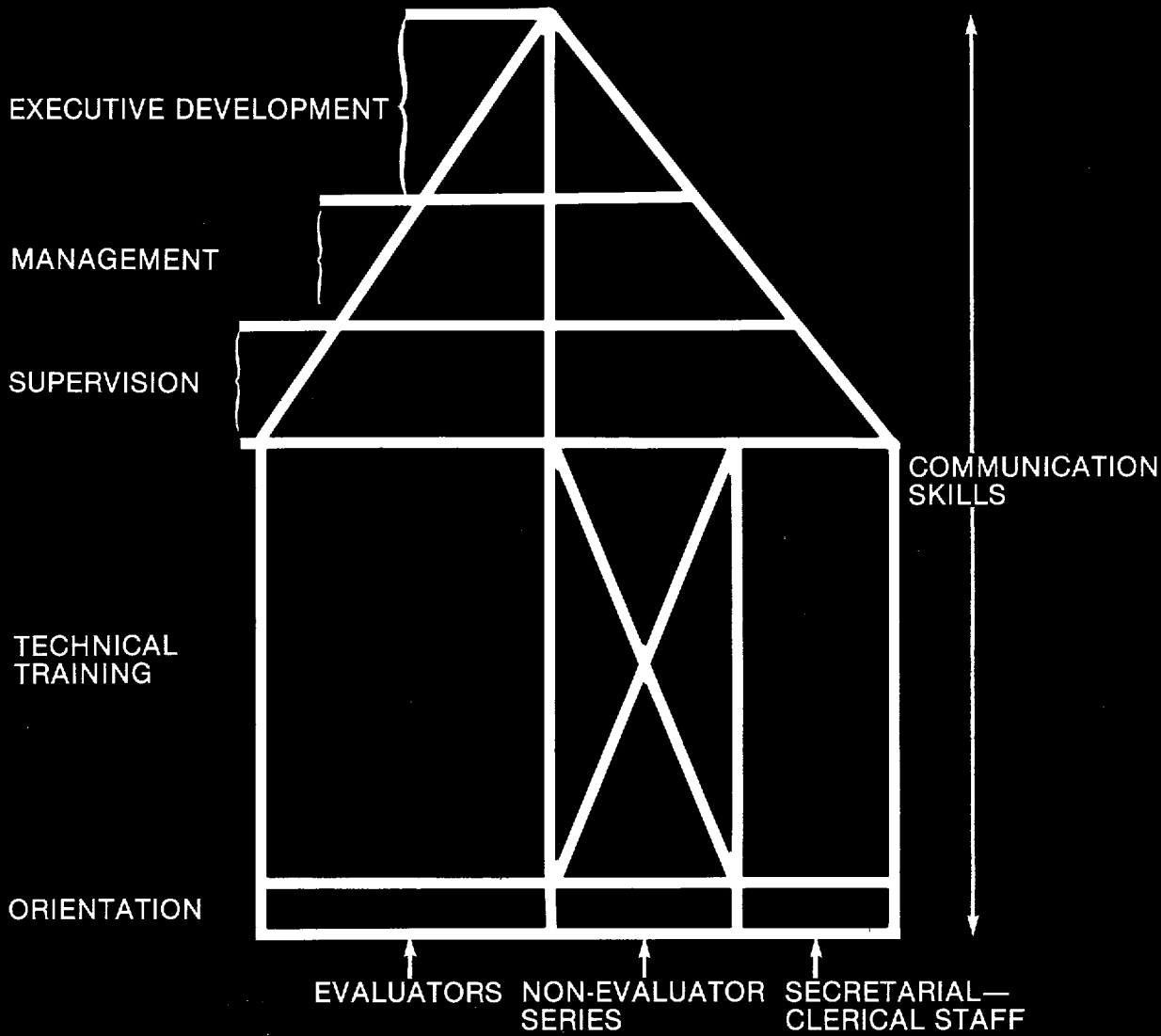


GAO



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Training at GAO: A Systematic Approach





COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

I am greatly honored by the expressions of confidence of the President and the Congress in nominating and confirming me as Comptroller General of the United States. Undertaking this new position is a challenge without precedent for me and I approach it with enthusiasm and great respect for the work of the General Accounting Office.

