

**STATEMENT
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UNITED STATES DEPARTMENT OF AGRICULTURE**

**BEFORE THE
UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON FEDERAL WORKFORCE, POSTAL SERVICE AND
DISTRICT OF COLUMBIA
JUNE 26, 2008**

REGARDING

AN EXAMINATION OF LOCALITY PAY

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to testify before you today about how the Forest Service applies locality pay and other employment incentives. The Office of Personnel Management (OPM) is the Executive Branch lead-agency for personnel policy formulation, execution, locality pay and other employment incentives. My testimony will highlight our mission and how we cooperate with OPM to recruit, manage and retain a diverse workforce. We otherwise defer to the testimony of OPM Associate Director Grimes regarding how locality pay is calculated and recent legislative proposals to phase-out the non-foreign cost-of-living allowance.

Background

The mission of the Forest Service is to sustain the health, diversity and productivity of the Nation's forests and grasslands to meet the needs of present and future generations. To fulfill this mission, the Forest Service has a land management branch known as the National Forest System; for which there are 155 national forests and 20 national grasslands in 44 states and Puerto Rico. In cooperation with the Department of Labor, the Forest Service also operates 22 Job Corp Civilian Conservation Centers for youth and young adults. The Research and Development branch includes 6 forest research and experiment stations. There are two cooperative forestry assistance areas for International Programs and State and Private Forestry and a Law Enforcement and Investigations staff. Forest Service employees are assigned to duty stations across the United States from Washington, DC; Rio Grande, Puerto Rico; Atlanta, Georgia; Anchorage, Alaska; Missoula, Montana; Fort Collins, Colorado to small rural towns East and West of the Mississippi River and to remote ranger district compounds in the Western United States and Alaska. Forest Service employees are also assigned to the El Yunque National Forest in the Commonwealth of Puerto Rico.

To fulfill its mission, the Forest Service uses a variety of job series that include, but are

not limited to: laborers; research scientists; special agents; foresters; forestry technicians; engineers; teachers; guidance counselors; writer/editors; communication specialists and accountants. The wide variety of professions and occupations comprising the Forest Service workforce experience dynamic and contrasting levels of recruitment and retention. Some series, for example foresters (GS-460), experience minimal attrition, with most foresters typically working their entire career for the Forest Service. Other occupational series, for example, contracting specialists (GS-1102), experience higher attrition rates and are more difficult to recruit from the civilian labor force. The Forest Service has a relatively stable workforce. Since 2005, the attrition rate has been 8.6%, which is nearly equivalent to the overall Federal government rate of 8.39%

Forest Service Personnel Practices

The goal of the Office of Personnel Management (OPM) is to support the federal government's ability to have the best workforce possible to do the best job possible.

The Department of Agriculture ensures that the policy and administrative intent of the Office of Personnel Management for the delivery of personnel programs is complied with for all agencies within the Department. The Forest Service as an agency complies with both the Department and OPM rules regulations and policies to deliver and implement a human resources program to Forest Service employees.

This delegated authority allows the Forest Service to recruit, hire, promote and retain a highly qualified workforce to fulfill its mission. Within this framework, the Forest Service is responsible for the management of its human capital. Human Capital Management at the Forest Service uses the broad suite of OPM flexibilities and delegated authorities to manage, recruit, relocate and retain its work force in a competitive and dynamic labor market.

In some instances, the Forest Service uses special rates for the recruitment and retention of employees. These special rates have been used when private sector salaries were often more than Government could otherwise offer for a group or category of General Schedule positions in one or more geographic areas and there is a continuing problem with inadequate applicant pools. For example, we currently have special rates established through OPM for our wildland firefighters classified as Forestry Technicians in the GS-462 series in grades 2-12 for Southern California area, including Los Angeles and San Diego. It was established on September 14, 1989, and continues today to help equalize the pay disparity found between federal salaries and those received for structural and wildland firefighters who work for the California Department of Forestry and Fire Protection and local firefighting agencies.

