

May 1992

**FEDERAL
EMPLOYMENT**

**Displaced Federal
Workers Can Be
Helped by Expanding
Existing Programs**



146523

General Government Division

B-246542

May 5, 1992

The Honorable William L. (Bill) Clay
Chairman, Committee on Post Office
and Civil Service
House of Representatives

The Honorable Paul E. Kanjorski
Chairman, Subcommittee on Human Resources
Committee on Post Office and Civil Service
House of Representatives

As a result of closures and realignments at defense bases, defense agencies plan to eliminate 87,000 civilian positions during fiscal years 1992 and 1993. Defense and Office of Personnel Management (OPM) officials acknowledge that the large number of reductions will place a severe strain on ongoing federal agency placement programs designed to find jobs for employees affected by a reduction-in-force.

As you requested, we are giving you our observations on federal job placement programs operated by OPM and the Department of Defense (DOD) and the job retraining assistance funded by the Department of Labor. We are also updating the information contained in our December 11, 1991, testimony before the Subcommittee on Human Resources of the House Committee on Post Office and Civil Service. This report also contains the results of our evaluation of the potential for expanding and linking current databases on federal job openings and job seekers to provide displaced workers with a more comprehensive listing of available federal job openings. Also, we are giving you the results of our telephone survey of all 50 states and the District of Columbia to determine the eligibility criteria they use when providing displaced workers with job retraining as authorized under the 1988 Economic Dislocation and Worker Adjustment Assistance Act.

Results in Brief

Federal job placement programs, particularly OPM's, are not placing a high proportion of registrants in jobs. In fiscal year 1991, DOD's Priority Placement Program placed 5,747, or 23 percent, of participating employees. OPM reported placing 58 of over 4,000 registrants governmentwide during the same period. Most registrants in OPM's programs during fiscal year 1991 were DOD employees. Unlike DOD's program, agencies considering registrants from OPM's programs can cancel

their vacancies or fill them through other competitive or noncompetitive means.

Current databases on federal job openings and job seekers could be expanded and linked to provide displaced workers with a more comprehensive listing of available federal job openings, and prospective employers with a more complete listing of displaced employees who are seeking work. This could be accomplished with the purchase of additional computer hardware and software at an estimated cost of \$2.2 million, additional telephone lines at an annual cost of about \$90,000, and two or three additional OPM staff to operate the systems. Further, OPM's Federal Job Opportunities Listing and the Defense Outplacement Referral System are of limited value to displaced federal workers; the former because it does not list all of the federal jobs for which the displaced workers could qualify, and the latter because it does not refer all displaced workers to prospective federal and nonfederal employers.

Also, as a result of states' differing interpretations of job retraining eligibility requirements, displaced workers face significantly different eligibility standards for federally funded job retraining. In some states, federal and private sector workers are considered eligible for retraining when a DOD base or private sector plant closure is first announced. In other states, workers are not considered eligible until they receive the individual separation notice generally required to be sent to them 60 days before the actual separation date. Although Labor intends to resolve this issue, it has not done so to date.

Background

Under OPM regulations, each federal agency has the primary obligation to provide placement assistance for its displaced employees. The Priority Placement Program (PPP) is DOD's primary program for promoting the stability of civilian employment. PPP is an automated worldwide referral program that matches eligible employees' skills with job vacancies at defense activities. Registration in DOD's program is mandatory for those employees eligible to receive severance pay. When a PPP registrant's skills and grade match the requirements of a vacant position, that job must be offered to the registrant. All other recruiting for the job must stop. The registrant has up to 1 week to accept or refuse the job. However, if a registrant refuses a job in a location he or she previously found acceptable, he or she is removed from the program and may become ineligible for additional benefits such as severance pay.

OPM operates two governmentwide placement programs that augment other federal agencies' efforts—the Displaced Employees Program and the Interagency Placement Assistance Program. OPM's programs are essentially alike in operation but different in focus—the former focuses on workers who generally are involuntarily separated or notified of separation, while the latter program focuses on workers who are at risk of being separated from federal service. Registration in these programs is voluntary.

