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United States General Accounting OFFICE

Washington, D. C. 20548

FOR RELEASE ON DELIVERY EXPECTED AT 10:00 A.M. EST THURSDAY, DECEMBER 13, 1973

STATEMENT OF

SMITH BLAIR, DIRECTOR, OFFICE OF CONGRESSIONAL RELATIONS
U.S. GENERAL ACCOUNTING OFFICE

BEFORE THE

SUBCOMMITTEE ON MANPOWER AND CIVIL SERVICE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
OF THE UNITED STATES HOUSE OF REPRESENTATIVES

ON THE

NEED FOR INCREASING THE NUMBER OF POSITIONS IN GS-16, GS-17 AND GS-18

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

WE APPRECIATE THIS OPPORTUNITY TO APPEAR BEFORE YOU DURING YOUR CONSIDERATION OF H.R. 10419 TO PRESENT THE COMPTROLLER GENERAL'S VIEWS ON OUR NEED FOR ADDITIONAL SUPERGRADE POSITIONS IN THE GENERAL ACCOUNTING OFFICE DUE TO INCREASED WORLD-WIDE RESPONSIBILITIES ASSOCIATED WITH OUR WORK THROUGHOUT THE FEDERAL ESTABLISHMENT.

THE ADDITIONAL POSITIONS IN GRADES GS-16, GS-17 AND GS-18 PROVIDED FOR IN H.R. 10419, WOULD BE FOR THE EXECUTIVE BRANCH OF THE GOVERNMENT. SUPERGRADE POSITIONS FOR THE GENERAL ACCOUNTING OFFICE ARE PROVIDED FOR

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SEPARATELY UNDER SECTION 5108(c)(1) OF TITLE 5. AS A RESULT OF THE ACTION TAKEN BY THE CONGRESS IN 1969, PUBLIC LAW 91-187, THE GENERAL ACCOUNTING OFFICE NOW HAS AUTHORITY FOR 90 SUPERGRADE POSITIONS. AT THE PRESENT TIME, 88 OF THESE POSITIONS ARE FILLED, OR HAVE BEEN DESIGNATED TO BE FILLED AND ARE AWAITING FINAL APPROVAL OF THE CIVIL SERVICE COMMISSION.

ALTHOUGH THESE POSITIONS ARE ALLOCATED TO THE GAO INDEPENDENTLY OF THE GENERAL POOL SUPERINTENDED BY THE CIVIL SERVICE COMMISSION, ALL APPOINTMENTS AND POSITION CLASSIFICATIONS ARE SUBJECT TO APPROVAL OF THE COMMISSION. WE HAVE RIGID STANDARDS FOR RECOMMENDING TO THE CIVIL SERVICE COMMISSION THE ALLOCATION OF POSITIONS IN GRADES GS-16, GS-17 AND GS-18. WE ARE MINDFUL, MR. CHAIRMAN, OF THE COMMITTEE'S EFFORTS TO ASSURE THAT THEY BE USED TO ATTRACT AND KEEP THE TALENT AND ABILITY IN THE GOVERNMENT NECESSARY TO THE SUCCESSFUL CONDUCT OF PROGRAMS AND ACTIVITIES AUTHORIZED BY THE CONGRESS.

SINCE 1969 THE WORK OF THE GENERAL ACCOUNTING OFFICE HAS EXPANDED AND CHANGED. AS THE FEDERAL GOVERNMENT HAS BECOME INCREASINGLY ENGAGED IN NEW AND EXPANDED COMPLEX PROGRAMS, THE GENERAL ACCOUNTING OFFICE HAS HAD TO CHANGE ITS ORGANIZATIONAL STRUCTURE, ITS METHODS OF OPERATION, THE SCOPE OF ITS WORK, AND THE MAKE UP OF ITS STAFF TO MEET THESE INCREASING RESPONSIBILITIES AND THE GROWING NUMBER OF REQUESTS FOR ASSISTANCE FROM THE CONGRESS AS A WHOLE, FROM COMMITTEES OF THE CONGRESS, AND FROM INDIVIDUAL MEMBERS. WE ARE NOW ORGANIZED ALONG FUNCTIONAL LINES AND HAVE A HIGHLY QUALIFIED PROFESSIONAL STAFF OF NEARLY 3,400 PERSONS ENGAGED IN ACCOUNTING AND AUDITING, OVERALL FINANCIAL MANAGEMENT, PROGRAM EVALUATION, LEGAL INTERPRETATIONS AND ANALYSES, SYSTEMS ANALYSES, COST BENEFIT STUDIES, AND OTHER AREAS OF SPECIALIZATION.

