



GAO EMPLOYEES' ORGANIZATION

**INTERNATIONAL FEDERATION OF
PROFESSIONAL AND TECHNICAL ENGINEERS
AFL-CIO & CLC**

**Statement of
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**International Federation of Professional &
Technical Engineers
(IFPTE), AFL-CIO**

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss GAO reforms and the impact on staff of human capital transformation efforts such as the restructuring of one pay band (Band II) under Pay-for-Performance (PFP), changes to employee classification and compensation using a market-based-pay study, and proposed legislation that is before the Congress today, referred to as the Government Accountability Office Act of 2007. Over the past 2 years, GAO employees have experienced major changes in the way we do their work and how we are compensated. The restructuring of pay band II analysts and the use of a market based pay study have led to charges of unfair treatment as federal employees with respect to pay and discrimination based on race and age in job classification and pay. While GAO employees continue to have tremendous respect for the agency and the service GAO brings to the Congress and the American people, GAO's analysts have formed GAO's first bargaining unit to address our concerns and now we have a vehicle that will ensure that our concerns are heard and actions are taken.

Let me first take this opportunity to thank the members of this subcommittee, other members of Congress, and most importantly your staff for the support you have provided GAO employees from the time the first person contacted you about individual concerns over 2 years ago, through the entire unionizing efforts. Starting a new union is a challenging task that requires workers to take significant risks. Members of this committee and others made it clear that our rights to organize would be protected and for that we are especially grateful. Much of the success we have experienced in the process of banding together to form this union, we owe to you Mr. Chairman and to the dedicated efforts of this subcommittee, especially your staff director, Ms. Tania Shand. Additionally, GAO employees are equally pleased that members of the Senate counterpart to this subcommittee and employees' own local delegations listened to our concerns and beliefs that GAO had unfairly implemented its new personnel authorities and broken the promise to protect employees' purchasing power for all staff that performed satisfactorily. We appreciate the members and staff who were empathetic to our concerns and did not brush us aside as just a "few disgruntled staff."

The work of Ms. Shand, and her Senate counterpart, Ms. Jennifer Tyree, were critical in orchestrating the joint hearing on May 22nd 2007, which illustrated the need for much greater transparency at GAO. Specifically, the testimony of the Personnel Appeals Board's General Counsel helped validate employees' concerns that GAO's implementation of the new personnel authorities, was in essence, an illegal demotion of two-thirds of GAO's senior analyst staff – a critical component in GAO's workforce. Further, the testimony from Watson Wyatt confirmed that GAO, not Watson Wyatt, predetermined the parameters that many believe undervalued analysts' job responsibilities and created lower pay ranges. Finally, thank you for the encouragement you provided as we struggled to come to agreement with GAO management on the composition of our bargaining unit so that employees could have the opportunity to vote up or down on union representation. Today is an historic occasion for GAO employees since it is the first time a member of GAO's newly formed union is testifying before a congressional committee.

My name is Jacqueline Harpp and I am a Senior Analyst on GAO's Education, Workforce, and Income Security Team. In September 2007, GAO employees voted to have a union represent about 1900 of its employees by more than a 2 to 1 margin. The new bargaining unit established an Interim Council in December 2007 to develop the governing structure of the new GAO Employees' Organization and to meet the needs of the agency and employees until the permanent governing structure is finalized. I was elected by bargaining unit employees GAO-wide to represent African Americans on the Interim Council. I also serve on the Interim Council's Legislative Committee and was voted by the majority of the Interim Council's members to represent bargaining unit employees before this subcommittee today.

In summary, GAO has sought and received legislation that allowed the agency to be among the leaders in implementing pay initiatives in the federal government but some employees believe that insufficient attention has been paid to the impact these initiatives have had or will have on a diverse workforce and retaining the principle that made such initiative successful. For example, from the time GAO went to a PFP system the concept of keeping employees' pay on par with that of other federal employees was a key structural selling point for the PFP initiative. Further, this concept was also viewed as a central factor to obtain new personnel legislation but subsequently, not considered in full or applied equitably for all employees when determining employees' across the board pay, (sometimes referred to as a cost of living adjust (COLA)). Employees believed that the implementation of these initiatives lacked transparency and their experience with the appeal processes in place, such as the Office of Opportunity and Inclusiveness (OOI) and the Personnel Appeals Board (PAB) left little recourse for correcting problems employees faced with these initiatives.

