards were being administered. The interviews were conducted by using standardized sets of questions and work programs at all locations to ensure uniformity in the information obtained. In addition to the interviews, we (1) reviewed the policies and procedures of these agencies and (2) examined their records to verify responses to our questions and to evaluate the administration of, and compliance with, Federal merit standards.

Our emphasis during this review was on efforts to ensure EEO for minorities (see definition on p. 6) and women.

## CHAPTER 2

### MINORITIES AND WOMEN HAVE MADE LIMITED

### PROGRESS IN OBTAINING HIGHER LEVEL

### POSITIONS IN STATE AND LOCAL GOVERNMENTS

Employment of minorities 1/ and women in State and local agencies subject to the Standards for a Merit System of Personnel Administration has increased in recent years. 2/ However, even with the increase in overall employment, minorities and women are still generally concentrated in nonprofessional and lesser skilled occupations, which are lower paying jobs with less opportunity for advancement. These conditions are evident in nationwide employment data on State and local governments, which show that women have been primarily employed in paraprofessional and office/clerical occupations, while minority men have been concentrated in skilled craft and service/maintenance occupations. In addition, recent hiring trends have tended to perpetuate this imbalance because new minority and women employees have been primarily placed in occupational categories in which they already had large representations.

### FURTHER PROGRESS IS NEEDED IN PLACING MINORITIES AND WOMEN IN HIGHER LEVEL JOB CATEGORIES

Although minorities and women have made progress in gaining full-time employment with State and local governments, further progress is needed in placing them in higher level job categories, such as officials/administrators, professionals, and technicians. Increasing the representation of minorities and women in such categories is a major element of affirmative action.

The latest available comparative analysis on nationwide employment of minorities and women in State and local governments with financial assistance programs subject to the

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1/The data used in this chapter are based on a minority definition which includes Blacks, Spanish surnamed, American Indians, and Asian Americans.

2/Our evaluation did not consider how well minorities and women were progressing in State and local government employment compared to any other employment segment.



standards was issued by OPM in January 1979. OPM developed the "EEO Statistical Report on Employment in State and Local Government" with data gathered from the Equal Employment Opportunity Commission's EEO-4 reports. 1/ The OPM report concentrated on work force trends and changes that have taken place since the standards were revised in 1971 by examining EEO-4 data on the minority 2/ and sex composition of State and local agencies receiving Federal financial assistance. Employment data in the EEO-4 reports were for June 30 of the year they were reported. Data on new hires were for a July 1 to June 30 fiscal year.

As shown in the table on page 8, which was taken from OPM's report, from June 30, 1974, to June 30, 1976, the representation of women (including minority women) in State and local governments full-time work forces increased from 35.5 to 37.7 percent. However, most of the increase was for nonminority females, because minority women represented only 0.5 of the 2.2-percent change. Moreover, as shown by table 1 in appendix II, while some progress had been made in the higher level occupational categories, women were still predominately employed in paraprofessional and office/clerical categories. Between 1974 and 1976, the percentage of women employed in these categories increased from 66.1 to 67.5 and 84.7 to 84.8, respectively.

Of the 1,645,326 women employees of State and local governments in 1976, 951,826 (58 percent) were in paraprofessional and office/clerical categories, while 356,966 (22 percent) were in professional and official/administrator categories. Minority men held 491,653 of the total positions for 1976, of which 280,591 (57 percent) were in skilled craft or service/maintenance categories, and 59,504 (12 percent) were in professional and official/administrator categories. Nonminority males occupied 2,232,868 positions, with 717,223 (32 percent) employed in skilled craft or service maintenance categories, and 26 percent were in professional and official/administrator categories.

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1/EEO-4 is a State and local government information report which is submitted annually to the Equal Employment Opportunity Commission.

2/Race/ethnic is the terminology used in the EEO-4 instructions. For purposes of this report, the word "minority" will be used in place of race/ethnic.

Distribution of Full-time Employment  
In State and Local Governments by  
Minorities and Sex

|                | 1974      |         | 1976      |         |
|----------------|-----------|---------|-----------|---------|
|                | Number    | Percent | Number    | Percent |
| All employees  | 3,983,855 | 100.0   | 4,369,222 | 100.0   |
| Men            | 2,571,396 | 64.5    | 2,723,896 | 62.3    |
| Women          | 1,412,459 | 35.5    | 1,645,326 | 37.7    |
| Total minority | 755,075   | 19.5    | a/879,653 | 20.1    |
| Men            | 441,944   | 11.1    | 491,653   | 11.2    |
| Women          | 333,131   | 8.4     | 388,625   | 8.9     |
| Total non-     |           |         |           |         |
| minority       | 3,208,780 | 80.5    | 3,489,569 | 79.9    |
| Men            | 2,129,452 | 53.5    | 2,232,868 | 51.1    |
| Women          | 1,079,328 | 27.1    | 1,256,701 | 28.8    |

a/The total should be 880,278. This error appeared in the OPM report; however, this total was not used by us in making our computations.

Statistics on employment in State and local governments for minorities and women by all occupational categories appear on table 1 in appendix II.

Employment trends for programs  
subject to the merit standards  
are similar to the general  
State and local experience

Three program areas providing financial assistance subject to the standards were specifically identified in the EEO-4 reports: public welfare; public health; and employment security. OPM's nationwide comparison of employment for agencies from whom reports were received is presented in tables 2 to 4 of appendix II.

In general, agencies receiving financial assistance for programs in these three areas employed a greater percentage of women and minorities than were employed in the general State and local government work force. For example, in 1976 women made up 37.7 percent of the full-time employees in State and local governments, while public welfare, public health, and employment security female employment was 73.3, 64.2, and 57.3 percent, respectively. Except for employment security, the

percentage of minority employees in these areas also exceeded minority representation in the total State and local full-time employment.

Even with this high representation of women and minority employees in the three program areas, they were concentrated in lower occupational categories. For example, in 1976, 223,533 of the 304,956 employees in public welfare programs were women; however, 120,893 (54 percent) were in paraprofessional and office/clerical categories. Conversely, men represented 26.7 percent of the total employees, but 62 percent of the men employed by these programs were in the official/administrator and professional occupational categories. Further analysis shows that, of the 77,459 minority men and women employed in the public welfare program areas, 49,107 (63 percent) were in paraprofessional, office/clerical, and service/maintenance occupations.

HIRING TRENDS HAVE NOT SIGNIFICANTLY  
CHANGED THE MINORITY COMPOSITION OF  
STATE AND LOCAL WORK FORCES

Nonminority women have made the greatest gains in overall employment in State and local governments, as well as in the public health, public welfare, and employment security program areas. Minority men and women, however, have not done as well. Of the approximately 600,000 new employees hired by State and local governments in fiscal year 1976, minority men and women obtained 22.8 percent of the available positions, a 1-percent decrease from the rate of selection in fiscal year 1974. The following table, which appeared in OPM's report, shows the percentage distribution of new hires in State and local governments.

Percentage Distribution of New Hires in State  
and Local Governments by Occupational  
Category, Minorities, and Sex (1974 and 1976)

| Occupational category    | Year | Total employees | Percent of total employees |       |                |               |                 |
|--------------------------|------|-----------------|----------------------------|-------|----------------|---------------|-----------------|
|                          |      |                 | Men                        | Women | Total minority | Male minority | Female minority |
| Total (all categories)   | 1974 | 711,828         | 55.4                       | 44.6  | 23.8           | 13.0          | 10.8            |
|                          | 1976 | 589,206         | 52.6                       | 47.4  | 22.8           | 12.6          | 10.2            |
| Officials/administrators | 1974 | 17,749          | 78.5                       | 21.5  | 10.3           | 7.0           | 3.3             |
|                          | 1976 | 12,830          | 74.8                       | 25.2  | 10.7           | 7.1           | 3.5             |
| Professionals            | 1974 | 110,492         | 50.8                       | 49.2  | 15.8           | 7.2           | 8.6             |
|                          | 1976 | 97,943          | 47.1                       | 52.9  | 15.6           | 7.1           | 8.4             |
| Technicians              | 1974 | 63,055          | 58.0                       | 42.0  | 17.6           | 8.0           | 9.7             |
|                          | 1976 | 55,047          | 51.1                       | 48.9  | 16.9           | 7.6           | 9.3             |
| Protective service       | 1974 | 70,525          | 92.8                       | 7.2   | 16.6           | 14.8          | 1.8             |
|                          | 1976 | 53,827          | 86.2                       | 13.8  | 19.0           | 16.0          | 3.0             |
| Paraprofessionals        | 1974 | 96,302          | 37.6                       | 62.4  | 30.7           | 10.8          | 20.0            |
|                          | 1976 | 84,450          | 38.5                       | 61.5  | 27.1           | 10.4          | 16.7            |
| Office/clerical          | 1974 | 161,591         | 14.2                       | 85.8  | 20.9           | 3.0           | 17.9            |
|                          | 1976 | 125,437         | 14.6                       | 85.4  | 19.4           | 3.1           | 16.3            |
| Skilled craft            | 1974 | 32,886          | 92.6                       | 7.4   | 15.3           | 13.6          | 1.6             |
|                          | 1976 | 28,417          | 88.8                       | 11.2  | 18.7           | 16.0          | 2.7             |
| Service/maintenance      | 1974 | 159,228         | 83.2                       | 16.8  | 37.0           | 30.4          | 6.5             |
|                          | 1976 | 131,255         | 78.8                       | 21.2  | 34.6           | 27.6          | 7.0             |