A PRINCIPAL OBJECTIVE OF GAO IS TO RENDER MAXIMUM ASSISTANCE TO THE CONGRESS, ITS COMMITTEES, AND MEMBERS CONSISTENT WITH OUR RESPONSIBILITIES AS AN INDEPENDENT, NON-POLITICAL AGENCY. WE VIEW ALL OF OUR WORK AS BEING OF ASSISTANCE TO THE CONGRESS IN CARRYING OUT ITS LEGISLATIVE AND OVERSIGHT FUNCTIONS. WE, THEREFORE, DIRECT OUR STAFF RESOURCES IN WORK THAT WILL PRODUCE INFORMATION ON THE RESULTS OF FEDERAL PROGRAMS AND AGENCY OPERATIONS THAT WILL BE MOST USEFUL TO THE CONGRESS AND IN AREAS WHICH FULFILL THE GREATEST APPARENT NEED AND BENEFIT TO THE GOVERNMENT. THIS ASSISTANCE TO CONGRESS FOR THE PURPOSE OF IMPROVING MANAGEMENT OF FEDERAL PROGRAMS AND OPERATIONS IS ACCOMPLISHED IN TWO WAYS. FIRST, BY PROVIDING DIRECT ASSISTANCE TO CONGRESSIONAL COMMITTEES AND MEMBERS TO THE EXTENT THAT TWENTY-FIVE PERCENT OF OUR PROFESSIONAL STAFF SUPPORTS THE NEEDS OF CONGRESS IN MEETING ITS LEGISLATIVE OVERSIGHT RESPONSIBILITIES. SECOND, BY INCREASING THE NUMBER AND SCOPE OF SELF INITIATED REVIEWS DESIGNED TO EVALUATE THE EFFECTIVENESS OF FEDERAL PROGRAMS IN ACHIEVING THE OBJECTIVES INTENDED BY THE CONGRESS. WE CONSIDER THE EVALUATION OF PROGRAM EFFECTIVE-NESS AS A VERY IMPORTANT AND GROWING PART OF OUR WORK. ABOUT THIRTY-FIVE PERCENT OF OUR PROFESSIONAL STAFF TIME IS DEVOTED TO THIS WORK.

WE BELIEVE THE GENERAL ACCOUNTING OFFICE HAS ATTAINED A POSITION OF LEADERSHIP IN THE PROGRAM EVALUATION FIELD, NOT ONLY FOR THE FEDERAL GOVERNMENT, BUT ALSO IN PROVIDING GUIDANCE FOR STATE AND LOCAL AUDIT ORGANIZATION. IN THIS REGARD, TITLE VII OF S. 1541, THE SO-CALLED BUDGET CONTROL BILL REPORTED BY THE SENATE GOVERNMENT OPERATIONS COMMITTEE, PROVIDES FOR THE COMPTROLLER GENERAL TO DEVELOP AND PRESCRIBE PRINCIPLES AND STANDARDS FOR THE EVALUATION OF FEDERAL PROGRAMS. IT ALSO REQUIRES

HIM TO ASSIST COMMITTEES IN DEVELOPING LEGISLATIVE LANGUAGE IN AUTHORIZATION BILLS FOR FEDERAL AGENCY PROGRAMS EVALUATIONS AND IN ANALYZING AND ASSESSING PROGRAM REVIEWS PREPARED BY OR FOR FEDERAL AGENCIES.

Total staff resources applied to our direct assistance to the Congress have continually increased in the last seven years and will require the services of twenty-five percent of our professional staff this year. This upward trend reflects our continuing efforts to improve GAO's services as a reliable source of information to the Congress on Government program operations.