Many employees believe that GAO did not sufficiently assess the impact on all groups of staff or consider staff input on its most recent initiative to link employees pay to a market based pay study. Employees were concerned that this new system would affect their retirement benefits and their ability to effectively compete, particularly among, African American and older workers, by linking all pay to a performance appraisal system that had not been properly validated. Further, GAO had not taken action to address numerous concerns raised about the fairness of the appraisal systems and lack of leadership opportunities in job assignment processes before relying heavily on these processes to make critical personnel decisions. GAO has taken a step in the right direction by studying the disparities in appraisals with a view towards recommendations for improvement.

The GAO Act of 2007 now before this subcommittee seeks to correct some implementation flaws in these pay initiatives and establish the Office of Inspector General (IG) and address requirements for independence in GAO offices responsible for employees' rights to appeal agency personnel actions. The GAO Employees' Organization appreciates the Committee's long efforts to ensure that those employees who were denied pay adjustments despite satisfactory performance in 2006 and 2007 would receive them. In this respect, the GAO Organization would ask the Chairman to consider adding language noting that the remedy affected under this legislation would not jeopardize any employees with pending claims of discrimination rights of due process. The GAO Organization also supports the legislative

provision to assist GAO employees with minimum requirements for annual adjustments for every employee performing satisfactorily and receive additional pay to reward their hard work is also appreciated.

Background

Diversification of GAO Professional Staff and Separation from the Executive Branch

In 1974, when I entered the agency, GAO was in a major transformative stage that saw the recruitment of employees with degrees in a variety of disciplines beyond just accounting, as well as the integration of women and minorities into the predominantly white and male staff in GAO's mission ranks. GAO's personnel practices including hiring and classification of employees were subject to the regulations and guidance of the Civil Service Commission (CSC), the predecessor of the Office of Personnel Management (OPM). Employees were hired in under the General Schedule (GS) system (generally GS-7 to GS-11) and progressed accordingly unless performance was unsatisfactory. The late 1960s to mid-1970s represented a major effort to increase the diversity of GAO's staff. GAO revamped its recruiting strategy to target educational institutions with significant populations of African American, Hispanic and Asian students including Historically Black Colleges and Universities. To achieve diversity in some of its field offices, GAO transferred employees from headquarters to aid in recruiting efforts. In the Atlanta field office, I was among the first few African American and female employees recruited into that field office.

In 1976, the CSC audited GAO's personnel management program focusing on GAO's classification and position management practices. GAO disagreed with the criteria used in the audit and the conclusions reached by the CSC. In 1980, the GAO Personnel Act was passed with the principal goal of avoiding potential conflicts by making GAO's personnel system more independent of the executive branch. Specifically, the act gave GAO greater flexibility in hiring and managing its workforce. Under the act, the Comptroller General had the authority to

- Appoint, promote, and assign employees without regard to Title 5 requirements in these areas;
- Set employees' pay without regard to the federal government's General Schedule (GS) pay system's classification standards and requirements; and
- Establish a merit pay system for appropriate officers and employees.

While the GAO Personnel Act of 1980 provided independence in personnel actions, GAO continued to operate its pay and classification systems and application of veterans' preference consistent with the executive branch for appointments and all appropriate reductions-in-force. A new entity, the Personnel Appeals Board (PAB)¹ was specifically created to address GAO

¹ The Congress authorized the establishment of the PAB specifically for GAO in order to protect GAO's independence as an agency. GAO employees, like other federal executive branch employees have the right to appeal certain kinds of management actions including removal, suspension for more than 14 days, reductions in pay

grievances and afford these employees due process through a specially created entity. The 1980 Personnel Act did not change GAO's coverage under Title VII of the Civil Rights Act, which forbids employment discrimination, or its continued emphasis on maintaining a diverse workforce.²

Broadbanded Pay-for-Performance with a Guarantee

In 1989, GAO was among the first federal agencies to convert employees serving as analysts, related specialists, and attorneys' pay classifications from the GS system to "broad banding" or "pay banding" under a pay-for-performance (PFP) system. The conversion to the PFP system raised employee concerns about the fairness of the system. Then-Comptroller-General Charles Bowsher sought to ameliorate concerns about converting to PFP and outlined several key points and steps he would take to ensure the success of the PFP system in a memorandum to the staff. Particularly notable among the points the Comptroller General emphasized was that GAO had

"...designed a system to ensure that those who continue to perform fully satisfactorily will not fare worse financially than they would have at their current grade under the General Schedule. Our "pay protection" provisions ensure that."