I am proud to have been chosen to lead the GAO into its seventh decade of operation. Since its creation in 1921, GAO has established a tradition of integrity and a reputation for excellence. This is a substantial legacy which I intend to preserve and build upon during my term of office as Comptroller General, in the tradition of my predecessor Elmer B. Staats.

Throughout the last decade with Arthur Andersen & Co., I have devoted a major portion of my time to working with and advising Government leaders on financial and management problems, particularly on Federal financial systems. These activities put me in close touch with the GAO, including representing the views of the American Institute of Certified Public Accountants on GAO's recently revised audit standards book, Standards for Audit of Governmental Organizations, Programs, Activities, and Functions.

Earlier in my career, I served for four years as the Assistant Secretary of the Navy for Financial Management, acquiring first-hand knowledge and experience in the public sector to parallel my work in financial management in private industry.

The professionalism and dedication of GAO's people are widely acknowledged in both the public and private sectors of our Nation. I will make maximum use of these resources to encourage the further development of an environment of respect and trust between staff members of GAO and its leadership. In this regard, I look forward to meeting personally with as many GAO staff as possible in the coming months.

I am aware of GAO's evolving mission over the past 60 years. However, GAO's principal objective will always be to provide the Congress with accurate and timely information on the financial management, operations, effectiveness, and efficiency of federally funded programs. I am honored, as the sixth Comptroller General of the United States, to be part of this dynamic process.

Charles A. Bowsher

Comptroller General
of the United States

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From Our Briefcase

Experimental Regional Evaluation Forum

In experimenting with ways to improve their communications network, evaluators in eight southeastern States, in cooperation with GAO's Institute for Program Evaluation, have published a newsletter for their newly established Performance Evaluation Forum. Modeled after the intergovernmental audit forums, the Evaluation Forum hopes to make its exchange of ideas and experience useful to its members. An additional goal of the Institute is to maintain and upgrade the quality of information available to the Congress. The States' increased administration and evaluation of block grants underlies the importance of such an exchange.

The States involved in the test network are Alabama, Florida, Georgia, North Carolina, South Carolina, Kentucky, Mississippi, and Tennessee. In a 50-State survey revealing the desire for closer ties in the evaluation community, the Southeast's variety of evaluation activities was shown to be representative of those for the 50 States.

As part of the communications experiment, a series of monographs will be distributed discussing methodology used in evaluation efforts of the eight States. Readers will be surveyed and an overall evaluation of the experiment is to be completed in 1982.

Requests for the July newsletter should be addressed to the Institute for Program Evaluation, Methodology Development and Data Assistance Group, Room 5027.

President's Council on Integrity and Efficiency

President Reagan has launched his Government-wide anti-fraud and waste program by signing an executive order establishing the President's Council on Integrity and Efficiency. This is a major step in fulfilling the President's promise to root out fraud and waste in the Federal Government.

The Council, chaired by the Deputy Director of OMB, brings together the Inspectors General and other key officials of the major departments and agencies. The efforts of the Council will be reinforced by the Department of



Justice and the FBI through their coordination of the law enforcement and investigative activities of the Inspectors General and the agencies.

Emphasis by the Council is on the following:

- Standards for the management, operations, and conduct of Inspectors General and similar operations in all agencies.
- Efforts to develop a corps of well-trained and highly skilled auditors and investigators.
- Plans for Government-wide activities attacking fraud and waste.
- Projects involving many agencies in special audits and investigations.
- Accomplishment of these efforts so that the Federal Government speaks with one voice on fraud and waste matters.

At least four times a year the Council's chairman will convene all agencies not on the Council to share information about Council policy initiatives with them. The establishment of this Council is an integral part of a broader plan to attack fraud, waste, and inefficiency in Federal programs.

JFMIP Issues Executive Handbook

The Joint Financial Management Improvement Program has issued *Financial Handbook for Nonfinancial Executives in the Federal Government*. The handbook tries to answer the question "What is Federal financial management?" using simple, nontechnical terms. It was prepared to help nonfinancial managers understand financial management and to encourage a closer working relationship between financial and nonfinancial managers.

The *Handbook* covers 14 major areas of financial management, including budget preparation, administrative control of funds, internal control, and cash

management. It also provides a brief summary of the roles and responsibilities of the central financial management agencies.