As shown above, most minorities were hired for positions in lower level occupational classifications, such as protective service and service/maintenance. In addition, increases from 1974-76 were primarily in these categories. Similar trends occurred in the three program areas, as shown in OPM's analyses in tables 5 to 7 of appendix II.

CONCLUSIONS

Minorities and women have made progress in gaining employment with State and local governments during the last few years. However, the improvements have been in lower level occupational categories, such as office/clerical and service/maintenance, which historically have had more women and minority employees. As a result, the increased employment opportunities have not significantly changed the occupational distribution of minorities and women, which tends to perpetuate prior imbalances.

Although a direct cause-effect relationship between State and local employment trends and merit standards administration cannot be established, we believe resolution of the problems discussed in the following chapters could help eliminate or minimize some of these imbalances.

### CHAPTER 3

#### SUBSTANTIAL CONFORMITY SHOULD BE

##### CLEARLY DEFINED

There are insufficient criteria for determining whether State and local governments conform with the standards in administering their merit systems. Accordingly, there is confusion about what constitutes substantial conformity with the standards. As a result of this confusion, OPM has not been able to fully ensure that EEO is adequately provided for in the administration of financial assistance programs subject to the standards, and State and local agencies receiving Federal moneys are uncertain about what is necessary to comply with the EEO requirements imposed on them. This problem could become more serious because the February 1979 standards provide State governments with a greater role in determining conformity with the standards.

As discussed in chapter 5, OPM's regional offices identified a number of EEO deficiencies in State agencies, but none were considered items of substantial nonconformity with the standards.

#### PROCEDURES FOR REVIEWING MERIT SYSTEMS TO DETERMINE CONFORMITY WITH THE STANDARDS

Before February 1979, States were responsible for preparing and obtaining Federal Government approval of plans that were required as a condition of their eligibility for Federal financial assistance. State merit system plans were comprised of State and local laws, rules, regulations, policy statements, and other materials that implemented the standards and made up the legal and policy framework of their personnel systems. Such laws, rules, regulations, policy statements, and amendments were to be reviewed by the Civil Service Commission for substantial conformity to the standards. The administration and operation of the States' merit systems were also subject to the Commission's review for compliance with the standards.

The Civil Service Commission, in cooperation with Federal agencies administering financial assistance programs (i.e., grantor agencies), was responsible for (1) determining whether plans for administering State and local merit systems conformed to the requirements of the standards, (2) evaluating State

and local personnel operations for compliance with approved plans, and (3) providing a procedure for resolving issues of conformity or compliance. These activities were carried out by the Bureau of Intergovernmental Personnel Programs and by the Intergovernmental Personnel Programs Division in each Commission regional office.

How substantial conformity  
is determined

IPA requires that the Federal Government, in applying the standards, must recognize fully the rights, powers, and responsibilities of State and local governments, and encourage innovation and allow for diversity in the design, execution, and management of State and local systems for personnel administration. In part, this is achieved through the concept of substantial conformity, which the Commission applied to its review of State and local plans since the standards were originally established.

The Commission in Federal Personnel Manual Supplement 150-72, stated that the concept of substantial conformity

"\* \* \* recognizes that although a State or local government may have some legal or regulatory provision that deviates from some particular provision of the Standards, it may have an effective merit system that can be found to be in substantial conformity with the Standards."

The standards covered 15 major areas of personnel administration, including EEO, employee-management relations, political activity, classification, compensation, and recruitment, each having subordinate provisions. According to the Commission, complete conformity would exist if a jurisdiction met each of the subordinate provisions. Its guidelines acknowledged that a list of deviations from the standards would probably show that every State had departed from one or more of the subordinate provisions in the 15 areas covered. Therefore, the Commission concluded that the basis for assessing substantial conformity rests on a consideration of how well the merit system as a whole meets the intent and the objectives of the standards.

The standards required that EEO be assured in State merit systems and affirmative action be provided in their administration. As part of its subordinate provisions, the EEO standard held that discrimination against any person in recruitment,

examination, appointment, training, promotion, retention, discipline, or any other aspect of personnel administration because of political or religious opinions or affiliations or because of race, national origin, or other nonmerit factors was prohibited.

To aid its regional offices in their review of the merit system portion of State plans, the Bureau of Intergovernmental Personnel Programs designed a checklist for evaluating merit systems against the standards. The checklist concentrated on determining whether a provision or prohibition existed in State plans and included the following items for EEO:

- Provision is made for EEO.
- Provision is made for affirmative action.
- Discrimination against any person in recruitment, examination, appointment, training, promotion, retention, discipline, or any other aspect of personnel administration because of political or religious opinions or affiliations or because of race, national origin, or other nonmerit factors is prohibited.
- Discrimination on the basis of age, sex, or physical disability is prohibited except where they constitute a bona fide occupational qualification necessary to proper and efficient administration.
- Provision is made for appeals, in cases of alleged discrimination, to an impartial body.
- Provision is made for the determination of the impartial body to be binding upon a finding of discrimination.

The Commission's regulations also provided that, after a State merit system plan was approved, the Commission's regional offices, in cooperation with the appropriate Federal agency, were to make or arrange for onsite reviews of each State merit system agency and each State agency receiving Federal funds subject to the standards for determining compliance with the approved State plan. These reviews were commonly referred to as qualitative evaluations. Federally aided State agencies, in consultation with the appropriate Federal regional offices, were to make or arrange for onsite reviews of the merit system in each local agency.

The lack of a specific criteria for determining compliance with the standards during a qualitative evaluation created the most confusion. It was at this point that Federal agencies or State agencies had to decide whether the merit systems' operations were in substantial conformity with the State plans.

At the time we began our fieldwork, the Civil Service Commission had recently been abolished by Reorganization Plan No. 2 of 1978, and its IPA functions transferred to OPM. The activities described in this report were conducted by OPM using the previously described policies and procedures established by the Commission. As a result, OPM will be used in referring to policies and procedures examined during our audit, even though they may have been established by the former Commission.

More guidance needed on how to determine substantial conformity

Several officials of OPM, other Federal agencies, and the State agencies we contacted were not sure what constituted substantial conformity in the operation of a merit system. OPM regional office officials told us they had not received written guidelines or instructions from OPM headquarters as to what was a serious EEO deviation from the standards that would result in a determination of nonconformity. An OPM regional office official said that he would describe a serious EEO deviation to be one where the grantee was not in compliance with the "operative verbs" in the standards (i.e., "equal employment opportunity will be assured," "discrimination will be prohibited," and "regulations will include"). Representatives of State agencies told us they generally viewed substantial conformity as having an OPM-approved State merit system plan. In our opinion, the State agencies' perception of conformity concentrated on the design of a system, not its operation.

Little training was available to Federal agencies administering assistance programs and State and local government representatives on identifying nonconformity and how to eliminate the causes. Moreover, OPM's training programs for its staff were not effectively providing the necessary information on how to determine substantial conformity. For example, one OPM regional official said that he attended a training program in which he was given a document titled



"The Concept of Substantial Conformity," which provided guidance on how to develop and conduct a qualitative evaluation, but did not clearly define what constituted substantial conformity with the standards.

OPM officials said the standards and the regulations for administering them allowed a lot of flexibility in interpretation and that OPM headquarters permitted its regions to exercise their own discretion for determining substantial conformity. As a result, many reviews concentrated on the design of a system and OPM's regions had no uniform criteria for determining whether the operation of State and local merit systems conformed with the standards' EEO provisions.