The Comptroller General also noted that the band structure reflected the way GAO was organized to do its work with, essentially, four categories of staff:

"...those learning the skills to do our work (Band I Developmental); fully proficient [staff] (Band I Full Performance); leaders and supervisors of our jobs (Band II), and managers of multiple projects or areas of work (Band III). In addition to mirroring the way we do our work, broadbanding also gives us greater flexibility in assigning appropriate staff. Often, in GAO we are required to put together interdisciplinary teams of professionals on short notice to get jobs done in a timely manner and broadbanding will help us to do this. Roles and tasks will be assigned based on staff capabilities and skills rather than grade.

Individual staff will also benefit from these expanded opportunities. By freeing us from restrictive grade distinctions, broadbanding allows greater flexibility in setting salaries to attract and retain the high quality people we need to do our work. And we will be able to move people faster through broader salary ranges based on their performance without being encumbered by as many competitive promotion hurdles."

Comptroller General Walker Launched Efforts to Reshape GAO

or grade, furloughs of more than 30 days, a prohibited personnel practice, an action involving prohibited discrimination, a prohibited political activity, a within-grade denial, unfair labor practices or other labor relations issue.

² GAO's Office of Civil Rights, which is responsible for addressing equal employment opportunity (EEO), informal pre-complaint counseling, and GAO's formal discrimination complaint process, was changed in 2001 to the Office of Opportunity and Inclusiveness (OOI). The office monitors the implementation of GAO's disability policy, evaluates and recommends changes to GAO's major human capital policies and processes including recruiting, hiring, performance management, promotions, awards, and training.

In 1998, David Walker became Comptroller General and early in his tenure, he noted that GAO was “out of shape” with respect to its workforce and that several personnel concerns had to be addressed—some of which required additional legislation while others could be addressed through the agency’s internal administrative process. Using the agency’s administrative authority, Comptroller General Walker undertook the reformation of several initiatives, key among them were 1) the development of a new performance appraisal system, 2) the establishment of an Employee Advisory Council. Some of these initiatives were new to employees, such as a knowledge skills inventory and the feedback survey but other initiatives already existed and were simply modified. For example, various employee groups that had interfaced with employee constituencies and GAO management were merged into one group to form the Employee Advisory Council and the professional development program absorbed the Band I “Developmental” and the “Full Performance” became just Band I. While GAO had a rating system, the Comptroller General believed that employees’ performance appraisal systems had been the “victim of inflation;” so, he established a competency-based appraisal system.

Legislation Intended to Reshape GAO Enacted

The Comptroller General also sought legislation for broader reforms. In 2000, Congress passed and the President signed Public Law 106-303, also known as the GAO Personnel Flexibilities Act. The act authorized the Comptroller General to implement offers of voluntary early retirement to realign the workforce to meet budgetary constraints or mission needs; separation incentive payments to realign the workforce; to modify reduction in force regulations; and, to establish senior level scientific, technical, and professional positions with the same benefits as Senior Executive Service positions while remaining within GAO’s current allocation of super-grade positions. According to Comptroller General Walker, these flexibilities were needed to help GAO address the past decade’s dramatic downsizing (approximately 40 percent from 1992 through 1997) combined with a significant increase in the retirement-eligible workforce that jeopardized our ability to perform our mission in the years ahead.

In 2003, GAO came before the Subcommittee on Civil Service and Agency Organization, seeking additional “human capital” flexibilities. Specifically, Mr. Walker requested authority to adjust GAO’s annual pay system separate from the executive branch. While he acknowledged that employees found certain of the provisions in the proposal presented to Congress controversial, (GAO’s pay adjustment provision), the Comptroller General stated that he had made a number of changes, clarifications, and commitments to address employees’ concerns. Mr. Walker testified that he would

“...guarantee annual across the board purchase power protection and address locality pay considerations to all employees rated as performing at a satisfactory level or above (i.e., meeting expectations or above) absent extraordinary economic circumstances or severe budgetary constraints. I have committed to our employees that I would include this guarantee in my statement here today so that it could be included as part of the legislative record.”³

³ GAO Testimony Before the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives, Statement of David M. Walker, Comptroller General of the United States, GAO: Additional Human Capital Flexibilities Are Needed, GAO-03-1024T, Washington, DC, July 16, 2003.