CONGRESS EACH YEAR HAS GIVEN THE GENERAL ACCOUNTING DEFICE ADDITIONAL RESPONSIBILITIES. OF PARTICULAR SIGNIFICANCE IS THE LEGISLATIVE REORGANIZATION ACT OF 1970, P.L. 91-510 APPROVED OCTOBER 26, 1970. THE GENERAL PURPOSE OF CERTAIN SECTIONS OF THIS ACT IS TO PROVIDE FOR EVEN GREATER USE OF THE GENERAL ACCOUNTING OFFICE AS AN ARM OF THE CONGRESS IN EXAMINING AND ANALYZING THE MANAGEMENT OF FEDERAL PROGRAMS, AND THE USE OF GENERAL ACCOUNTING OFFICE STAFF AND OTHER ASSISTANCE BY COMMITTEES DURING CONSIDERATION OF PROPOSALS FOR NEW OR REVISED FEDERAL PROGRAMS. Another provision (sections 201 and 202) has also resulted in increased ASSISTANCE TO THE CONGRESS WHERE WE, AS AGENT OF THE CONGRESS, COOPERATE WITH THE SECRETARY OF THE TREASURY AND THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET IN DEVELOPING, ESTABLISHING AND MAINTAINING A STANDARDIZED INFORMATION AND DATA PROCESSING SYSTEM FOR BUDGETARY AND FISCAL DATA. TITLE IX OF S. 1541, WOULD EXPAND OUR RESPONSIBILITIES IN THIS LATTER FIELD. NOTWITHSTANDING THE FATE OF THAT BILL, THE STAFF RESOURCES WE APPLY TO THIS EFFORT WILL HAVE TO BE INCREASED TO MEET THE Congress' Long-Range goal of a Truly effective budgetary and fiscal INFORMATION SYSTEM.

THE FEDERAL ELECTION CAMPAIGN ACT OF 1972, AND THE PRESIDENTIAL ELECTION CAMPAIGN FUND ACT APPROVED DECEMBER 10, 1971, GAVE US RESPONSIBILITIES WHICH LED TO THE ESTABLISHMENT OF THE OFFICE OF FEDERAL ELECTIONS WITHIN THE GENERAL ACCOUNTING OFFICE.

In addition to these broad mandates placing continuing responsibilities upon the Office, Congress is increasingly calling upon us for comprehensive and complex studies which require expertise and leadership of the highest order. For example, the Comprehensive Health Manpower Training Act of 1971 required GAO to study the feasibility of reducing the cost of constructing health facilities assisted under the Public Health Services Act. Congress was interested in our analysis of how hospitals and other medical facilities can be built to reduce their operating costs over their life, thereby reducing the cost of medical care. We have been told that our report, issued in November 1972, is going to be extremely helpful to the committees of Congress, the Secretary of HEW, and to hospital planners who are considering this subject. This major study was accomplished in a timely manner by a special task force of highly qualified experts, a new technique we are resorting to in special circumstances such as this.

In addition, the following more significant legislative actions occurring since January 1, 1972, have increased this type of responsible workload of the General Accounting Office:

--THE WATER POLLUTION CONTROL ACT AMENDMENTS OF 1972 WHICH REQUIRES THE COMPTROLLER GENERAL TO CONDUCT A GOVERNMENT-WIDE REVIEW OF THE RESEARCH, PILOT, AND DEMONSTRATION PROGRAMS RELATED TO THE PREVENTION OF WATER POLLUTION.

- -THE STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972 (REVENUE SHARING) DIRECTS GAO TO REVIEW THE WORK DONE BY THE SECRETARY OF THE TREASURY AND THE STATE AND LOCAL GOVERNMENTS TO ENABLE THE CONGRESS TO EVALUATE COMPLIANCE AND OPERATIONS.
- THE ALASKA PIPELINE ACT APPROVED NOVEMBER 16, 1973 AMENDED
 THE FEDERAL REPORTS ACT OF 1942 TO SUBSTITUTE GAO FOR THE
 OFFICE OF MANAGEMENT AND BUDGET WITH REGARD TO THE REVIEW
 OF INFORMATION GATHERING ACTIVITIES BY INDEPENDENT REGULATORY
 AGENCIES TO AVOID DUPLICATION OF EFFORT AND TO MINIMIZE
 THE COMPLIANCE BURDEN UPON BUSINESS ENTERPRISES AND OTHERS
 REQUIRED TO FURNISH INFORMATION.
- --The Amendment to the National School Lunch Act dated September 26, 1972, requires the Comptroller General to evaluate pilot program administered by the Department of Agriculture to provide supplemental foods to eligible mothers and infants determined to be nutritionally disadvantaged because of an inadequate income.