One useful measure for evaluating a system in operation is to review the progress made toward achieving the goals and timetables of the State or financially aided agency's affirmative action plans. As will be discussed in chapter 4, while OPM encouraged these types of reviews, the statistical data necessary for making them were often not obtained or reviewed by the regional representatives performing the evaluations. More importantly, OPM did not provide guidance to its staff for determining what degree of progress was acceptable to conclude that a system in operation was in substantial conformity with the standards.

Because of the uncertainty about what constitutes substantial conformity and the flexibility given regional offices for making such determinations, OPM has not been able to fully ensure that EEO was adequately provided for in the administration of financial assistance programs subject to the standards; as a result, serious EEO problems may not be identified. Moreover, State and local governments need to understand what is required by a system in operation to fully conform with the standards so they can effectively administer their personnel activities.

Widespread inconsistencies  
are likely to occur

OPM encouraged self-evaluation by State agencies on the basis that those who analyzed their own strengths and weaknesses were more likely to take needed corrective actions. Moreover, OPM urged its regional offices to support self-evaluation because of their limited resources to conduct their own reviews.

The lack of clearly defined criteria for the States' use in evaluating their systems in operation provides them a great deal of flexibility in determining if their EEO activities conform with the standards. Illustrative of this were statements by merit system and financially aided agency representatives who told us that they viewed substantial conformity as having an OPM-approved State plan or having most of the major elements established (i.e., nondiscrimination laws, regulations, and affirmative action plans). However, an approved plan or the existence of its major elements does not ensure that the operations of a merit system are in substantial conformity with the standards. Accordingly, inconsistent interpretations within a State and between States are likely to occur unless uniform criteria are established.

NEWLY ISSUED REGULATIONS  
DO NOT SOLVE THE PROBLEMS

On February 16, 1979, OPM revised the standards to provide State and local governments with greater flexibility in implementing them. The revised standards are also directed more to attaining conformity in the operation of a merit system. However, the bases and procedures for determining substantial conformity are essentially the same as those in the previous regulations, and little additional criteria are provided for making such determinations.

For example, under the revised standards, the Governor of each State must submit to OPM a certification that the State will maintain a system of personnel administration in conformance with the standards in programs to which the standards apply. The standards eliminate the need for submitting a State merit system plan, although the bases for a certification are the same as those used previously--existence of State and local laws, regulations, policy statements, and other material that make up the legal policy framework of personnel systems. The new standards further provide that the policy basis and the administration of the personnel system are subject to review by OPM and Federal agencies administering financial assistance programs for determining substantial conformity with the standards.

OPM has not finished revising its internal procedures to reflect the provisions of the revised standards. However, with the standards' continued vagueness there results no specific measure to determine conformity. As such, determining conformity with the standards continues to be subjective, and the States have limited guidance on what is intended by OPM.

## CONCLUSIONS

If OPM's regional offices are to adequately review State and local merit systems in operation to determine substantial conformity with the merit standards, clearly defined criteria are necessary for evaluating the practices and procedures of States and their financially assisted agencies' systems in operation. Also, Federal and State agencies need such criteria for conducting reviews to ensure compliance with the standards. In addition, State and local managers of programs receiving Federal assistance need clear guidance on what constitutes substantial conformity with the standards so that they can ensure their personnel activities meet the requirements.

However, previous OPM guidance resulted in widespread uncertainty about what constituted substantial conformity in the operation of merit systems for programs receiving Federal assistance. As a result, OPM has not been able to fully ensure that EEO is adequately provided for in the administration of programs subject to the standards, and State and local agencies are uncertain about what is necessary to comply with EEO requirements imposed on them.

## RECOMMENDATIONS

We recommend that the Director, OPM:

- Develop, after consulting with State governments, more clearly defined guidance on what constitutes substantial conformity with the standards in the operation of a merit system.
- Provide this guidance to the OPM regional offices, Federal agencies administering financial assistance programs, and State and local governments receiving funds or administering merit systems for financial assistance programs subject to the standards.

## OPM COMMENTS AND OUR EVALUATION

OPM agreed with our recommendations (see app. III) and stated that it will explore the possibilities for more clearly describing for OPM, other Federal agencies, and State and local officials how the evaluation process for assessing compliance with the standards should be carried out.

In commenting on these recommendations, OPM reported that it has implemented a system for tracking deviations from the standards. Its regional offices targeted 33 deviations for special attention in 1980. Of these, 10 were categorized as inadequate affirmative action plans; 6 as excessive numbers of provisional appointments, which is an indication of problems with open competition; and 7 as other problems with selection. OPM stated that progress was reported for the first quarter in resolving 14 of these deviations.

Although these actions do not directly resolve the problem of uncertainty about what constitutes substantial conformity, they are helpful in eliminating deviations from the standards. However, we believe that the need for such efforts by OPM could be reduced if more clearly defined guidance on what constitutes substantial conformity in the operation of a merit system were available to Federal agencies administering financial assistance programs, and State and local governments that receive funds or administer merit systems.

## CHAPTER 4

### DATA ON THE MINORITY AND SEX COMPOSITION

#### OF STATE AGENCIES' WORK FORCES

#### ARE NEEDED FOR EFFECTIVE EVALUATIONS

Without statistical data on the minority and sex composition of State and local agencies' work forces, it is difficult to identify EEO problems and to establish goals for improvement. OPM recognized the importance of such statistical information for use in assessing the effectiveness of affirmative action programs and advised its regional offices that, as a minimum, their qualitative evaluation reports should include analytical comments on the more significant EEO statistics. However, most reports did not contain this information, and in many cases, such information was not obtained or evaluated by regional representatives performing the evaluations.

#### LACK OF STATISTICAL ANALYSES IN QUALITATIVE EVALUATIONS

OPM's policy for administering Federal merit standards provides that reports on EEO evaluations should state clearly whether the agencies reviewed have accepted the affirmative action concept; were working effectively to achieve EEO; and were in compliance with the standards, particularly in such critical EEO areas as job relatedness, test validity, and recruitment.

One method of determining how well an agency is achieving EEO, or if it is in compliance with the standards, is to obtain statistical data on the minority and sex composition of its work force. Such EEO statistics would permit OPM to:

- Compare the percentage of minorities and women employed by grant-aided agencies as reported in the earliest and latest qualitative evaluation reports and to determine how this correlates with applicants in the relevant job market.
- Assess grant-aided agencies progress in appointing minorities and women to higher grade jobs, including an assessment of trends in making such appointments.

--Compare the percentage of eligible minorities and females who are certified for open positions in grant-aided agencies with the percentage of those who are appointed (commonly known as applicant-flow data).

Inclusion of data on such analyses in evaluation reports is particularly important to OPM headquarters because only it can make a determination that a State or local agency lacks substantial conformity. The OPM regions are delegated authority to determine that a system is in substantial conformity or to identify deviations from the standards. Moreover, since copies of OPM's evaluation reports are sent to Federal agencies administering financial-assistance programs, these data would help agencies that perform their own EEO evaluations to prevent duplication and would inform managers of the progress made toward EEO goals.

However, in conducting evaluations of financial assistance programs, OPM regional representatives acquired, but did not review statistical information necessary for use in assessing EEO efforts in all cases, did not obtain it in others, and frequently did not include it in evaluation reports. For example, in an OPM regional office evaluation of one State's Department of Health and Rehabilitative Services in fiscal year 1978, much of the statistical data necessary for use in assessing progress were available to the OPM representative, but they were not included in the evaluation report. The OPM regional office representative acknowledged that the State agency had gathered and analyzed statistical data, which it used in establishing EEO goals and objectives. These data provided comparisons of current and prior years' activities and an analysis of State employment profiles against labor force statistics for each job category. The OPM representative who made the evaluation said that he obtained and reviewed this information but did not include it in the evaluation report. He agreed that it should have been in the report to provide OPM headquarters and Federal agencies administering the assistance program information needed to properly evaluate EEO progress.

In many other instances, OPM regional officials said that their analyses consisted only of a review of EEO-4 data. These data do not provide all the information necessary to perform the type of analyses suggested by OPM. For example, information on eligible minorities and females certified for open positions and for those appointed are not contained in the EEO-4 reports; thus, it would need to be obtained elsewhere.

We analyzed the 48 evaluation reports issued from October 1, 1976, through January 31, 1979, by OPM's Atlanta, Philadelphia, and San Francisco regional offices and found that only 6 reports included work force analyses data, while none of them presented applicant-flow data. We visited 8 of the 19 States and territories covered by the three regional offices and found that most of them obtained minority and sex characteristics data from job applicants and performed some form of work force analyses. Although the data were not always complete or the analyses extensive, information for inclusion in OPM's evaluation reports was available.