In 2004, Congress passed legislation (Public Law 108-271) that allowed the Comptroller General to implement modifications to GAO's PFP system. Specifically, the act provided the Comptroller General the authority to adjust employees' pay annually in accordance with the following six criteria:

1. The principle that equal pay should be provided for work of equal value within each local pay area.
2. The need to protect the purchasing power of officers and employees of the Office, taking into consideration the Consumer Price Index or other appropriate indices.
3. Any existing pay disparities between officers and employees of the Office and non-Federal employees in each local pay area.
4. The pay rates for the same levels of work for officers and employees of the Office and non-Federal employees in each local pay area.
5. The appropriate distribution of agency between annual adjustments under this section and performance-based compensation.
6. Such other criteria as the Comptroller General considers appropriate, including but not limited to the funding level of the Office, amounts allocated for performance-based compensation, and the extent to which the Office is succeeding in fulfilling its mission and accomplishing its strategic plan.

Under the act, the Comptroller General would apply these criteria for adjusting pay annually only to employees whose performance is rated at a satisfactory level.

Use of Market Based Study, Restructuring, and Broken Promises Adversely Affected GAO Employees

GAO employees had worked for more than 15 years under the team concept and structured assignments with staff of varying skills to accomplish work the Congress requested or the agency initiated and still provided for annual pay adjustments with a promise to protect employees' purchasing power. GAO's decision to restructure pay band II, which many consider the backbone of the agency, suddenly made the role of Analyst-in-Charge the most coveted role and pitted staff against each other. Additionally, the use of performance appraisals as the key criterion to place staff and the use of a market based study to determine pay ranges after placement led older workers and Africans to charges of discrimination.

Restructuring of Band II Staff, Using Market-Based Study Leads to Charges of Discrimination

In 2004, GAO contracted with Watson Wyatt, a private firm, to conduct a pay study, which GAO used to change the classification of about 800 employees functioning at GAO's Band II level and institute new pay ranges that were intended to be linked to market based pay ranges for all GAO staff. GAO used the study to develop pay ranges and two newly created Bands-- IIA and IIB, as well as the previously existing Band I and Band III positions. Each pay range included specific pay caps and "speed bumps," a mechanism for slowing down raises of those employees

performing at the top of the range for that position. For some employees, GAO used the Watson Wyatt study to create another pay range, referred to as the IIA transition range that basically froze some employees pay even though they were performing satisfactorily or better, at a certain level, preventing them from receiving any pay adjustment and only minimal or no performance based pay because they were deemed to already be paid above market.

GAO also used this contractor to adjust locality pay for employees in GAO field offices. Although some field offices' locality pay were naturally lower than others, under the new locality pay provisions, some field-office-based employees received less than that provided under the GS schedule paid to other federal employees sometimes located in the same city and sometimes even the same building as GAO employees.

GAO's restructuring of the Band II staff has had a profound impact on the agency and many staff believe the impact adversely affected employee morale, collegial team working relationships, and employees' confidence in management to keep its word to honor promises made for determining annual pay adjustments. GAO developed three criteria to use to place existing Band II employees into one of the two newly created bands—IIA, the lower performance band or IIB, the higher performance band—job leadership experience, performance appraisals, and potential to perform at the Band IIB level.

However, some employees contended that individuals rarely have control over the engagements they are assigned to work on. Some employees, particularly older employees, reported that despite considerable skills and longtime experience they were relegated to lesser tasks, to give newer employees leadership opportunities. Further, opportunities for project leadership vary widely by team. With the implementation of PFP in 1989 and after surviving personnel actions such as, downsizing and hiring/promotion freezes, many employees believed that GAO analysts had developed a positive, collaborative culture of sharing or alternating project leadership responsibilities. Then, with no warning from their perspectives, a recent record of project leadership became a key deciding factor in whether many senior analysts were designated as Band IIB or "demoted" to Band IIA. Additionally, many African American staff believe that GAO did not conduct proper due diligence with respect to the impact such sweeping changes would have on them as an ethnic group given the subjectivity of the performance appraisal system that left African Americans at a distinct disadvantage regardless of the criteria used to restructure the Band IIs.

