



Highlights of [GAO-03-1024T](#), a testimony before the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

## Why GAO Did This Study

The Subcommittee seeks GAO's views on its latest human capital proposal that is slated to be introduced as a bill entitled the GAO Human Capital Reform Act of 2003.

## What GAO Recommends

GAO believes that its proposal is well reasoned and reasonable. Although GAO's request for authority to adjust its annual pay system separate from the executive branch appears broad based, there are compelling reasons why GAO ought to be given this authority. These include the fact that GAO already has a hybrid pay system established by the authority the Congress granted it over two decades ago, the proposed authority is not radical if viewed in the light of authorities already granted and requested by other agencies, and GAO already has a number of key systems and safeguards in place and has plans to build in additional safeguards if granted the authority.

GAO has conducted extensive external and internal outreach efforts on its latest human capital proposal. GAO respectfully requests the Subcommittee's support and prompt passage by the Congress.

[www.gao.gov/cgi-bin/getrpt?GAO-03-1024T](http://www.gao.gov/cgi-bin/getrpt?GAO-03-1024T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sallyanne Harper at (202) 512-5800 or [harpers@gao.gov](mailto:harpers@gao.gov).

## GAO

# Additional Human Capital Flexibilities Are Needed

## What GAO Found

As an arm of the legislative branch, GAO exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the American people. Unlike many executive branch agencies, which have either recently received or are just requesting new broad-based human capital tools and flexibilities, GAO has had certain human capital tools and flexibilities for over two decades. GAO's latest proposal combines diverse initiatives that, collectively, should further GAO's ability to enhance its performance, assure its accountability, and help ensure that it can attract, retain, motivate, and reward a top-quality and high-performing workforce currently and in future years.

Specifically, GAO is requesting that the Congress (1) make permanent GAO's 3-year authority to offer early outs and buyouts, (2) allow GAO to set its own annual pay adjustment system separate from the executive branch, (3) permit GAO to set the pay of an employee demoted as a result of workforce restructuring or reclassification to keep his/her basic pay but to set future increases consistent with the new position's pay parameters, (4) provide authority to reimburse employees for some relocation expenses when that transfer has some benefit to GAO but does not meet the legal requirements for reimbursement, (5) provide authority to place upper-level hires with fewer than 3 years of federal experience in the 6-hour leave category, (6) authorize an executive exchange program with the private sector, and (7) change GAO's legal name from the "General Accounting Office" to the "Government Accountability Office."

GAO has used the narrowly tailored flexibilities granted by the Congress previously in Public Law 106-303, the GAO Personnel Flexibilities Act, responsibly, prudently, and strategically. GAO believes that it is vitally important to its future to continue modernizing and updating its human capital policies and system in light of the changing environment and anticipated challenges ahead. GAO's proposal represents a logical incremental advancement in modernizing GAO's human capital policies. Based on employee feedback, there is little or no concern relating to most of the proposal's provisions. Although some elements of GAO's initial straw proposal were controversial (e.g., GAO's pay adjustment provision), the Comptroller General has made a number of changes, clarifications, and commitments to address employee concerns. While GAO believes that some employees remain concerned about the pay adjustment provision, GAO also believes that employee concerns have been reduced considerably due to the clarifications, changes, and commitments the Comptroller General has made. Given GAO's human capital infrastructure and unique role in leading by example in major management areas, the rest of the federal government can benefit from GAO's pay system experience.