Several hiring alternatives are available to agencies that are seeking employees. One alternative is to fill a position by competitive appointment from an OPM "certificate of eligibles." A certificate lists the top-ranked candidates from OPM's register of applicants for a particular type of position. OPM (or agencies with OPM-delegated authority) receives and scores federal job applications, ranks all applicants by score, and provides hiring officials with "certificates" (lists of eligible candidates) in rank score order. Agencies are also given information on qualified registrants along with the certificates. OPM must approve agencies' objections to Displaced Employee Program registrants' qualifications before agencies can appoint individuals listed on certificates. For its other placement program, OPM encourages rather than requires agencies to give registrants priority consideration.

In October 1991, DOD began implementation of the Defense Outplacement Referral System (DORS), which was developed jointly with OPM. DORS is evolving and generally attempts to maximize job placement opportunities for current DOD civilian and military personnel and their spouses by providing prospective federal, state, local, and private employers with registrants' names and basic qualifications. System registration is voluntary.

Under the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA), Labor provides funding to state-level dislocated workers units and to local service delivery areas. The money is used for providing retraining and readjustment assistance to displaced workers, including federal workers. EDWAA funds support a variety of reemployment services, including rapid response activities (coordination of on-site services and formation of committees to assist in transition activities at a plant or facility closure); retraining services (including classroom, remedial, and on-the-job training); basic readjustment services (e.g., outreach, counseling, testing, placement assistance, and support services); and needs-related payments for displaced workers who have exhausted their unemployment insurance. In fiscal year 1991, EDWAA was funded at

\$526.9 million. This money was supplemented by a one-time transfer of \$150 million from DOD to Labor specifically to target workers affected by DOD downsizing, base closure, or reductions required by budgetary restrictions.¹

Objectives, Scope, and Methodology

Our objectives were to (1) provide observations on OPM and DOD job placement programs, (2) identify states' and Labor's interpretations of the job training eligibility requirements under EDWAA, and (3) evaluate the potential for expanding and matching existing federal job opening and job seeker databases.

To accomplish our first objective, we reviewed OPM and DOD placement program policies governing eligibility, referral, and placement and interviewed program officials from OPM and DOD headquarters; OPM field offices in Philadelphia, Pennsylvania, and Macon, Georgia; and DOD data centers in Dayton, Ohio, and Monterey, California. We also analyzed nationwide OPM and DOD program data on registrants, job referrals, and placements for fiscal year 1991, and the first 6 months of 1992 for DOD. To accomplish our second objective, we reviewed the legislative history of the act, program policy information issued by Labor headquarters and regional offices, program impact information from local service delivery agencies/training centers and state officials in Pennsylvania and New Jersey. We also interviewed Labor's program director and conducted a telephone survey of the officials responsible for administering EDWAA in the 50 states and the District of Columbia to obtain their interpretations of the eligibility criteria for job retraining.

To evaluate the potential for expanding and matching job opening and job seeker databases, we evaluated the capacity of computer hardware and software at OPM's Washington, D.C., headquarters; at OPM's Staffing Service Center in Macon, Georgia; and at DOD's Defense Manpower Data Center in Monterey, California. We reviewed information on the size of the existing database on federal job opportunities as well as the database's potential for expansion. In addition, we evaluated the DORS database, the potential for expanding and consolidating component databases, and the potential for establishing a job-matching effort using the job vacancy and job seeker databases. Finally, we considered the cost and personnel impacts of potential expansion, consolidation, and job-matching efforts. We did our review from July 1991 to April 1992 in accordance with generally accepted government auditing standards.

¹DOD also transferred \$50 million for community assistance through the Department of Commerce.

DOD and OPM Programs Do Not Place a High Proportion of Registrants

In fiscal year 1991, neither DOD nor OPM programs placed a high proportion of registrants in new jobs. Moreover, demand for placement services is expected to dramatically increase, because DOD has projected the loss of 229,000 civilian positions through fiscal year 1997. Both OPM and DOD are reviewing their placement programs to identify possible improvements. In this regard, OPM officials told us that they may consider increasing the number of positions subject to mandatory placement in geographic areas with large concentrations of qualified displaced DOD workers. DOD recently changed the amount of time—from 1 day to 1 week—registrants have to accept or decline job offers.

PPP Will Have More Difficulty Placing Its Registrants

According to DOD, PPP has placed more than 100,000 employees in other positions since its inception in 1965. While the program manager said PPP has worked well in the past, he added that currently it is not able to meet demand for placements because fewer job opportunities are available. During fiscal year 1991, PPP placed 5,747, or 23 percent, of 25,484 registrants.