Another OPM flexibility the Forest Service implements is recruitment, relocation, and retention incentives. For example, relocation incentives are used when a current employee must relocate to accept a position in a different geographic area and the agency determines that the position is likely to be difficult to fill. Relocation incentives can be up to 25 percent of an employee's rate of basic pay for each year of an agreed-upon service period, not to exceed 4 years or 100 percent of pay. A relocation incentive may be paid in a single up-front lump-sum payment or in installments. There are communities such as

Jackson Hole, Wyoming; Sun Valley, Idaho; and Aspen, Glenwood Springs, and Steamboat Springs, Colorado where there is a very limited inventory of housing that is affordably priced for the federal salary of GS-4 to GS-15 employees.

The ability for the Forest Service to recruit qualified applicants for mission critical occupations in popular and expensive communities in areas that OPM refers to as the Rest of the United States (RUS) is challenging because of expensive property and housing prices. I have some examples that illustrate the problem.

Recently, there was a vacancy on the White River National Forest in Glenwood Springs, Colorado. Management conducted outreach and recruitment to fill a vacant Civil Engineer, (GS-810-12) position. The outreach and recruitment efforts, including relocation incentives, yielded many interested applicants. Ultimately, management selected a GS-11 engineer who at the time was located in South Lake Tahoe and earning \$67,548 per year. This annual salary includes 20.25% locality pay for South Lake Tahoe. Upon starting the new position in Glenwood Springs, the employee's new salary would have been \$67,493; \$55 per year less than his salary at the former grade of GS-11. This result is due to the fact that Glenwood Springs is assigned a locality pay for the Rest of the United States (RUS) of 13.18% which is a lower locality pay percentage than that applicable in the South Lake Tahoe area. All of this is consistent with law and regulations, which provide for a geographic pay conversion when an employee relocates. The geographic conversion rule ensures that all employees at the same grade and step are treated the same in the computation of their pay rate regardless of whether they are already in a given location, are relocating from a higher-paying area, or are relocating from a lower-paying area. The employee spent a week in Glenwood Springs looking for affordable housing. Unfortunately, he was unable to find affordable housing (less than \$450,000) within an hour's drive from the duty station in Glenwood Springs. Despite the fact that the employee's pay potential in the GS-12 position in Glenwood Springs would be significantly higher than his pay potential in the GS-11 position in South Lake Tahoe, he eventually declined the promotion due to the high cost of living and unavailability of affordable housing in the area. The position is still vacant. As we continue our efforts to fill this position, we will explore all possible administrative options, including the options of using the full range of flexibilities for paying relocation incentives and working with the Department of Agriculture to determine whether it would be appropriate to request that OPM establish a special rate for this position.

In another example, there was a vacant Radio Technician position on the Medicine Bow-Routt National Forest. Management conducted outreach and recruitment efforts, including a relocation bonus, which yielded many interested applicants. Management selected a State Department employee who was located in Germany. The employee and his wife moved to Steamboat Springs, Colorado where they lived in a recreational vehicle (RV) for approximately six months while looking for housing they could afford. Eventually, the employee left the Forest Service and returned to the State Department because he was unable to find housing within his income range.

Popular resort communities are commonly adjacent to, or surrounded by national forests and grasslands. It is the land resource of mountain panoramas, recreation opportunities and natural settings that are the features in demand. Forest Service land and resource management enhances the landscape's character that is the attractive draw for people to live in these forest communities. Ironically though, the bucolic town settings, with national forests and grasslands as the back-drop makes it more difficult to attract employees to Forest Service duty stations and for them to afford housing that is within their income means. While we are able to adequately and appropriately staff most positions within the agency, some situations, like those mentioned above provide the Forest Service with some challenges.

Conclusion

In conclusion, Mr. Chairman and members of the subcommittee, we are prepared to seek the guidance from, and to cooperate with, OPM to recruit, manage and retain a diverse workforce. To fulfill its mission, the Forest Service depends on the important flexibilities discussed in the testimony and the continued cooperation of OPM to assure flexibilities for competitive pay and benefits packages for the varied labor markets in which the Forest Service operates. We appreciate your continued interest, support and work as we move forward to staff the Forest Service for the future in a competitive labor market. We are happy to answer any questions you might have.