While States were generally encouraged to maintain data on the impact of personnel actions under the old standards, the revised Standards for a Merit System of Personnel Administration incorporate the information provisions of the Uniform Guidelines on Employee Selection Procedures (43 F.R. 38290, Aug. 25, 1978). The guidelines now specifically require each State or financially aided agency to maintain and have available for inspection, records or other information that will disclose the impact that its tests and other selection procedures have on employment opportunities by identifiable race, sex, or ethnic group. As a result, more comprehensive data on progress made by States in the selection process should be available to OPM representatives when conducting future evaluations.

#### CONCLUSIONS

Without a proper base of statistical information on the minority and sex characteristics of State and local work forces, it is difficult for OPM to adequately assess the effects of State and local EEO efforts. Such data are essential to identify specific personnel practices that adversely affect minorities and women. The more specific data collection requirements contained in the Uniform Guidelines on Employee Selection Procedures should make information available, which will disclose the impact of a grant recipient's tests and other selection procedures on the employment opportunities by identifiable race, sex, or ethnic group. These data provide a good basis for evaluating the progress made in the selection process. However, availability does not guarantee analyses by individuals or agencies performing evaluations.

## RECOMMENDATIONS

We recommend that the Director, OPM:

- Reemphasize to its regional offices the need for obtaining and analyzing data on the minority and sex characteristics of State agency work forces during the conduct of qualitative evaluations.
- Reaffirm the need for including the results of such analyses in the regional offices' evaluation reports.

## OPM COMMENTS AND OUR EVALUATION

In commenting on this report (see app. III), OPM said it will reemphasize the need for minority and sex characteristic data when assessing State and local compliance with the standards during regional office evaluations. OPM added that, with the inclusion of the Uniform Guidelines on Employee Selection Procedures during the 1979 standards revision, it has implemented a program to assist State governments in meeting the guidelines' provisions. In its program plans for fiscal year 1980, OPM called on the regions to provide technical assistance to assure that each State establishes a system for collecting race, sex, and ethnic group data on applicants. In fiscal year 1981, OPM said it plans to focus on helping States to improve the quality of their data collection systems and develop systems for analyzing the data to determine if adverse impact exists.

When completed, these assistance efforts should result in better data being available to the regional offices. Moreover, OPM's reemphasis on the use of these analyses should help improve its qualitative evaluations.



## CHAPTER 5

### MORE INTERAGENCY COOPERATION IS NEEDED

#### IN ADMINISTRATION OF THE MERIT STANDARDS

Effective administration of the merit standards by OPM and Federal agencies administering financial assistance programs requires close cooperation and coordination between them to ensure that recipients of Federal funds comply with the standards' requirements. However, there has been a general lack of coordination and cooperation between OPM and the other agencies in reviewing the personnel administration activities of State governments, and EEO deficiencies in federally assisted programs have not always been promptly corrected.

These problems resulted from OPM's regional offices not effectively encouraging and gaining the assistance of other Federal agencies when evaluating personnel operations and negotiating with State agencies to correct identified deficiencies. Also, other Federal agencies did not participate because they relied on OPM to perform most of the activities necessary for administering the merit standards.

#### EEO DEFICIENCIES HAVE NOT BEEN PROMPTLY CORRECTED

When OPM identifies deviations from the Standards for a Merit System of Personnel Administration in a State agency, OPM regulations provide for the responsible OPM regional office to give technical assistance and negotiate possible corrective action with the appropriate State merit system agency. These activities are to be coordinated with the appropriate Federal agency administering the financial-assistance program, and when necessary, that agency shall be requested to give assistance for achieving compliance.

OPM's assistance and negotiations were successful in helping States resolve many EEO problems. However, in some instances, State agencies did not take corrective action and the Federal program agencies made little effort to assist OPM in obtaining compliance. As a result, the problems continued for several years before corrective action was taken and, in some cases, had still not been resolved when we performed our review. For example, in the three regions included in our review, we identified 15 State agencies where reported EEO deficiencies had not been corrected. The recommendations included:

- A timetable should be established for completing affirmative action plans, goals, and objectives.
- Recruiting efforts should be expanded to reach more minorities and women.
- Minorities and/or women should be employed in professional jobs, such as officials or administrators.
- Employment of minorities and women should be increased.
- Training programs should be expanded to develop lower level employees for higher level jobs.

In the 15 cases where deficiencies had not been corrected, the same recommendations were again made in reports on qualitative evaluations performed several years after the original findings.

OPM did not consider the above deficiencies to be items of substantial nonconformity with the standards, so it made no recommendations for enforcement to the Federal program agencies. However, because of their influence as the administering bodies for assistance programs, more involvement by the Federal program agencies in reviewing personnel operations and encouraging corrective action may have helped resolve many of these problems more promptly.

FEDERAL AGENCIES ADMINISTERING  
FINANCIAL ASSISTANCE PROGRAMS  
GENERALLY DO NOT PARTICIPATE IN  
REVIEWS OF MERIT SYSTEM ACTIVITIES

As provided in the regulations for administering the standards, OPM, in cooperation with the appropriate Federal agency, is to make or arrange for onsite reviews of each State merit system agency and each federally aided State agency's personnel operations for determining compliance with the Standards for a Merit System of Personnel Administration. These reviews, referred to as qualitative evaluations, were generally conducted at an agency every 4 years. Most of the qualitative evaluations were performed by OPM's regional offices, with little assistance from the Federal agencies administering financial assistance programs.

OPM's policy encouraged the OPM regional offices to use multiagency teams (OPM and Federal program agency representatives) in conducting qualitative evaluations because

(1) State agencies perceived such evaluations as an indication of genuine interest and concern on the part of the Federal Government and (2) the experience gained by Federal program agency personnel participating in such reviews results in better agency evaluations.

Although OPM headquarters encouraged the use of multi-agency teams in conducting evaluations, the decision on when joint reviews were to be made was for its regional offices to determine. In the three regions we reviewed, only 7 of the 48 OPM qualitative evaluations we examined were made jointly with the appropriate Federal agency.

An OPM regional official said that, even when they took place, joint reviews were not always completely satisfactory because the Federal agencies sometimes were not concerned with the same things OPM personnel were concerned with in making qualitative evaluations. Federal agencies, in their opinion, are generally more concerned with how effective and efficient the programs receiving financial assistance are in achieving the programs' objectives, rather than evaluating compliance with merit system standards, and as a result, they generally are not interested in participating with OPM on qualitative evaluations. Headquarters and regional office officials of the four Federal agencies administering the seven financial assistance programs we examined, told us that they generally relied on OPM to act as their agent in performing qualitative evaluations to determine conformity with merit system standards.

When joint reviews are not performed, OPM's guidance to its regional offices provides that a vital part of the qualitative evaluation followup program is to advise the other Federal agencies of continuing problems and to enlist their support in resolving them. However, little coordination took place between OPM and the Federal program agencies. For the most part, OPM relied on its own followup activities for determining whether the promised corrective action was taken, or for assisting and encouraging States to resolve problems for which little or no progress had been made.

We recognize that some of the previously identified deficiencies could recur, even with greater involvement by the Federal agencies administering the assistance programs, because legislation may be needed or additional State funds required to correct the problems. However, greater coordination with the administering agencies would help reinforce the Federal Government's commitment to EEO in the conduct

of these programs, and provide for more direct influence on recipients of Federal financial assistance to act to correct the deficiencies.

### CONCLUSIONS

Developing proper and efficient administration of the Standards for a Merit System of Personnel Administration in programs receiving Federal financial assistance is a mutual concern of OPM and the Federal agencies administering these programs. The importance of program agency involvement has long been recognized in the Intergovernmental Personnel Act and regulations for administering the standards.

However, Federal administration of the standards has been hampered by OPM's regional offices not adequately coordinating their activities with and gaining assistance from the appropriate Federal program agencies. Although OPM and the other Federal agencies have sometimes worked together in evaluating financially assisted programs to determine conformity with the standards and in obtaining corrective action when deficiencies were found, more coordination and cooperation are necessary.

The lack of coordination and cooperation resulted from OPM not effectively encouraging and gaining assistance from other Federal agencies when evaluating personnel operations and taking actions to have deficiencies corrected. Also, the lack of participation by Federal program agencies resulted from their reliance on OPM to perform most activities necessary for administering the standards.