According to the Office of Technology Assessment (OTA),² the rate of PPP usage has increased significantly, with registrations in the first 4 months of 1991 surpassing total registrations in 1988. At the same time, the placement rate for PPP has declined, falling from a high of 48 percent in 1989 to 23 percent in 1991. OTA concluded that, because of DOD's natural attrition rate and the fact that PPP registrants can be hired under the hiring freeze, PPP will continue to place a moderate proportion of registrants—about 25 percent, compared to more than 33 percent in the past. Indeed, our analysis of PPP statistics for the first 6 months of 1992 showed that the placement rate has further dropped to 19 percent. (App. I contains additional program statistics.)

Registrants in OPM's Programs Receive Few or No Referrals

According to OPM, its programs placed 58 employees in fiscal year 1991. OPM reported a total of 4,265 registrants and 2,167 referrals during the same period. Our analysis of OPM's database on placement program registrants for fiscal year 1991 showed there were 4,433 registrants with at

²After the Cold War: Living With Lower Defense Spending. U.S. Congress, Office of Technology Assessment, OTA-ITE-524 (Washington, D.C.: U.S. Government Printing Office, Feb. 1992).

least 1 day of eligibility in fiscal year 1991, 3,427 referrals, and 110 placements.³ Our analysis also showed that 90 percent of the registrants and 66 percent of the placements came from DOD agencies. In addition, 19 percent of the registrants who were placed were originally DOD employees who were placed back into DOD through OPM's placement programs. In some of these cases, the individuals were placed by OPM's program rather than DOD's because they accepted temporary appointments.

Although the above registrant and referral data suggest a high proportion of the registrants were referred for agencies' consideration, there were actually relatively few referrals when taking into account the number of positions and geographic locations for which individual registrants said they were qualified and available. In such cases, a separate record was created as though it represented a new registrant. Thus, when analyzed in terms of the number of separate records rather than the lesser number of actual registrants, there were no job referrals for 79 percent of the records on file during fiscal year 1991. A factor contributing to the low number of referrals is the fact that referrals are not made for positions to be filled in excepted service agencies unless the agencies request recruiting assistance from OPM.

Of the remaining 21 percent of the records, 16 percent showed one or more referrals, while the other 5 percent were blank. According to OPM audits, in 38 percent of those records showing a referral, the registrant either failed to reply to or declined the job offer. The OPM audits also showed that the 25 percent who declined job offers cited as the reason for their refusal an unwillingness to accept certain conditions of employment, such as location and grade, that they had previously indicated were acceptable. Agencies objected to 7 percent of the registrant referrals because they believed the registrants did not meet the jobs' requirements.

Many Certificates Are Cancelled or Go Unused

While agency objection rates appear relatively low, other agency actions could more often be the reason why placement rates are not higher in the

³The differences between the reported OPM statistics and our analysis are attributable to the fact that OPM's statistics reflect a rolling count in which records are carried over from the previous fiscal year and additions and deletions are made during the fiscal year. Our analysis, which OPM replicated and concurred with, was a reconstruction from active and purged files of individuals registered at least 1 day during fiscal year 1991. However, during our analysis, we identified computer programming weaknesses and data entry errors that call into question the validity of the data. For example, there is no edit to detect invalid eligibility dates, and we believe this lack of edit meant that 111 records did not receive referral because their eligibility expiration dates were either the same as or preceded their registration dates. Examples of data entry errors include the following: one individual whose eligibility covered 12 years; several registrants who were coded as receiving multiple placements; and two registrants who were coded as placements instead of nonselections when a hiring freeze prevented their placement.

OPM programs. According to OPM officials, agencies also have the option to withdraw the position, fill it competitively through an internal promotion, or fill it noncompetitively by transferring an employee from another federal agency or reinstating a former federal employee. In these cases, agencies return the certificate (list of candidates) unused, that is, without making any selection. In fiscal year 1991, OPM statistics show that about 25 percent, or 11,161, of the 45,539 certificates issued were either cancelled or returned unused; however, OPM did not always record the specific reasons. In January 1992, OPM issued a bulletin to all agencies reminding them of the requirement to document the reasons for not using a certificate.