Each chapter provides a brief explanation of the subject matter, followed by a series of questions executives may ask their financial management staffs. These questions enable nonfinancial managers to familiarize themselves with each subject area, pinpoint potential problem areas, and establish plans to make financial management systems more responsive to management. Financial managers can also use the handbook as a simple checklist to review their own operations.

To get a copy of the *Handbook*, contact JFMIP on (202) 376-5439, or write them at Suite 705, 666 Eleventh St., N.W., Washington, D.C. 20001.

API Report Calls for End of Chaos in Federal Grants Auditing

A new study calling on public officials, grant administrators, and accountants to work together to alleviate the Government's grant auditing maze affecting over \$90 billion in public funds was issued by Accountants for the Public Interest. (API is a nonprofit organization providing independent financial analysis and accounting services in the public interest.)

The report, entitled "The Government Auditing Maze—A New Perspective," cites the extremely complex and inconsistent Government auditing system as a major example of governmental red tape and waste. The report further charges that auditing procedures fail in their primary goal to provide the Government with accurate and workable checks and controls on spending.

In information collected from GAO reports and other sources involved in the grantmaking process, API reports such problems as

- Federal grants totaling over \$14 billion may not have been spent in accordance with grant contracts. The majority of these questioned expenses have never been cleared up.
- One Indiana city was subjected to 700 audits over a 5-year period because of audit rules.

- A \$25-million-per-year law enforcement agency with over 1,000 subgrantees has never been audited.
- Local auditors refused to use federally mandated audit guides, saying they were too time-consuming, expensive, and ultimately not useful. According to API, such failures of the audit process are symptoms of a much larger problem than mistakes by auditors or program managers.

In its major recommendations, the API report calls on the Congress, Federal departments, grantees, and the accounting profession to help put a new "single audit" system into place. This system, promulgated by OMB, would coordinate all Federal audits of grantees. In particular, API calls on the Federal Government to take the following steps toward implementation:

- Issue single-audit guidelines for the thousands of nongovernment entities that receive Federal grants.
- Assign responsibilities for carrying

out all single audits and communicating results.

- Design a standard audit format with a single definition of costs
- Train Federal audit staff in the single-audit concept and how to perform such an audit.

Copies of the full report are available from API for \$6.00 by writing to Accountants for the Public Interest, Suite 808, 45 John Street, New York, New York 10038.

New Handbook Highlights GAO Library Services

Have you ever tried to locate special information in the GAO Library and been uncertain how, or even where, to look? To enhance GAO staff members' awareness of the diverse materials and services available to them and to help in locating information, the GAO Library

has recently published the *Library and Information Services Handbook*.

The *Handbook* is divided into four main sections. The first highlights the Library's various collections of material, such as the legal collection and the GAO historical collection. Next is a chapter outlining the many methods used to locate information and how Library personnel can help in this effort. Third, the *Handbook* illustrates special services offered, including data base access and interlibrary loans. Finally, the *Handbook* contains a list of special bibliographies and reference publications available in the GAO Library.

The *Library and Information Services Handbook* is indexed for easy reference and features floor maps of each library.

Copies of the *Handbook* were distributed to GAO staff members, and limited additional copies can be obtained from the Document Handling and Information Services Facility on 275-6241.

On Location



Senator Roth congratulates Mr. Bowsher at confirmation hearing.

photo by Ankers, Capitol Photographers

GAO Enters the Bowsher Era

For the rest of the Federal Government October 1 marked the start of the new fiscal year, but for GAO it meant the start of the "Bowsher Era."

October 1 was the day President Reagan signed Charles A. Bowsher's commission to serve as Comptroller General of the United States. The date on the commission—not the day he was sworn in—marks the official start of Mr. Bowsher's 15-year term.

The first step of the confirmation process was a September 17 hearing by the Senate Committee on Governmental Affairs, chaired by Senator William V. Roth, Jr. The committee voted unanimously to approve Mr. Bowsher's nomination, writing in its report, "The Committee believes that Mr. Bowsher is well qualified by reason of training, education, experience and integrity to be the Comptroller General of the United States."