### RECOMMENDATIONS

We recommend that the Director, OPM, issue instructions that clearly describe the roles and responsibilities of Federal agencies that administer financial assistance programs in (1) carrying out the provisions for evaluating compliance with the merit standards and (2) obtaining corrective action on identified deficiencies.

Further, the Director should instruct OPM regional offices to expand their coordination efforts with other Federal agencies and to fully involve them in gaining corrective action when State agencies do not resolve deficiencies promptly.

## OPM COMMENTS AND OUR EVALUATION

OPM stated that it will undertake to review the area of roles and responsibilities to identify shortcomings in documents, such as the Standards for a Merit System of Personnel Administration and its internal program manual, and insure to the maximum extent that the respective roles of OPM and other Federal agencies regarding standards compliance are clear. OPM stated its commitment to this goal by citing a recent effort where it clarified for the Department of Labor the respective roles of Federal grantor agencies and OPM in responding to complaints of noncompliance with the standards in State agencies. OPM also stated that guidance for State oversight of local grant-aided agency compliance has been prepared and distributed to Federal grantor agencies.

In connection with the regional offices' coordination efforts, OPM stated that it had recently written to officials of Federal grantor agencies urging them to assist in getting their regional personnel to participate in OPM's qualitative evaluations of State merit systems. As a result of these letters, one agency issued a directive encouraging grantor officials to participate in OPM qualitative evaluations of its program agencies. OPM also cited cooperative evaluations that had been performed or are now planned, and stated that it will continue to emphasize the need for cooperative activities in its instructions to regional offices' and contacts with the national offices of Federal grantor agencies.

We concur with these efforts and believe their continuance will help resolve the problems identified in this report.

PROGRAMS WITH STATUTORY AND REGULATORY  
REQUIREMENTS FOR THE ESTABLISHMENT AND MAINTENANCE  
OF PERSONNEL STANDARDS ON A MERIT BASIS

The following programs have a statutory requirement for the establishment and maintenance of personnel standards on a merit basis. The citation is by program, authorizing legislation, and statutory reference.

Food Stamp, Food Stamp Act of 1964, as amended; 7 U.S.C. Section 2020(e)(6)(B).

Drug Abuse Prevention, Drug Abuse Office and Treatment Act of 1972, Section 409, on March 21, 1972; 21 U.S.C. Section 1176(e)(8).

National Health Planning and Resources Development, Public Health Service Act (Title XV), as amended by the National Health Planning and Resources Development Act of 1974. Section 1522, on January 4, 1975, 42 U.S.C. Section 300m-1(b)(4)(B).

Medical Facilities Assistance (Construction and Modernization), Public Health Service Act (Title XVI), as amended by the National Health Planning and Resources Development Act of 1974, Section 1603, on January 4, 1975; 42 U.S.C. Section 300o-2(b).

Old-Age Assistance, Social Security Act (Title I), as amended by the Social Security Act Amendments of 1939; Section 101, on August 10, 1939; 42 U.S.C. Section 302(a)(5)(A).

Employment Security (Unemployment Insurance and Employment Service), Social Security Act (Title III), as amended by the Social Security Act Amendments of 1939, Section 301, on August 10, 1939, and the Wagner-Peyser Act, as amended by Public Law 81-775, Section 2, on September 8, 1950; 42 U.S.C. Section 503(a)(1) and 29 U.S.C. 49d(b).

Aid to Families with Dependent Children (AFDC), Social Security Act (Title IV-A), as amended by the Social Security Act Amendments of 1939, Section 401, on August 10, 1939; 42 U.S.C. Section 602(a)(5).

Maternal and Child Health Services/Crippled Children Services, Social Security Act (Title V), as amended by the Social Security Act Amendments of 1939, Section 503, on August 10, 1939; 42 U.S.C. Section 705(a)(3)(A).

Aid to the Blind, Social Security Act (Title X), as amended by the Social Security Act Amendments of 1939, Section 701, on August 10, 1939; 42 U.S.C. Section 1202(a)(5)(A).

Aid to the Permanently and Totally Disabled, Social Security Act (Title XIV), as amended by the Social Security Act Amendments of 1950, Section 1402, on August 28, 1950; 42 U.S.C. Section 1352(a)(5)(A).

Aid to the Aged, Blind or Disabled, Social Security Act (Title XVI), as amended by the Public Welfare Amendments of 1962, Section 1602, on July 25, 1962; 42 U.S.C. Section 1382 note.

Medical Assistance (Medicaid), Social Security Act (Title XIX), as amended by the Social Security Amendments of 1965, Section 1902, on July 30, 1965; 42 U.S.C. Section 1396a(a)(4)(A).

Grants to States for Social Services, Social Security Act (Title XX), as amended by the Social Services Amendments of 1974, Section 2003, on January 4, 1975; 42 U.S.C. Section 1397b(d)(1)(D).

Comprehensive Mental Health Services (Services and Facilities), Community Mental Health Centers Act (Title II), as amended by the Community Mental Health Centers Amendments of 1975, Section 303, on July 29, 1975; 42 U.S.C. Section 2689t(a)(1)(D).

State and Community Programs on Aging (Older Americans), Older Americans Act of 1965 (Title III), as amended by the Comprehensive Older Americans Act Amendments of 1978, Section 307 on October 18, 1978; 42 U.S.C. Section 3027(a)(4).

Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation, Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 (Title III), Section 303, on December 31, 1970; 42 U.S.C. Section 4573(a)(5).

Civil Defense Personnel and Administrative Expenses, Civil Defense Act of 1950 (Title II), as amended by Public Law 85-606, Section 4, on August 8, 1958; 50 U.S.C. App. 2286(a)(4).

The following programs have regulatory requirements for the establishment and maintenance of personnel systems on a merit basis. The citation is by program, authorizing legislation, and regulatory reference.

Occupational Safety and Health Standards, Williams-Steiger Occupational Safety and Health Act of 1970; 29 CFR Section 1902.3(h).

Occupational Safety and Health Statistics, Williams-Steiger Occupational Safety and Health Act of 1970; BLS Grant Application Kit, May 1, 1973, Supplemental Assurance No. 15A.

Child Welfare Services, Social Security Act (Title IV-B), especially as amended by the Social Security Amendments of 1967, on January 2, 1968; 45 CFR Section 220.49(c).

Developmental Disabilities Services and Facilities Construction, Developmental Disabilities Services and Facilities Construction Act, as amended by Public Law 95-602, on November 6, 1978; 45 CFR Section 1386.21.

The following programs have personnel requirements that may be met by a merit system which conforms to the Standards for a Merit System of Personnel Administration. The citation is by program, authorizing legislation, and reference to the personnel requirement.

Comprehensive Employment and Training Act, Comprehensive Employment and Training Act of 1973; 29 CFR Section 98.14(a).

Vocational Rehabilitation Services, Rehabilitation Act of 1973 (Title I), as amended; 45 CFR Section 1361.15(b).

Disability Determination Services, Social Security Act (Titles II and XVI), as amended; SSA Disability Insurance State Manual, Part IV, Section 425.1.

Health Insurance for the Aged (Medicare), Social Security Act (Title XVIII), especially as amended by the Health Insurance for the Aged Act, on July 30, 1965; SSA State Operations Manual, Part IV, Section 4510(a).



STATISTICS ON EMPLOYMENT IN STATE  
AND LOCAL GOVERNMENTS

Table 1

Percentage of Distribution of Full-time Employees in State  
and Local Governments by Occupational Category,  
Minorities, and Sex