PENDING LEGISLATION BEFORE THE CONGRESS WILL PLACE ADDITIONAL SIGNIFICANT RESPONSIBILITY UPON THE GAO TO ASSIST THE CONGRESS. FOR EXAMPLE, THE IMPOUNDMENT SECTION OF THE BUDGET REFORM BILL, H.R. 7130, WHICH THE HOUSE PASSED LAST WEEK ON DECEMBER 5, 1973, REQUIRES OUR OFFICE TO PROVIDE CONGRESS WITH INFORMATION CONCERNING IMPOUNDMENTS REPORTED BY THE PRESIDENT TO ASSIST IT IN DETERMINING THE NEED TO ENACT A RESOLUTION WITHIN 60 DAYS DISAPPROVING ANY IMPOUNDMENT ACTION HE HAS INITIATED. THE BILL ALSO DIRECTS THE COMPTROLLER GENERAL TO NOTIFY THE CONGRESS OF ANY IMPOUNDMENTS NOT REPORTED BY THE PRESIDENT, AND IN SUCH CASES, THAT NOTIFICATION WOULD TRIGGER THE DISAPPROVAL PROCEDURE. ALSO, THE COMPTROLLER GENERAL IS AUTHORIZED, WITH

THE APPROVAL OF CONGRESS IN ANY PARTICULAR CASE, TO BRING CIVIL ACTIONS ON BEHALF OF THE CONGRESS TO ENFORCE COMPLIANCE WITH THE REQUIREMENTS OF THE BILL. THIS WILL INVOLVE OUR REVIEW OF EXECUTIVE BRANCH REPORTS OF IMPOUNDMENTS, DETERMINE THE LEGALITY OF SUCH IMPOUNDMENTS AND PURSUE JUDICIAL REMEDIES WHERE NECESSARY.

Perhaps even more important than legislative actions which directly require action by GAO is legislation which creates new Federal programs or expands existing program levels. These actions require additional work by the GAO requiring a highly qualified staff of experts in a broad spectrum of endeavors. A few examples follow:

- -THE SOCIAL SECURITY AMENDMENTS OF 1972 WHICH PROVIDES FOR FEDERAL ADMINISTRATION OF PROGRAMS FOR THE AGED, THE BLIND, AND THE DISABLED, WHICH REPLACE EXISTING FEDERAL-STATE COOPERATIVE PROGRAMS WILL INCREASE OUR STAFF REQUIREMENTS IN THE INCOME SECURITY AREA.
- --THE EDUCATION AMENDMENTS OF 1972 WHICH MADE MAJOR CHANGES
 TO EXISTING PROGRAMS AND ESTABLISHED A NUMBER OF NEW EDUCATION PROGRAMS. WE HAVE HAD TO INCREASE OUR AUDIT EFFORT
 BECAUSE OF THE REQUIREMENTS OF THIS LEGISLATION WHICH ALSO
 SPECIFICALLY PLACES RESPONSIBILITY UPON THE COMPTROLLER
 GENERAL TO EVALUATE EDUCATION PROGRAMS.
- -- THE PUBLIC BUILDINGS AMENDMENTS OF 1972 AUTHORIZES THE
 GENERAL SERVICES ADMINISTRATION TO CHARGE AGENCIES FOR
 SPACE OCCUPIED IN FEDERAL BUILDINGS AND RELATED SERVICES

BASED ON COMPARABLE COMMERCIAL CHARGES. WE ARE COOPERATING WITH GSA IN DEVELOPING AN ACCOUNTING SYSTEM WHICH MEETS

GAO REQUIREMENTS.