Similar thoughts were expressed on the floor of the Senate when the nomination came up for a vote September 29. Several senators spoke in support of his confirmation, including Mr. Roth, Thomas Eagleton, Strom Thurmond,

Jim Sasser, and Ted Stevens. Sen. Eagleton's thoughts were typical:

"Few positions in the Federal Government carry more responsibility, authority, and potential for valuable public service than the position of Comptroller General of the United States. As head of the General Accounting Office, the 'congressional watchdog,' the Comptroller General represents our main vehicle for conducting oversight of the far-ranging activities of the Federal Government. If the responsibilities for legislative oversight were limited to the committees of Congress, the result would be woefully inadequate.

Congress simply lacks the time and resources to handle its oversight responsibilities alone. Over the years, the professional and impartial GAO reports have saved the taxpayers countless billions of dollars, and if Congress and executive agencies had followed GAO's advice in a timely way, I expect billions more could have been saved.

GAO's fine reputation owes a great deal to our former Comptroller General, Elmer Staats. I know that many

Members of Congress share my view that Mr. Staats was an extraordinary public servant. Without diminishing GAO's constant concern about the integrity of the Federal Government's financial operations, Mr. Staats also encouraged GAO to assess the effectiveness of Federal programs and operations.

Above all, Mr. Staats' work as Comptroller General was characterized by his great knowledge of the Federal Government and his well-earned reputation for impartiality and fairness. These two traits—expertise and impartiality—have been crucial to GAO's effectiveness in the past. They are also the essential traits needed in any person who assumes the responsibilities of Comptroller General.

I believe that the nomination of Charles Bowsher to be Comptroller General of the United States meets these high standards. In my view, President Reagan has chosen wisely and well in making this selection . . .”

The full Senate agreed, voting unanimously to approve Mr. Bowsher's nomination.

Vice President George Bush administered the oath of office to Mr. Bowsher in an October 6 ceremony in the Vice President's ceremonial office in the Capitol. First on Mr. Bowsher's agenda as Comptroller General was a “get acquainted” reception for Washington-area GAO employees, hundreds of whom stopped by to welcome GAO's newest employee.

Israeli State Comptroller Visits GAO

Among the over 200 foreign visitors GAO hosts each year, many are the heads of their national audit offices. Only July 9, coincidental with the nomination of Charles Bowsher to be Comptroller General of the United States, Israeli State Comptroller I. Ernst Nebenzahl visited GAO, where he met with his longtime friend Elmer Staats and later the Comptroller General nominee. Dr. Nebenzahl is perhaps the only auditor general whose international image of “senior statesman” is comparable to that of former Comptroller General Staats. He was the first president of the International Organization of Supreme Audit Institutions (INTOSAI) and hosted that organization's GAO Review/Fall 1981



Comptroller General designate Charles Bowsher (center) meets with Israeli Comptroller General I.E. Nebenzahl (left), acting Comptroller General Milton Socolar, and Assistant Comptroller General John Heller (right).

1965 Congress in Jerusalem.

Dr. Nebenzahl discussed audits of military armament procurements and other procurement issues with senior officials of the Mission Analysis and Systems Acquisition Division and the Procurement, Logistics, and Readiness Division. At lunch with division and office directors and Mr. Staats, Dr. Nebenzahl was joined by his close friend and renowned author Herman Wouk (*The Caine Mutiny*, *Marjorie Morningstar*, *The Winds of War*), who lives in Washington.

Israel's audit office is closely affiliated with the country's Office of Ombudsman, the government's public liaison organization which handles citizen complaints. A number of the questions division and office directors placed to Dr. Nebenzahl dealt with this function.

Signing Up

In the last few years, GAO has hired a number of employees who are hearing impaired. They fill a full range of positions within the agency—auditors, editorial assistants, and computer specialists, to name a few. Some of the employees have taught coworkers to use sign language, and some GAO staff have taken courses in sign lan-

guage outside the office. Several years ago, the Washington regional office offered courses for its staff.

With over 30 hearing-impaired employees in the agency by Spring 1981, the Office of Civil Rights offered sign language courses. Response was good, with about 45 Washington-based staff eager to learn to “talk” with their fingers.