(1974 and 1976)

| <u>Occupational category</u> | <u>Year</u> | <u>All employees</u> |            |              | <u>Minorities</u> |            |              |
|------------------------------|-------------|----------------------|------------|--------------|-------------------|------------|--------------|
|                              |             | <u>Number</u>        | <u>Men</u> | <u>Women</u> | <u>Total</u>      | <u>Men</u> | <u>Women</u> |
| Total                        | 1974        | 3,983,855            | 64.5       | 35.5         | 19.5              | 11.1       | 8.4          |
|                              | 1976        | 4,369,222            | 62.3       | 37.7         | 20.1              | 11.2       | 8.9          |
| Officials/administrators     | 1974        | 211,880              | 82.0       | 18.0         | 7.5               | 5.4        | 2.2          |
|                              | 1976        | 220,302              | 80.5       | 19.5         | 8.0               | 5.7        | 2.4          |
| Professionals                | 1974        | 656,381              | 61.6       | 38.4         | 12.4              | 5.9        | 6.5          |
|                              | 1976        | 769,624              | 59.2       | 40.8         | 13.1              | 6.1        | 7.0          |
| Technicians                  | 1974        | 370,606              | 69.7       | 30.3         | 14.3              | 6.3        | 7.9          |
|                              | 1976        | 424,335              | 66.7       | 33.3         | 15.0              | 6.7        | 8.3          |
| Protective service           | 1974        | 573,916              | 96.4       | 3.6          | 10.8              | 9.9        | 0.9          |
|                              | 1976        | 603,059              | 93.7       | 6.3          | 12.2              | 10.7       | 1.5          |
| Paraprofessionals            | 1974        | 359,703              | 33.9       | 66.1         | 34.2              | 9.6        | 24.6         |
|                              | 1976        | 366,472              | 32.5       | 67.5         | 33.5              | 9.3        | 24.2         |
| Office/clerical              | 1974        | 747,340              | 15.3       | 84.7         | 18.4              | 2.8        | 15.6         |
|                              | 1976        | 830,728              | 15.2       | 84.8         | 19.1              | 2.9        | 16.2         |
| Skilled craft                | 1974        | 351,173              | 95.9       | 4.1          | 14.5              | 13.8       | 0.8          |
|                              | 1976        | 368,175              | 95.2       | 4.8          | 16.0              | 14.9       | 1.1          |
| Service/maintenance          | 1974        | 712,856              | 85.5       | 14.5         | 35.3              | 29.1       | 6.2          |
|                              | 1976        | 786,527              | 82.3       | 17.7         | 36.0              | 28.7       | 7.4          |

Note: Because of rounding, percentages do not add to 100.0.

Source: OPM's "EEO Statistical Report on Employment in State and Local Government, Employment Security, Health, and Welfare Programs, Comparison of 1970, 1974, 1976." This information was not verified by GAO.

Table 2

Percentage of Distribution of Full-time Employees  
by Occupational Category, Minorities, and Sex  
for Public Welfare Programs

(1974 and 1976)

| <u>Occupational category</u> | <u>Year</u> | <u>All employees</u> |            |              | <u>Minorities</u> |            |              |
|------------------------------|-------------|----------------------|------------|--------------|-------------------|------------|--------------|
|                              |             | <u>Number</u>        | <u>Men</u> | <u>Women</u> | <u>Total</u>      | <u>Men</u> | <u>Women</u> |
| Total                        | 1974        | 299,734              | 27.0       | 72.0         | 24.0              | 5.0        | 19.0         |
|                              | 1976        | 304,956              | 26.7       | 73.3         | 25.4              | 5.5        | 19.9         |
| Officials/administrators     | 1974        | 14,833               | 57.0       | 42.0         | 12.0              | 6.0        | 6.0          |
|                              | 1976        | 14,352               | 56.9       | 43.1         | 12.9              | 6.5        | 6.4          |
| Professionals                | 1974        | 100,488              | 38.0       | 61.0         | 16.0              | 5.0        | 10.0         |
|                              | 1976        | 111,847              | 37.6       | 62.4         | 17.1              | 5.7        | 11.4         |
| Technicians                  | 1974        | 13,495               | 29.0       | 70.0         | 22.0              | 5.0        | 17.0         |
|                              | 1976        | 20,543               | 28.8       | 71.2         | 24.7              | 5.3        | 19.3         |
| Protective service           | 1974        | 3,121                | 75.0       | 24.0         | 26.0              | 19.0       | 7.0          |
|                              | 1976        | 6,188                | 35.0       | 65.0         | 28.1              | 10.0       | 18.1         |
| Paraprofessionals            | 1974        | 57,136               | 23.0       | 76.0         | 31.0              | 5.0        | 25.0         |
|                              | 1976        | 39,102               | 18.6       | 81.4         | 34.3              | 5.6        | 28.6         |
| Office/clerical              | 1974        | 93,365               | 8.0        | 91.0         | 31.0              | 2.0        | 28.0         |
|                              | 1976        | 97,980               | 9.1        | 90.9         | 32.2              | 3.3        | 28.9         |
| Skilled craft                | 1974        | 6,798                | 63.0       | 36.0         | 9.0               | 5.0        | 3.0          |
|                              | 1976        | 2,998                | 59.1       | 40.9         | 22.7              | 10.2       | 12.5         |
| Service/maintenance          | 1974        | 10,498               | 43.0       | 56.0         | 37.0              | 17.0       | 19.0         |
|                              | 1976        | 11,946               | 43.8       | 56.2         | 34.7              | 17.6       | 17.1         |

Note: Same as page 31.

Source: Same as page 31.

Table 3

Percentage of Distribution of Full-time Employees  
by Occupational Category, Minorities, and Sex  
for Public Health Programs

(1974 and 1976)

| <u>Occupational category</u> | <u>Year</u> | <u>All employees</u> |            |              | <u>Minorities</u> |            |              |
|------------------------------|-------------|----------------------|------------|--------------|-------------------|------------|--------------|
|                              |             | <u>Number</u>        | <u>Men</u> | <u>Women</u> | <u>Total</u>      | <u>Men</u> | <u>Women</u> |
| Total                        | 1974        | 182,035              | 36.0       | 63.0         | 22.0              | 6.0        | 16.0         |
|                              | 1976        | 247,230              | 35.8       | 64.2         | 22.1              | 6.5        | 15.6         |
| Officials/administrators     | 1974        | 11,210               | 71.0       | 28.0         | 7.0               | 4.0        | 3.0          |
|                              | 1976        | 12,766               | 68.4       | 31.6         | 8.2               | 4.6        | 3.6          |
| Professionals                | 1974        | 62,029               | 41.0       | 58.0         | 12.0              | 4.0        | 8.0          |
|                              | 1976        | 79,124               | 40.4       | 59.6         | 12.0              | 4.0        | 8.0          |
| Technicians                  | 1974        | 17,796               | 51.0       | 48.0         | 21.0              | 6.0        | 15.0         |
|                              | 1976        | 21,215               | 51.8       | 48.2         | 21.9              | 7.2        | 14.7         |
| Protective service           | 1974        | 1,513                | 89.0       | 10.0         | 22.0              | 20.0       | 2.0          |
|                              | 1976        | 5,792                | 51.7       | 48.3         | 33.0              | 16.4       | 16.6         |
| Paraprofessionals            | 1974        | 30,489               | 27.0       | 72.0         | 42.0              | 9.0        | 32.0         |
|                              | 1976        | 47,886               | 29.0       | 71.0         | 36.7              | 8.8        | 27.9         |
| Office/clerical              | 1974        | 40,835               | 6.0        | 93.0         | 19.0              | 1.0        | 17.0         |
|                              | 1976        | 51,508               | 8.1        | 91.9         | 18.4              | 1.5        | 16.2         |
| Skilled craft                | 1974        | 4,218                | 64.0       | 35.0         | 17.0              | 8.0        | 9.0          |
|                              | 1976        | 6,296                | 75.2       | 24.8         | 15.6              | 8.9        | 6.7          |
| Service/maintenance          | 1974        | 13,945               | 52.0       | 47.0         | 49.0              | 23.0       | 26.0         |
|                              | 1976        | 22,643               | 48.9       | 51.1         | 42.2              | 19.0       | 23.2         |

Note: Same as page 31.

Source: Same as page 31.