Similarly, in a recent study of veterans' preference in federal hiring practices, we found that about half (47 percent) of the OPM and executive agency certificates we reviewed were returned unused and that OPM did not systematically analyze the reasons for nonselection.⁴ In analyzing why 114 certificates were returned unused, we found that, for the 85 cases in which the positions were eventually filled, agencies hired employees by transferring or promoting current federal employees in 48 cases and by other means in 37 cases. In 57 of the 85 cases, officials reported that they did not hire from the certificate because they felt the candidates they eventually selected were better qualified. Our report also cited an OPM official's estimate that, historically, between 60 and 65 percent of all agency positions are filled internally.

Job Opening and Job Seeker Databases Could Be Expanded and Linked

Both the existing federal job opening and job seeker databases could be expanded and linked. This would provide (1) displaced workers with a more comprehensive listing of available federal job openings and (2) employers with a more comprehensive listing of displaced employees seeking work. At present, neither database fully meets the needs of displaced workers. At our request, OPM estimated the cost to expand and match the databases would be approximately \$1.9 million to acquire computer hardware and software and to hire two to three additional OPM staff to operate the system, plus approximately \$90,000 per year for additional telephone line usage. We added \$300,000 to OPM's \$1.9 million estimate to support software development and record layout modifications, for a total of about \$2.2 million.

⁴Federal Hiring: Does Veterans' Preference Need Updating? (GAO/GGD-92-52, Mar. 20, 1992).

Federal Job Listing Could Identify More Job Vacancies

The Federal Job Opportunities Listing (FJOL) contains information on career appointments in the competitive federal service. According to OPM, its database includes information on the approximately 3,800 job vacancies in the competitive service at any given time that are open to the public. Although it is a potentially useful tool, FJOL currently omits categories of jobs for which displaced federal workers may be qualified. For example, FJOL does not list positions being filled through noncompetitive authorities and jobs in excepted-service agencies;⁶ internal agency actions (e.g., merit promotion); and other career-status positions that are open only to present federal employees. Except perhaps for private sector publications, there is no single source of information for displaced federal workers to easily identify vacancy announcements for all types of positions.

OPM estimates that FJOL lists only about one-third of the approximately 300,000 federal jobs filled annually. On the basis of our discussions with OPM's system management officials and our analyses, we believe that the FJOL system's hardware and software architecture can support the addition of all federal job vacancies for which displaced federal workers may qualify. However, some additional costs, as previously noted, would be incurred in expanding the system.

Recently, and on a limited basis, OPM has worked with four agencies—the Departments of Transportation, Labor, and Energy; and the Charleston Naval Shipyard—in linking these agencies' merit promotion openings with FJOL on self-service, touch-screen computers. As a result of this linking, the Department of Transportation reported that the number of applicants for its vacancies has increased and the quality of the candidates has improved.

Although OPM officials agreed that expanding the FJOL database to include additional federal job openings is technically feasible, they raised concerns about cost and policy issues. They said that while the estimated equipment and personnel costs to expand FJOL are not substantial, they nevertheless involve funds OPM does not currently have. OPM officials also expressed concern that, similar to their recent experiences with federal job fairs, an expanded FJOL database would likely be attractive to large numbers of nondisplaced federal employees interested in transferring to

⁶The term noncompetitive authorities refers to the legal bases for personnel actions used by agencies to fill vacancies without using the competitive appointment process, e.g., to reinstate individuals who previously held permanent career appointments or who are eligible based on certain appointments for at least 3 years in the legislative branch or 4 years in the judicial branch. Excepted service agencies include those with authority to appoint individuals without using OPM's appointment registers. These include agencies in the legislative and judicial branches as well as such independent executive branch agencies as the Tennessee Valley Authority and the Nuclear Regulatory Commission.

another federal agency. This situation could result in additional costs for agencies to respond to a larger group of job seekers than to the intended target group of displaced employees.

From a policy standpoint, OPM officials told us that agencies may also object to an expanded FJOL in part because of their concerns that the information reporting requirement would be a precursor to establishing a mandatory governmentwide program for placing Displaced Employee Program registrants in other federal jobs. To the extent that such concerns materialize, OPM speculated that agencies may reduce the number of job vacancies for which they would consider applicants from outside their agencies.

DORS Could Accommodate More Job Seekers

DORS, the joint OPM/DOD project, helps provide information to employers about workers' qualifications. OPM has promoted the use of DORS both in-house and among executive and independent agencies. In November 1991, the OPM Director personally encouraged all federal agencies to use DORS to both meet staffing needs and help alleviate the impact of downsizing on DOD personnel.