Further, some employees did not appreciate the manner in which GAO informed staff that the restructuring was underway. According to employees, they were alarmed and unsure of what was meant when they received e-mail notifications stating that they did not appear to be eligible to qualify for placement in the newly created Band IIB. Employees reported feeling demoralized, humiliated, demoted, marginalized, and unfairly treated. For some particular groups of Band II employees, the restructuring lowered the maximum pay they had thought they would be eligible to receive in their current positions. Band II communications analysts, the GAO's writer/editors, were deemed "not eligible" to apply for the Band IIB positions, despite considerable experience and expertise of many in the group whose reviews indicated leadership experience.

Impact on African American Staff

GAO has a longstanding history of concerns about disparate treatment in job assignments, performance appraisals, promotions and performance recognition. A few employees have brought discrimination suits against the agency as a result of this disparate treatment.⁴ Yet, GAO management continued to use, as its primary criteria, performance appraisals and experience leading job assignments to place staff in the newly created lower pay Band IIA.

Many African-American employees believe that lower ratings assigned to African American analyst staff have adversely impacted them for disproportionate placement in the lower pay band. In addition, African American employees are concerned that lower ratings cripple their chances to compete for pay raises, promotions, and leadership roles on high profile assignments. Because lower performance ratings affect attrition rates, some African Americans believe that lower ratings also contribute to the high attrition rate among African American male analysts especially because many leave GAO before their two year probationary period ends. While GAO is not systematically tracking retention rates, a CG Project that examined retention of GAO analysts and specialists hired during fiscal years 2002-2005, noted that, relative to band, race and year hired, differences exist in the rates of retention for certain groups of GAO employees.⁵ For example, as of January 2007:

- Among FY 2004 hires, retention rates were 72 percent for Whites, 48 percent for African Americans, and 91 percent for Asian Americans
- Across all four hiring years collectively (FY 2002-2005), at the Band I level, retention rates were 70 percent for Whites, 77 percent for Asian Americans, 61 percent for African Americans, and 62 percent for Hispanics.

After several requests from Blacks In Government, and one employee enlisting the assistance of a member of Congress to obtain performance ratings data, Mr. Walker released performance ratings statistics and acknowledged that there were disparities in performance ratings between African Americans and other group of employees, but asserted that they were not statistically significant. Yet, GAO continued to use the lower performance ratings data to make critical decisions that impact work assignments and pay decisions that place African Americans at a distinct disadvantage when compared with other ethnic groups.

The CG also acknowledged during a July 2006 “CG Chat” that performance ratings statistics for African American staff hired over the most recent 5 year period were lower than those of other groups. For example, for the 2005 Performance Appraisal Cycle, the average appraisal score for African American Band I Analysts staff with 5 years or less experience was 2.36 compared to scores of 2.69 for Asians, 2.55 for whites, and 2.468 for Hispanics.

⁴ Otha J. Miller vs. Elmer B. Staats, Civil Action No. 73-996 (entered into a consent decree November 1980); Julian McKensy Fogle v. U.S. General Accounting Office, EEOC No. 091-80-X-0055, and Tyrone Delano Mason v. U. S. General Accounting Office, GAO Docket No. 02-700-82-03.

⁵ Data taken from GAO Slide presentation given by Valerie Melvin, GAO SES Candidate, entitled CG Project: Retention of GAO Analysts and Specialists Hired During Fiscal Years 2002-2005, SES/SL Partners’ Workshop, July 23, 2007, Washington, D.C.

It was not until the data showed that African American staff hired under Mr. Walker's tenure was being adversely impacted by lower performance ratings that the CG proposed initiatives to address the problem, including enlisting the expertise of an outside consultant to study conditions that led to the ratings disparities and provide recommendations for improvement.

The Ivy Group Contracted to Study Appraisal Differences

The GAO Employees' Organization has not been formally briefed by the contractor, the Ivy Group, on its' findings; but updates from GAO's management indicate that the contractor has confirmed disparities between African Americans' performance appraisals and those of other groups. The results of focus groups, interviews, comparisons of African American and Caucasian employees similarly situated with skills and entry at GAO and the use of the employees' skills inventory were not yet available when GAO management briefed the GAO Employees' Organization. According to the GAO management officials, GAO's contract with the Ivy Group only allowed for a couple of briefings over the course of the contract but the agency is negotiating to obtain more briefings and we look forward to such a briefing from the Ivy Group very soon.