Table 4

Percentage of Distribution of Full-time Employees  
by Occupational Category, Minorities, and Sex for  
Employment Security Programs

(1974 and 1976)

| <u>Occupational category</u> | <u>Year</u> | <u>All employees</u> |            |              | <u>Minorities</u> |            |              |
|------------------------------|-------------|----------------------|------------|--------------|-------------------|------------|--------------|
|                              |             | <u>Number</u>        | <u>Men</u> | <u>Women</u> | <u>Total</u>      | <u>Men</u> | <u>Women</u> |
| Total                        | 1974        | 75,886               | 44.0       | 55.0         | 18.0              | 6.0        | 12.0         |
|                              | 1976        | 93,263               | 42.7       | 57.3         | 18.8              | 6.1        | 12.7         |
| Officials/administrators     | 1974        | 5,863                | 83.0       | 16.0         | 8.0               | 5.0        | 2.0          |
|                              | 1976        | 4,969                | 80.3       | 19.7         | 9.8               | 6.4        | 3.4          |
| Professionals                | 1974        | 36,771               | 60.0       | 39.0         | 14.0              | 6.0        | 7.0          |
|                              | 1976        | 43,222               | 58.6       | 41.4         | 15.6              | 7.1        | 8.5          |
| Technicians                  | 1974        | 3,405                | 54.0       | 45.0         | 14.0              | 5.0        | 8.0          |
|                              | 1976        | 5,787                | 50.0       | 50.0         | 13.7              | 4.9        | 8.9          |
| Protective service           | 1974        | 218                  | 85.0       | 14.0         | 22.0              | 14.0       | 8.0          |
|                              | 1976        | 1,739                | 36.5       | 63.5         | 31.2              | 6.3        | 24.8         |
| Paraprofessionals            | 1974        | 4,965                | 33.0       | 66.0         | 43.0              | 13.0       | 30.0         |
|                              | 1976        | 3,921                | 28.3       | 71.7         | 45.9              | 13.9       | 32.1         |
| Office/clerical              | 1974        | 23,553               | 10.0       | 89.0         | 21.0              | 1.0        | 20.0         |
|                              | 1976        | 31,642               | 13.5       | 86.5         | 19.6              | 1.9        | 17.6         |
| Skilled craft                | 1974        | 283                  | 67.0       | 32.0         | 19.0              | 15.0       | 3.0          |
|                              | 1976        | 449                  | 84.9       | 15.1         | 24.7              | 17.4       | 7.3          |
| Service/maintenance          | 1974        | 828                  | 89.0       | 10.0         | 53.0              | 48.0       | 4.0          |
|                              | 1976        | 1,534                | 81.3       | 18.7         | 55.8              | 44.4       | 11.4         |

Note: Same as page 31.

Source: Same as page 31.

Table 5

Percentage of Distribution of New Hires by  
Occupational Category, Minorities, and  
Sex for Public Welfare Programs

(Fiscal Years 1974 and 1976)

| <u>Occupational category</u> | <u>Year</u> | <u>All employees</u> |            |              | <u>Minorities</u> |            |              |
|------------------------------|-------------|----------------------|------------|--------------|-------------------|------------|--------------|
|                              |             | <u>Number</u>        | <u>Men</u> | <u>Women</u> | <u>Total</u>      | <u>Men</u> | <u>Women</u> |
| Total                        | 1974        | 59,070               | 27.0       | 72.0         | 26.0              | 5.0        | 20.0         |
|                              | 1976        | 48,258               | 27.7       | 72.3         | 22.8              | 6.0        | 16.8         |
| Officials/administrators     | 1974        | 1,441                | 62.0       | 37.0         | 15.0              | 8.0        | 6.0          |
|                              | 1976        | 1,172                | 60.1       | 39.9         | 11.5              | 6.7        | 4.8          |
| Professionals                | 1974        | 17,719               | 38.0       | 61.0         | 17.0              | 6.0        | 11.0         |
|                              | 1976        | 15,500               | 38.7       | 61.3         | 17.1              | 6.9        | 10.2         |
| Technicians                  | 1974        | 2,603                | 36.0       | 63.0         | 19.0              | 5.0        | 14.0         |
|                              | 1976        | 2,989                | 33.9       | 66.1         | 19.0              | 6.2        | 12.8         |
| Protective service           | 1974        | 585                  | 75.0       | 24.0         | 27.0              | 21.0       | 5.0          |
|                              | 1976        | 1,226                | 42.2       | 57.8         | 24.1              | 11.7       | 12.3         |
| Paraprofessionals            | 1974        | 12,310               | 27.0       | 72.0         | 31.0              | 8.0        | 23.0         |
|                              | 1976        | 7,906                | 26.3       | 73.7         | 27.8              | 7.3        | 20.5         |
| Office/clerical              | 1974        | 20,988               | 8.0        | 91.0         | 31.0              | 2.0        | 28.0         |
|                              | 1976        | 16,142               | 9.5        | 90.5         | 26.3              | 2.5        | 23.8         |
| Skilled craft                | 1974        | 646                  | 69.0       | 30.0         | 15.0              | 8.0        | 7.0          |
|                              | 1976        | 566                  | 49.5       | 50.5         | 29.0              | 8.8        | 20.1         |
| Service/maintenance          | 1974        | 2,778                | 45.0       | 54.0         | 36.0              | 16.0       | 20.0         |
|                              | 1976        | 2,757                | 45.4       | 54.6         | 27.8              | 14.3       | 13.6         |

Note: Same as page 31.

Source: Same as page 31.

Table 6  
Percentage of Distribution of New Hires by  
Occupational Category, Minorities, and  
Sex for Public Health Programs

(Fiscal Years 1974 and 1976)

| <u>Occupational category</u> | <u>Year</u> | <u>All employees</u> |            |              | <u>Minorities</u> |            |              |
|------------------------------|-------------|----------------------|------------|--------------|-------------------|------------|--------------|
|                              |             | <u>Number</u>        | <u>Men</u> | <u>Women</u> | <u>Total</u>      | <u>Men</u> | <u>Women</u> |
| Total                        | 1974        | 39,474               | 36.0       | 63.0         | 23.0              | 8.0        | 15.0         |
|                              | 1976        | 40,063               | 36.6       | 63.4         | 20.8              | 7.5        | 13.3         |
| Officials/administrators     | 1974        | 1,234                | 73.0       | 26.0         | 10.0              | 7.0        | 3.0          |
|                              | 1976        | 1,049                | 65.8       | 34.2         | 10.3              | 7.3        | 3.0          |
| Professionals                | 1974        | 13,272               | 41.0       | 58.0         | 15.0              | 5.0        | 9.0          |
|                              | 1976        | 12,227               | 36.3       | 63.7         | 11.6              | 3.9        | 7.7          |
| Technicians                  | 1974        | 3,812                | 47.0       | 52.0         | 27.0              | 8.0        | 18.0         |
|                              | 1976        | 3,564                | 48.8       | 51.2         | 20.4              | 7.7        | 12.6         |
| Protective service           | 1974        | 360                  | 82.0       | 17.0         | 21.0              | 17.0       | 3.0          |
|                              | 1976        | 432                  | 63.2       | 36.8         | 17.4              | 10.9       | 6.5          |
| Paraprofessionals            | 1974        | 7,494                | 35.0       | 64.0         | 33.0              | 11.0       | 22.0         |
|                              | 1976        | 9,679                | 38.2       | 61.8         | 28.0              | 9.5        | 18.5         |
| Office/clerical              | 1974        | 9,492                | 8.0        | 91.0         | 21.0              | 2.0        | 19.0         |
|                              | 1976        | 8,036                | 9.5        | 90.5         | 18.9              | 2.0        | 16.9         |
| Skilled craft                | 1974        | 591                  | 56.0       | 43.0         | 22.0              | 8.0        | 14.0         |
|                              | 1976        | 543                  | 79.6       | 20.4         | 15.8              | 11.2       | 4.6          |
| Service/maintenance          | 1974        | 3,219                | 59.0       | 40.0         | 45.0              | 25.0       | 19.0         |
|                              | 1976        | 4,533                | 58.5       | 41.5         | 37.5              | 21.6       | 15.9         |

Note: Same as page 31.

Source: Same as page 31.

Table 7

Percentage of Distribution of New Hires by  
Occupational Category, Minorities, and  
Sex for Employment Security Programs

(Fiscal Years 1974 and 1976)

| <u>Occupational category</u> | <u>Year</u> | <u>All employees</u> |            |              | <u>Minorities</u> |            |              |
|------------------------------|-------------|----------------------|------------|--------------|-------------------|------------|--------------|
|                              |             | <u>Number</u>        | <u>Men</u> | <u>Women</u> | <u>Total</u>      | <u>Men</u> | <u>Women</u> |
| Total                        | 1974        | 13,575               | 33.0       | 66.0         | 25.0              | 7.0        | 18.0         |
|                              | 1976        | 13,498               | 37.1       | 62.9         | 19.2              | 6.8        | 12.4         |
| Officials/administrators     | 1974        | 534                  | 81.0       | 18.0         | 8.0               | 4.0        | 3.0          |
|                              | 1976        | 168                  | 77.4       | 22.6         | 13.7              | 10.7       | 3.0          |
| Professionals                | 1974        | 3,938                | 58.0       | 41.0         | 19.0              | 9.0        | 9.0          |
|                              | 1976        | 3,868                | 60.9       | 39.1         | 15.3              | 8.1        | 7.2          |
| Technicians                  | 1974        | 1,730                | 35.0       | 64.0         | 32.0              | 11.0       | 20.0         |
|                              | 1976        | 1,182                | 47.0       | 53.0         | 12.8              | 5.8        | 7.0          |
| Protective service           | 1974        | 86                   | 32.4       | 67.0         | 45.0              | 10.0       | 34.0         |
|                              | 1976        | 416                  | 49.3       | 50.7         | 25.2              | 8.2        | 17.1         |
| Paraprofessionals            | 1974        | 1,080                | 34.0       | 65.0         | 37.0              | 12.0       | 25.0         |
|                              | 1976        | 1,350                | 38.2       | 61.8         | 29.8              | 10.8       | 19.0         |
| Office/clerical              | 1974        | 6,002                | 11.0       | 88.0         | 25.0              | 2.0        | 23.0         |
|                              | 1976        | 5,955                | 14.9       | 85.1         | 17.5              | 2.7        | 14.8         |
| Skilled craft                | 1974        | 27                   | 88.9       | 11.1         | 14.0              | 14.0       | -            |
|                              | 1976        | 198                  | 26.3       | 73.7         | 42.4              | 9.6        | 32.8         |
| Service/maintenance          | 1974        | 178                  | 91.0       | 8.0          | 51.0              | 44.0       | 6.0          |
|                              | 1976        | 361                  | 83.7       | 16.3         | 54.3              | 44.9       | 9.4          |

Note: Same as page 31.