Two separate DORS databases are now used to interface with two separate groups of prospective employers. The OPM/DORS system contains information about DOD civilian job seekers and refers them to federal agencies. The DOD/DORS system currently contains data about military personnel and their spouses and refers them to registered employers outside the federal government. DOD officials said they plan to add civilian DOD personnel seeking employment outside of the federal government to the DOD/DORS database within the next 60 to 90 days.

In DORS' first few months of operation, OPM/DORS had 5,646 registrants and DOD/DORS had 6,523 registrants. As of April 30, 1992, OPM/DORS placed 118 workers in other federal jobs. DOD/DORS does not have placement data. According to an OPM/DORS official, registration for both systems is expected to grow over the next 3 to 4 years. However, federal employee unions have faulted its passive and reactive approach.

Neither system includes workers displaced from civilian agencies. The current hardware/software architecture of the DOD/DORS system could be expanded to include both displaced civilian DOD employees seeking employment with the federal government and displaced workers from non-DOD agencies. Further, both the OPM and DOD data centers would be

capable of supporting a consolidated DORS system. However, in order to maximize the effectiveness of a consolidated database, some additional hardware and software would be required as previously noted. Also, the database record layout would probably require some modification.

Expanded Databases Could Support Job Matching

If the FJOL and DORS databases were expanded as previously discussed, placement opportunities could be maximized by matching the jobs stored in the FJOL system with the newly created comprehensive job seekers database. The data currently input to the FJOL and DORS systems have the potential for matches on occupational series, duty location, and grade. Additionally, both the FJOL and the DORS records can be modified to perform a more comprehensive match of, for example, individuals' qualifications and job requirements. Matching could be performed routinely and/or at the request of the job seeker or agencies looking to fill open positions.

However, the matching program cannot be effective unless all agencies fully cooperate and participate. Presently, agencies filling positions for which they will consider applicants from outside their agencies do not input all their job openings into FJOL. Also, OPM will need to input data on civilian agencies' displaced employees into DORS. As noted above, this will require the acquisition of additional computer hardware and software, communications equipment, software changes, and additional staff.

States Interpret Displaced Workers' Eligibility for EDWAA Differently

States have different interpretations of when retraining can be provided under EDWAA. The differences basically center on what constitutes notice that an individual's job is being terminated—the 60-day “specific notice” generally required by law or regulation for nonfederal and federal employees, respectively; or a general notice, such as the announcement of a future base closure.

OTA observed that a major failing of EDWAA has been and continues to be the uneven quality of its administration from one state to another. OTA cited studies and a decade of experience with displaced workers' services that show that one of the features of a quality program is providing early assistance—ideally, before layoffs begin.

Early action is critical for several reasons: Displaced workers are much more likely to take part in adjustment projects that begin before a closing or layoff than afterward; service providers have more time to plan and

organize services; and displaced workers have time to prepare emotionally and financially, and to consider or start retraining while they have the maximum amount of unemployment insurance for income support. OTA has pointed out that when help does not arrive soon enough, many workers are disillusioned or dispersed by the time assistance is fully available. Those who miss out are likely to be unemployed longer or settle for lower quality jobs than they would have with timely, effective help.

We found that early intervention can also increase the efficiency and effectiveness of the assistance provided. The chances of rapid reemployment increase when worker morale is high. When reemployment assistance is in place before or at the time of layoff, workers are helped before the stress of unemployment leads to behavior patterns that work against the job search effort. Once the negative behavior patterns related to unemployment begin, the task of assisting workers becomes more difficult.⁶

GAO Telephone Survey Identified Variation in States' Interpretations

EDWAA's enabling legislation and Labor's regulations define "eligible dislocated workers" as individuals who "have been terminated or have received a notice of termination of employment, as a result of any permanent closure of or any substantial layoff at a plant, facility, or enterprise." (emphasis added)

Our telephone survey of all 50 states and the District of Columbia showed key differences in their interpretations of this definition. The first interpretation, taken by 25 states and the District of Columbia, defines "notice" broadly. Generally, this group of jurisdictions would accept formal notice of an impending base closure as satisfying the notice requirement. However, 10 of them reported that they would require specific individual notice to provide retraining in a downsizing that does not involve a base closure. Some of these jurisdictions described their approach as consistent with the law. They cited as its benefits the ability to provide retraining to workers before their separation and the savings in unemployment payments. In this group are states currently involved in or preparing for DOD base closures, such as Colorado, Illinois, Indiana, Maine, and Texas.