An early observation of some of the contractor's work involving interviews raised a few concerns with respect to the appearance of a conflict of interest. For example, the contractor subcontracted some data analysis to a current GAO contractor that employs a former senior GAO manager. Additionally, that subcontractor was observed administering an interview with some participants that raised questions about exceeding the scope of work under the contract. GAO management has assured members of the GAO Employees Association that there is no conflict of interest despite the appearance and that the contractor authorized and likely trained the subcontractor to administer the interviews observed. Even so, the GAO Employees' Organization believes that GAO should hold its contractors to Government Auditing Standards and require that operations be free from even the appearance of conflict of interest. The GAO Employees' Organization reserves further comments on the Ivy Group's study until the bargaining unit can be briefed on the contractor's findings.

Broken Promises and Lack of Transparency Lead to First GAO Union

Many employees believe that GAO management and the Comptroller General broke the promise that had been in place since the beginning of Pay-for-Performance at GAO—that is, no employee would be any worse off under PFP than they would have been under the GS system. The promise to maintain purchasing power was broken despite maintaining performance at the required meets expectations or better. Additionally, some employees were concerned that their views were not solicited and, in other cases, when they were solicited, the views were ignored. Employees believed that GAO management ignored warnings from individual employees about the effect modifications to the pay system and restructuring would have on a specific group of employees. In addition, groups such as Blacks in Government and the Employee Advisory Council attempted to advise management about the negative impact these changes would have on older employees and African Americans but the comments went unheeded. Moreover,

employees and employee groups requested data on the restructuring, Watson Wyatt pay study, and the placement of staff in the two pay bands but were generally denied such information until congressional inquiries were made to obtain the data. As a result, employees moved to form a union so that employees could have a voice in determining their future and a right to request and obtain data as necessary to meet employees' needs.

Annual Pay Adjustments Not Made for Some Staff In Two Years

The use of the Watson Wyatt study to establish new pay ranges resulted in more than 300 employees not receiving an annual pay adjustment. Retroactive compensation to those employees denied full annual adjustments in 2006 and 2007 remains a major pain point for many members of our bargaining unit and we strongly endorse solutions that would rectify these past inequities and provide these employees an annual adjustment at least equivalent to the one that other employees received, without losing any of the performance-based pay that they received during those years. We endorse the legislative remedy that this subcommittee has proposed and ask that pending employee grievances or discrimination complaints involving issues in addition to or other than the denial of past annual adjustments (COLA denial) be held harmless in this legislated settlement language. We believe that this action will enable us to move forward quickly with negotiations and implement additional changes to the personnel management system that the staff can support.

Negotiations going forward

The GAO Employees' Organization is anxious to begin negotiations with GAO management on all aspects of its pay and performance management system and we requested this commitment from GAO during our negotiations for the 2008 pay adjustments. In order to expeditiously conclude our 2008 pay negotiations and ensure that GAO employees would receive their 2008 pay adjustments as soon as possible, we agreed to postpone our discussion of systemic compensation issues which are intricately tied to GAO's underlying personnel management system. Section 3 of Public Law 108-271, the GAO Human Capital Reform Act of 2004, gave GAO extensive flexibility in how it pays its staff and despite promises from Mr. Walker to protect employee purchasing power both to this subcommittee and its employees, in 2006 and 2007, GAO denied annual adjustments to staff performing at a satisfactory level in violation of this law and Mr. Walker's word. We are pleased that we were able to guarantee all staff performing at a satisfactory level an adjustment to their pay equivalent to the GS locality pay adjustment in the Washington, D.C. area this year, however this negotiated guarantee was not the desired distribution between amounts allocated for an annual adjustment and those allocated for performance-based compensation that we would have preferred.

While we hope to conclude negotiations with GAO management in sufficient time to implement changes with the 2008 rating cycle and the 2009 annual adjustment, the changes we need to analyze and negotiate are extensive and it is possible that these negotiations may take longer than expected. We would prefer to take whatever time is necessary to cover all aspects of our pay and performance management system in these negotiations, and therefore appreciate and endorse the legislated floor guarantee which this subcommittee provides in this bill. We would also

appreciate the subcommittee's support by mandating that GAO provide all future annual adjustments effective the first pay period of the year.