IN PLANNING OUR SELF-INITIATED REVIEWS OF THE ECONOMY, EFFICIENCY
AND RESULTS OF FEDERAL PROGRAMS AND ACTIVITIES WE SELECT THOSE FEDERAL
PROGRAMS AND AGENCY OPERATIONS IN WHICH THERE IS STRONG PRESENT OR POTENTIAL
CONGRESSIONAL INTEREST AS WELL AS OPPORTUNITY FOR IMPROVEMENT. WE MAINTAIN
CONTINUOUS CONTACT WITH COMMITTEES AND THEIR STAFFS THROUGH BRIEFING
SESSIONS AND DISCUSSIONS OF MATTERS OF MUTUAL CONCERN. WE HAVE ALSO
ESTABLISHED LONG-RANGE PROGRAM AND PROJECT PLANNING SYSTEMS BY WHICH WE
ARE TRYING TO DO MORE BY WAY OF LOOKING AHEAD TO THE KINDS OF PROBLEMS
AND ISSUES WE ANTICIPATE WE WILL BE FACED WITH IN THE FUTURE IN ORDER TO
SELECT OUR LONGER RANGE PROGRAMS AND THE IMPACT UPON OUR ORGANIZATIONAL
CAPABILITIES TO MEET THESE NEEDS. CONSEQUENTLY, WE COORDINATE AND PLAN
OUR SELF-INITIATED WORK, AS WELL AS OUR DIRECT ASSISTANCE WORK, TO ASSURE
THAT OUR REPORTS ARE RESPONSIVE TO THE NEEDS OF THE CONGRESS.

FOR EXAMPLE, IN RESPONSE TO THE CONSIDERABLE INTEREST SHOWN BY THE CONGRESS AND THE PUBLIC IN THE PERFORMANCE OF THE POSTAL SERVICE WE UNDERTOOK AN EXTENSIVE REVIEW OF THE QUALITY OF MAIL SERVICE; THAT IS TO SAY, THE EXTENT TO WHICH THE POSTAL SERVICE IS ACHIEVING ITS ANNOUNCED STANDARDS FOR DELIVERING FIRST-CLASS LETTER MAIL AS WELL AS WITH THE CURRENT STATUS OF THE NATIONAL BULK MAIL SYSTEM AND THE PROPOSED PREFERENTIAL MAIL SYSTEM. MANY OF THESE REVIEWS AT PARTICULAR LOCATIONS WERE UNDERTAKEN AT THE REQUESTS OF INDIVIDUAL MEMBERS AND INDIVIDUAL

BRIEFINGS AND REPORTS HAVE BEEN ISSUED TO THESE MEMBERS. OUR OVERALL REPORT ON THE PROBLEMS IN MEETING SERVICE DELIVERY STANDARDS IS NOW BEING DEVELOPED FOR ISSUANCE EARLY NEXT YEAR.

OUR REVIEWS OF MANAGEMENT PROCESSES AND RESULTS COVER A WIDE RANGE OF AREAS IN WHICH THE CONGRESS HAS DEMONSTRATED AN INTEREST AND CONCERN SUCH AS ENERGY, ENVIRONMENTAL POLLUTION, CONSUMER SERVICES, HEALTH, HOUSING, EDUCATION, WELFARE, PROCUREMENT, LOGISTICS, COMMUNICATIONS AND FEDERAL PERSONNEL AND COMPENSATION PROGRAMS WHICH WE APPROACH ON A GOVERNMENTWIDE BASIS.

In the energy-conservation area we currently have twenty-three ongoing assignments underway on our own initiative together with ten congressional request reviews including a study of Federal energy collection for the Senate Interior and Insular Affairs Committee.