The second interpretation, taken by 23 states, defines "notice" more narrowly. For these states, the notice requirement is satisfied only when each worker has a separation notice in hand. Thus, unlike the first

⁶Advance Notice: Public and Private Sector Policy and Practice (GAO/T-HRD-91-19, Apr. 18, 1991).

interpretation, these states would not offer retraining until workers to be affected were individually identified and notified. However, nine of these states reported that they could provide rapid response services, such as counseling, and basic readjustment services to individuals who received general notice. Two states cited conformance with the law as the basis for this interpretation. States in this group that are currently involved in or preparing for DOD base closures are Arizona, California, and Pennsylvania.

Finally, Michigan has not yet formulated a policy, and Idaho's policy is to approach each closure on a case-by-case basis. (App. II lists the results of our telephone survey for the 51 jurisdictions.)

Labor Is Attempting to Resolve Differing Interpretations

In January 1992, to minimize the adverse impact of base closures on civilian employees, OPM requested, with DOD support, that the Secretary of Labor resolve the eligibility issue. The OPM Director pointed out that certain bases scheduled for closure have been successful in obtaining funding, while others have been informed that no funds for job retraining will be released until employees actually receive individual reduction-in-force notices, despite the fact that DOD has officially announced the closures. The OPM Director asked the Secretary of Labor to resolve the issue of whether formal announcement of the closure itself could be considered as a notice of termination, so that employees can have the opportunity of benefiting from retraining services. An OPM official told us representatives of Labor and OPM met on April 28, 1992, to discuss the issue, but it is still not resolved.

When we first brought this issue to the attention of Labor in December 1991, we were informed by the Director, Office of Worker Retraining and Adjustment Programs, that a general notice of closure was not sufficient to qualify workers for retraining. After receiving OPM's letter in January 1992, this Labor official told us that a possible resolution might be to permit EDWAA funds to support retraining before an individual receives a separation notice, but not on the basis of an announced closure as far in advance as a year or two. For example, he suggested that consensus might be reached by permitting retraining during a 6-month period before an individual's separation date, provided DOD can identify which employees will lose their jobs.

Conclusions

DOD is fast approaching the beginning of its scheduled dates of base closings and realignments. Neither we nor DOD and OPM program managers

believe that current DOD and OPM placement programs can adequately support the number of displaced federal workers expected from the DOD closings and realignments.

DOD and OPM have attempted to help displaced workers by establishing DORS. DOD plans to add civilian DOD personnel seeking employment outside of the federal government to the database. However, despite these efforts, there will not be a comprehensive database of job vacancies or job seekers. As currently designed, FJOL does not include all federal job vacancies, and DORS does not include non-DOD civilian job seekers. Expanding these databases to include more jobs and job seekers would improve the federal government's ability to help displaced employees. In addition, with the imminent DOD staff reductions that are to occur, a timely resolution of the EDWAA eligibility issue is needed to ensure that displaced workers receive fair and consistent treatment and job retraining when it is needed most.

Recommendations

To better respond to displaced workers' needs for timely assistance, we recommend that the Director, OPM,

- expand the FJOL to include all federal job openings for which displaced employees could qualify,
- expand DORS to include workers who are being displaced by civilian agencies, and
- develop a computer program for matching job seekers with job vacancies on a periodic basis and/or when job seekers and job vacancies are added to the respective databases.


We also recommend that the Secretary of Labor decide as soon as possible whether displaced workers may receive job training as authorized by EDWAA before they receive a specific notice of job termination.

Agencies' Views

We discussed the contents of this report with DOD, OPM, and Labor senior program officials and incorporated their comments where appropriate. They generally agreed with the facts presented, but they were not prepared at the time of our discussions to provide their agencies' official positions on our conclusions and recommendations. OPM officials said that they and top management needed more time to fully consider the implications of our recommendations.

As agreed with the Committee and Subcommittee, we are sending copies of this report to other Committees and Members of Congress, the Secretary of Defense, the Secretary of Labor, the Director of the Office of Personnel Management, and other interested parties. We will make copies available to others upon request.

The major contributors to this report are listed in appendix III. Please contact me on (202) 275-5074 if you or your staff have any questions concerning the report.