Another compensation component that we plan to address in our negotiations with GAO on the overall pay system is its use of geographic zone differentials in determining employees' pay. The current system results in employees in some locations receiving less pay than they would have received had the GS locality pay rates been used, while employees in other locations receive greater pay than they would have received had the GS locality pay rates been used. Using his authority under the GAO Human Capital Reform Act of 2004, Mr. Walker established minimum and maximum salary ranges for 5 geographic zones that encompass all the GAO locations based on their variance from Washington D.C. salary ranges, and eliminated the use of the GS locality pay rate system that continues to be used by most federal agencies. In our negotiations we will seek to adjust the way GAO pays its employees in its various locations to ensure that salaries are more competitive with their local counterparts.

GAO Act of 2007: Proposed Legislation

In addition to retroactive and future pay issues and restructuring of GAO's processes to address discrimination issues and increase the transparency and accountability of those actions, we would like to take this opportunity to provide additional input for your consideration in the markup of H.R. 3268, the Government Accountability Office Act.

The GAO Employees Organization would support the provision that GAO should have a statutory Inspector General (IG) similar to other legislative branch agencies. We believe that a statutory IG at GAO would be a definite asset for assisting this subcommittee with its oversight of GAO and would provide a proper venue for whistleblowers. However, we strongly believe the appointment of such an IG and its office needs independence from GAO organizationally to be effective, and therefore he or she should be appointed by an independent candidate selection committee, not by the Comptroller General. The IG office should also have separate line item budget authority; the ability to hire staff and make contracting decisions to supplement the staff; provide an easy to find website link where its reports would be posted; safeguards to protect staff confidentiality and assure that there is no GAO management reprisal against staff; and the IG should only be subject to removal for stated cause and after notification to Congressional leaders, to ensure its independence from GAO. The House passed legislation in November and there is similar legislation under consideration in the Senate, that will increase the independence of other IGs in the federal government and we believe these same concepts should apply to GAO's IG office. As the Project on Government Oversight recently concluded, "the most important single attribute of a successful Inspector General is independence –from internal agency influence, from outside pressures, from personal or political or institutional conflicts."⁶

The GAO Employees' Organization would also support any changes that would provide more independence, transparency and accountability in GAO's Personnel Appeals Board (PAB) and its Office of Opportunity and Inclusiveness, including mandated reporting, and independent oversight of their activities. Specifically, the union would support PAB board members' and its

⁶ Project on Government Oversight. "Inspectors General: Many Lack Essential Tools for Independence" February 29, 2008. Washington, DC.

General Counsel's appointment and removal by a separate independent congressionally appointed committee rather than the Comptroller General. We would also support more independence of the PAB operations, such as a separate line item in the GAO appropriations, the ability for the PAB to request of Congress all the staff and budget authority it needs to meet its caseloads, and physical separation between the Board and its General Counsel's office. Employees have told us that they find it very confusing to navigate the GAO grievance and discrimination complaint process between GAO's Office of Opportunity and Inclusiveness and the PAB and are reluctant to pursue complaints as a result. The GAO Orders regarding grievances and complaints processing are complicated and confusing by references to other GAO Orders and it is difficult to find clear procedures for follow when issues come up. In addition, it is difficult to locate the PAB's website, and once there, difficult to understand the process or procedures for pursuing a complaint or grievance. Also, recent reports of PAB activities are not as investigative and comprehensive as they once were and are now limited to only those cases that come before the Board itself and not how many cases are filed and settled before getting to the Board.⁷

Further, we would support more transparency and accountability at GAO in general. GAO management should routinely make much more information available to its employees, in electronic form, in the same manner in which GAO expects agencies to operate. Such information may include, but should not be limited to:

- Comprehensive compensation and ratings information, analyses, comparisons, and cross-tabulations, particularly data with which to monitor disparities by gender, age, race, ethnicity, and compliance with affirmative action plans;
- Employee professional development costs and related information;
- GAO budget information, including budget requests, justifications, bi-weekly obligations and expenditures reports for each GAO budget object class, GAO-wide and for individual GAO units;
- Data on all contracts, consultants, personal service agreements, including the reemployment of GAO annuitants; and
- All aspects of ongoing or future workforce and compensation studies.