ONE EXAMPLE, WHERE WE HAVE BEEN MAINTAINING CONTACT WITH YOUR COMMITTEE, IS OUR PRESENT STUDY ASSESSING THE REASONABLENESS OF THE BASES USED IN DETERMINING PAY COMPARABILITY UNDER THE PRINCIPLES ESTABLISHED BY THE FEDERAL SALARY REFORM ACT OF 1962 AND REAFFIRMED BY THE FEDERAL COMPARABILITY ACT OF 1970. A VERY SMALL ADJUSTMENT IN FEDERAL PAY INVOLVES HUNDREDS OF MILLIONS OF DOLLARS. WE THINK IT IS IMPORTANT FOR GAO TO INFORM THE CONGRESS WHETHER THE PROCESS BY WHICH COMPARABILITY ADJUSTMENTS ARE BEING MADE IS ADEQUATE AND ACCURATE. OUR FIRST REPORT ISSUED ON MAY 11, 1973, B-167266 COVERS OUR REVIEW OF THE DESIGN AND CONDUCT OF THE ANNUAL SURVEY OF PRIVATE ENTERPRISE SALARIES USED AS THE BASIS FOR ASSESSING AND ADJUSTING FEDERAL WHITE-COLLAR SALARY

RATES, OUR CONTINUING REVIEW AND SUBSEQUENT REPORTS WILL COVER THE USE OF THE SURVEY DATA IN ASSESSING AND ADJUSTING THESE RATES AND THE STRUCTURE OF THE STATUTORY PAY SYSTEMS.

THE CONTINUALLY EXPANDING REQUESTS FROM COMMITTEES HAVE A SIGNIFICANT IMPACT ON THE AMOUNT, SCOPE AND LEVEL OF RESPONSIBILITY OF THE WORK OF THE GENERAL ACCOUNTING OFFICE, FOR EXAMPLE:

- -THE HOUSE COMMITTEE ON APPROPRIATIONS IN ITS 1972 REPORT ON THE DEPARTMENT OF DEFENSE APPROPRIATION FOR FISCAL YEAR 1973, DIRECTED US TO MAKE A COMPREHENSIVE REVIEW OF THE NAVY'S SHIP OVERHAUL AND REPAIR PROGRAMS FOR FISCAL YEARS 1972 AND 1973.
- --THE SENATE COMMITTEE ON ARMED SERVICES IN ITS REPORT OF SEPTEMBER 6, 1973, REQUESTED OUR OFFICE TO UNDERTAKE AN EXAMINATION OF FIVE MAJOR WEAPON SYSTEMS GIVING CONSIDERATION TO THE DEVELOPMENT AND UTILIZATION OF DUAL COMPETITIVE PROTOTYPE CONTRACTS.
- --The Senate Committee on Armed Services, Subcommittee on Research and Development and the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee Jointly Requested that we undertake a comprehensive study of Federal expenditures for independent research and development and submit a report with recommendations by April 1, 1974. This request was printed in the Congressional Record of October 11, 1973, (S-19051-2), and includes 22 broad questions on the subject.

In order to carry out our broad and increasing responsibilities as an independent and non-partisan agency of the Congress, it is essential that we have top quality leadership in our many fields of endeavor. By training and careful selection of staff personnel responsible for directing our reviews on a day-to-day basis, we believe we have been able to achieve a considerable measure of success in meeting this challenge. The only lasting way that this can be done is to offer positions comparable to responsibility.

AFTER GIVING CAREFUL CONSIDERATION TO OUR ORGANIZATIONAL STRUCTURE AND TO OUR OPERATIONAL RESPONSIBILITIES, WE HAVE CONCLUDED THAT THERE IS AN ESSENTIAL NEED FOR ADDITIONAL SUPERGRADES IN OUR OFFICE. WE STRONGLY URGE, THEREFORE, THAT YOUR COMMITTEE AND THE CONGRESS GIVE FAVORABLE CONSIDERATION TO AMENDING H.R. 10419 TO PROVIDE AUTHORITY FOR TEN ADDITIONAL SUPERGRADE POSITIONS FOR THE GENERAL ACCOUNTING OFFICE.

THAT CONCLUDES MY STATEMENT. I THANK YOU FOR YOUR ATTENTION AND THIS OPPORTUNITY TO PRESENT THE COMPTROLLER GENERAL'S VIEWS ON THE NEED FOR ADDITIONAL SUPERGRADES IN THE GENERAL ACCOUNTING OFFICE. DR. HERBERT AND I WOULD BE GLAD TO RESPOND TO ANY QUESTIONS WHICH YOU MAY HAVE.