Source: Same as page 31.

United States of America  
**Office of  
Personnel Management** Washington, D.C. 20415

In Reply Refer To

APR 25 1980

Your Reference

Mr. H. L. Krieger  
Director, Federal Personnel and  
Compensation Division  
U.S. General Accounting Office  
Washington, D.C. 20548

Dear Mr. Krieger:

Thank you for giving us an opportunity to comment on the draft report, "Federal Administration of Equal Employment Opportunity Requirements in State and Local Governments--How Can It Be Improved?" We concur with the four principal recommendations and will implement them to the extent we have not already done so.

Here are our comments on the specific recommendations in the Report.

Recommendation One:

Develop more clearly defined guidance on what constitutes substantial conformity with the Standards in the operation of a merit system, and provide this guidance to its regional offices, Federal agencies administering financial assistance programs, and State and local governments receiving funds or administering merit systems for financial assistance programs subject to the Standards.

Assessing compliance with the Merit System Standards requires evaluation not only of whether the basic systems exist to provide merit in hiring and other aspects of employment but also of whether the personnel system, in operation, functions in a manner consistent with the intent of the Standards and of the State or local laws and regulations on which it is based. Consequently, it is an activity requiring a high degree of professional skill.

We will explore the possibilities for more clearly describing for OPM, other Federal agency, and State and local officials how this evaluation process should be carried out.



We have already implemented a system for tracking deviations from the Standards. The regions have identified approximately 90 deviations in State agencies. From this list, each region has identified three or four of the more significant deviations on which they plan to concentrate in 1980. These deviations were chosen on the basis of their significance and their potential for constructive regional action.

Of the 33 deviations which the regions have targeted for special attention, 10 are categorized as inadequate affirmative action plans, six are excessive numbers of provisional appointments which is an indication of problems with open competition, and seven others involve other problems with selection. You will note that all three of these areas on which our regions are focussing affect EEO either directly or indirectly. Progress was reported for the first quarter towards resolution of 14 of these deviations.

Recommendation Two:

Reemphasize to its regional offices the need for obtaining and analyzing data on the race and sex characteristics of State agency work forces during the conduct of qualitative evaluations, and reaffirm the need for including the results of such analyses in the regional offices' evaluation reports.

The Merit System Standards require agency work force analyses to determine whether minority and female employment is substantially similar to the availability of those groups in the relevant labor force. With the inclusion of the Uniform Guidelines on Employee Selection Procedures during the 1979 Standards revision, we have implemented a program to assist State governments in meeting the provisions of the Guidelines. Program plans for Fiscal Year 1980 call for the regions to provide technical assistance to assure that each State has established a system for collecting race, sex, and ethnic group data on applicants. Of 52 States (including Puerto Rico and the Virgin Islands), 46 (89 percent) have some system for collecting EEO data on applicants for initial appointment at the end of the first quarter. Thirty-nine States (75 percent) are collecting EEO data for 100 percent of classes for which applications are accepted for initial appointment. In addition, 26 States have some system for collecting EEO data on candidates for promotion and 23 of these collect data for all classes for which applications are accepted for promotion. We plan, in Fiscal Year 1981, to focus on assisting States improve the quality of their data collection systems and develop systems for analyzing the data to determine if adverse impact exists.

The results of these analyses should, therefore, be available to our regional staff when they conduct qualitative evaluations. In our quarterly memoranda to regions commenting on their reports as well as in our biennial evaluations of regional operations, we evaluate and comment on regional evaluations of State agencies. We will, however, reemphasize to our regions the need to assess this aspect of State and local compliance with the Standards during their evaluations.

Recommendation Three:

Issue instructions which clearly describe the roles and responsibilities of Federal agencies that administer financial assistance programs in (1) carrying out the provisions for evaluating compliance with the merit standards, and (2) obtaining corrective action on identified deficiencies.

This is addressed in the Standards for a Merit System of Personnel Administration, Section 900.610-5--Review of Personnel Operations. It is also referenced in our program manual, FPM Supplement (Internal) 150-72--Merit Systems Administration, Chapter VII B. This Chapter includes materials on assuring conformity with the Standards and specific grant-aided program related references. In addition, on April 2, 1980, we clarified, for the Solicitors Office in the Department of Labor, the respective roles of Federal grantor agencies and OPM in responding to complaints of noncompliance with the Standards in State agencies. Guidance for State oversight of local grant-aided agency compliance has also been prepared and distributed to Federal grantor agencies.

We will undertake to review the area of roles and responsibilities to identify shortcomings in this material and insure to the maximum extent that the respective roles of OPM and other Federal agencies regarding Standards compliance are clear.

Recommendation Four:

Direct its regional offices to expand their coordination efforts with other Federal agencies and to fully involve them in gaining corrective action when State agencies do not resolve deficiencies promptly.

This is included in current instructions to the regional offices, especially in reference to the qualitative evaluation program and the thrust to correct deviations from the Standards. We have recently written to Assistant Secretaries of the Departments of Labor and Health, Education, and Welfare and to comparable officials of the other Federal grantor agencies urging them to assist us in getting their regional personnel to participate in our qualitative evaluations of State merit systems. As a result of one of these letters, the Director of the Department of Health, Education, and Welfare's Office of Personnel Policy and Communications issued a directive encouraging grantor component officials to participate in OPM qualitative evaluations of HEW program agencies.

Cooperative qualitative evaluations are being conducted. For example, a recent evaluation of the New Jersey Department of Public Welfare included the Department of Health, Education, and Welfare officials; and an evaluation of the Wyoming Medical Assistance Service was done jointly with HEW. The U.S. Department of Labor has also participated

recently with OPM in several joint evaluations including the South Dakota Department of Labor and the Indiana Occupational Safety and Health Administration. In addition, we know of cooperative evaluations which are being planned in Nebraska, Nevada, and Ohio.

We will continue to emphasize the need for cooperative activities in our instructions to regional offices and our contacts with the national offices of the Federal grantor agencies.

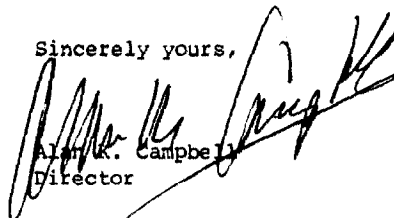
[See GAO  
note  
below.]

On page 25 of the draft report, OPM's position regarding OPM-conducted evaluations is inaccurately reflected. We do have resource restraints and, therefore, encourage grantee self-evaluations to supplement OPM's efforts. However, we do not regard OPM-conducted reviews as "the last alternative." We program resources for review of all State merit system agencies at least every four years.

In addition, OPM is encouraging personnel management evaluation capacity building by State personnel agencies. The State merit system agencies are then encouraged to evaluate not only themselves but also the grant-aided agencies. Also, the State agencies designated as responsible for oversight of local compliance of the Standards are being encouraged to develop a personnel management evaluation capacity. Along with this emphasis on capacity building, we have continued to stress the need for objective self-evaluation efforts.

In closing, I would like to thank your staff for the assistance given us through this audit. Their insights greatly aid us in meeting the goals of the IPA and the Standards for a Merit System of Personnel Administration. Equal employment opportunity and affirmative action to bring it about will continue to be a top priority of the IPA program.

Sincerely yours,



Alan K. Campbell  
Director

GAO note: Page number has been changed to correspond with this report.

(209540)





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