Bernard L. Ungar
Director, Federal Human Resource
Management Issues

GAO/GGD-92-86

Displaced Workers

Statistics on the Department of Defense's Priority Placement Program

Table I.1: PPP Statistics, Fiscal Year 1991

Type of action	Type of priority ^a			Total
	1	2	3	
Total DOD employee registrations	15,118	5,942	4,424	25,484
Total employee deletions	9,893	4,449	3,024	17,366
Refusals	291	114	33	438
DOD placement	3,922	1,240	408	5,570
Non-DOD placement	112	27	15	154
Industry placement	18	3	2	23
Retired	46	18	3	67
Resigned	41	22	6	69
Deceased	3	2	1	6
Removed for cause	16	7	0	23
Reduction-in-force cancelled	3,009	406	481	3,896
Registration expired	513	1,866	1,736	4,115
Other	1,922	744	339	3,005
Registrants as of 9/30/91	5,225	1,493	1,400	8,118

^aRegistrants are assigned a numeric priority (1 through 3) for placement referrals based on the severity of the proposed personnel action. For example, top priority (priority 1) is assigned to employees facing separation without a job offer or a furlough of 6 months or longer. Priority 2 is generally assigned to employees facing an offer of a downgrade of two or more grades or separation due to refusal of a geographical transfer with their activity, or certain employees returning from overseas. Priority 3 generally is for employees who are being offered a downgrade of less than two grades or dependents of eligible overseas returnees.

Appendix I
Statistics on the Department of Defense's
Priority Placement Program

Table I.2: PPP Statistics, First Half of
Fiscal Year 1992

Type of action	Type of priority			Total
	1	2	3	
Total DOD employee registrations	9,343	2,899	2,277	14,519
Total employee deletions	3,416	1,959	1,644	7,019
Refusals	206	33	13	252
DOD placement	1,948	497	223	2,668
Non-DOD placement	36	6	6	48
Industry placement	1	2	0	3
Retired	23	6	2	31
Resigned	10	8	0	18
Deceased	3	2	0	5
Removed for cause	5	2	0	7
Reduction-in-force cancelled	266	35	12	313
Registration expired	315	974	1,231	2,520
Other	603	394	157	1,154
Registrants as of 3/31/92	5,927	940	633	7,500

States' Interpretation of Eligibility Under EDWAA

Specific notice not needed to provide retraining	Specific notice needed to provide retraining	Other
Alaska ^a	Alabama ^b	Idaho ^c
Arkansas ^a	Arizona	Michigan ^d
Connecticut	California	
Colorado	Delaware	
District of Columbia ^a	Hawaii	
Florida ^a	Louisiana ^b	
Georgia	Massachusetts ^b	
Illinois	Missouri	
Indiana	Nebraska	
Iowa ^a	Nevada ^b	
Kansas	New Hampshire ^b	
Kentucky	New Jersey	
Maine	North Carolina	
Maryland ^a	North Dakota ^b	
Minnesota	Ohio ^b	
Mississippi	Oklahoma	
Montana ^a	Pennsylvania ^b	
New Mexico	Rhode Island ^b	
New York ^a	South Carolina	
Oregon ^a	South Dakota	
Tennessee	Utah	
Texas	Virginia	
Vermont	West Virginia	
Washington		
Wisconsin		
Wyoming ^a		

^aThese jurisdictions can provide rapid response services but will not provide retraining services to individuals in a downsizing action unless they receive a specific notice.

^bThese states will provide rapid response services based on a general notice. Such services include, for example, needs assessment, counseling, basic readjustment services, and information about training.

^cWill decide what services will be provided on a case-by-case basis.

^dHad no statewide policy at the time of our survey.

Major Contributors to This Report

**General Government
Division, Washington,
D.C.**

Larry H. Endy, Assistant Director, Federal Human Resource
Management Issues

**Information
Management and
Technology Division,
Washington, D.C.**

William D. Hadesty, Senior Assistant Director, General Information
Systems Issues

**Philadelphia Regional
Office**

Daniel R. Garcia, Evaluator-in-Charge
Martin M. Mortimer, Senior Evaluator
Christopher D. Morehouse, Staff Evaluator

Ordering Information

The first copy of each GAO report is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

**U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20877**

Orders may also be placed by calling (202) 275-6241.

**United States
General Accounting Office
Washington, D.C. 20548**

**First-Class Mail
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**