⁷ In a study of GAO Promotions of Banded Employees (1991-1995) issued September 30, 1999, GAO's Personnel Appeals Board (PAB) examined the median time to promotion and rates of promotion for the five year period 1991-95. Employees in the study were differentiated by race, gender, national origin, age, and disability to discern whether there were any significant disparities among these groups in either the median time to promotion or rates of promotion at different levels of the banding system. PAB concluded that there were some disparities based on race, gender and age, but that the causes of these differences were not readily apparent from the statistics alone. Therefore, the Board has recommended that the Agency further investigate the disparities to determine whether additional steps need to be taken to ensure equal opportunity for its employees. However, we are unaware of any additional steps taken by GAO to address these disparities.

In addition, GAO should take action to affirmatively comply with the objectives of FOIA, establishing an agency FOIA point of contact, and invite requests for data from its staff. All information and data provided should contain safeguards in order to protect employee privacy.

Conclusions

GAO has sought legislation and been in the forefront of personnel issues; which, indicates an agency that is forward thinking. However, critical decisions and the success of such initiatives require greater participation and consideration of employees' views and a deeper sense of fairness to all employees before implementation of new initiatives, as was the case in the 1980s when GAO first began pay-banding and its pay for performance system. The GAO Employees' Organization stands ready to work with GAO management to ensure that the needs of the agency, the Congress and the American people are met. We appreciate the opportunity to testify before you today and look forward to working with you to help ensure that GAO continues to improve its transparency and employee communications, as well as its pay and performance management systems. This concludes my statement and I will be happy to answer any questions.

Acknowledgements

I would like to acknowledge the contributions of the members of the GAO Employees Association, its 39-member Interim Council (see Appendix I), and specifically those of its Legislative Committee for their valuable assistance helping me to prepare for this hearing, including Ron La Due Lake, Carolyn McGowan, Daniel Meyer, and Henry Sutanto; as well as Jennie Apter, our communications analyst.

APPENDIX I

APPENDIX I

GAO EMPLOYEES' ORGANIZATION

Atlanta Field Office	Scott Borre
Boston Field Office	Jeffrey V. Rose
Chicago Field Office	Dan Meyer
Dallas Field Office	Debra Conner
Dayton Field Office	Myra Watts Butler
Denver Field Office	Sandy Davis
Huntsville Field Office	Beverly Breen
Los Angeles Field Office	Matt Sakrekoff
Norfolk Field Office	Gina Ruidera Hoffman
San Francisco Field Office	Leo Acosta
Seattle Field Office	Nathan Anderson
Applied Research and Methods (ARM)	Ron La Due Lake
Acquisition and Sourcing Management (ASM)	Lorene Sarne
Defense Capabilities and Management (DCM)	Barbara A. Gannon
Education Workforce and Income Security (EWIS)	Lise Levie
Financial Management and Assurance (FMA)	Kristi Karls
Financial Markets and Community Investment (FMCI)	Sonja Bensen
Health Care (HC)	Lesia Mandzia
Homeland Security and Justice (HSJ)	Jonathan Tumin
International Affairs and Trade (IAT)	John F. (Jeff) Miller
Information Technology (IT)	Robert Kershaw
Natural Resources and Environment (NRE)	John Johnson
Physical Infrastructure (PI)	Nancy Zearfoss
Strategic Issues (SI)	Steven J. Berke
Staff Office Analysts	Carolyn McGowan
Band I Staff	Margit Willems Whitaker
Communications Analysts	Jennie Apter
Professional Development Program (PDP)	Ethan Iczkovitz
Professional Development Program (PDP)	Christopher Langford
Professional Development Program (PDP)	Heather Rasmussen
Professional Development Program (PDP)	Mark Ryan
Professional Development Program (PDP)	Stephen Ulrich
Diversity, Asian/Pacific-Islander	Eddie W. Uyekawa
Diversity, Black/African American	Jacqueline Harpp
Diversity, Disability	Suzanne Rubins
Diversity, Hispanic	Alfonso Garcia
Diversity, Sexual Orientation/Gender Identity	Andrew Huddleston
Diversity, Non-Designated	Ken Stockbridge
Diversity, Non-Designated	Henry Sutanto