The 36-hour training stretched over 12 weeks. Instructor Katherine Kalbacher, a member of the faculty at Gallaudet College in Washington, divided the group into three classes and provided not only instruction but also a heightened awareness of the environment in which the hearing-impaired live. She invited to class many of GAO's hearing-impaired employees, enabling class members and the skilled sign language users to get acquainted. Learning was supplemented by weekly “learning lunches” in the GAO cafeteria and by guests Dr. Kalbacher invited to class. Among the non-GAO guests were an Episcopal minister, a *Washington Post* photographer, and another faculty member from Gallaudet.

Most of those who started the class were able to complete it and receive certificates, but even those whose work demands or travel schedules caused

them to drop formal participation were invited to an informal graduation ceremony at which Ryan Yuille, deputy director of the Office of Civil Rights and a class member, presented certificates to those who completed the sessions. In fact, the pictures of that ceremony, shown here, were taken by GAO's photographer, Richard (Rocky) Rockburn, who is probably GAO's most well-known hearing-impaired employee.

Participants were enthusiastic to continue instruction classes. Dr. Kalbacher recommends a follow-on class, taught by a deaf instructor. Dr. Kalbacher, who is not hearing impaired, learned sign language from her hearing-impaired grandfather. In fact, she supplemented her teaching with a session designed to teach the class much of the slang—an important aspect of any language Budget permitting, perhaps another class will be offered. In the meantime, Wednesday luncheon practice sessions continue in the GAO cafeteria. Anyone can join the group which is, as you might expect, readily identifiable.



Ryan Yuille congratulates a participant at the close of GAO's sign language course.

International Auditor Fellowship Program

The third year of GAO's International Auditor Fellowship Program got underway in late July with the arrival of 16 auditors from developing nations. The program provides these participants with an overview of GAO—its technical operations and organizational and administrative functions. Most of the visiting auditors are from audit offices which are making the transition from voucher examining and financial statement auditing to what GAO calls economy/efficiency or operational auditing.

The 16 Fellows were selected to participate in the program by their auditors general in their home countries. GAO bears the cost of the training itself, but it does not pay for travel or living expenses. Some Fellows are funded by the U.S. Agency for International Development or the United Nations Development Program, while others' expenses are covered by their native countries. At the end of their stay, the participants are expected to return to their native countries and share what they have learned with their fellow workers.

After their arrival on July 29, the Fellows embarked on 5 weeks of formal classroom training, consisting of lec-



Fellows receive certificates for the Operational Auditing course presented by instructor Harry Ostrow (seated third from left), who was assisted by Carol Codori (standing first on left).

tures on U.S. Government and culture, overviews of GAO's history and organization, and information on each GAO division and office, as well as courses in varied auditing areas. The training program was refined on the basis of experience in previous years: participants found the 1-week orientation

during the first year too short and last year's 7-week program too long.

After orientation, the Fellows visited various divisions and offices. They were not attached to specific assignments, but spent time at audit sites, regions, or at headquarters learning GAO's work and how the staff accom-

plishes it.

This year's participants are Botho Gaorakwe, Botswana; Carlos Palavicini, Costa Rica; Mohamed Fayek Abdel Aziz, Egypt; Panagiotis John Georgakopoulos, Greece; Eric Butler, Guyana; Eric Godfrey Taylor, Jamaica; Evan N. Mwai, Kenya; Sanu Bahadur Shrestha, Nepal; Joseph O. Ajiboye, Nigeria; Adesina Onike Caulker, Sierra Leone; G. Wickramarachcy, Sri Lanka; Jy Chuen Lee, Taiwan; Yaowadee Rungrajchaipon, Thailand; Prakash Ramoutar, Trinidad; Oswaldo Gonzalez, Venezuela; Aloysius Mayanja, Uganda.

Federal Agency Evaluation Directors' Group

In mid-June, the Federal Agency Evaluation Directors' Forum met at GAO to discuss evaluation topics relating to block grant programs, service delivery assessment, benefits of competing energy systems, and Reagan Administration policies on evaluation.

GAO established this group in 1979 as an informal discussion forum for evaluators in executive branch departments. The group provides a means for exchanging ideas, techniques, and experiences among colleagues with similar roles and training. The fact that GAO itself belongs to the legislative branch permits it to serve as a neutral catalyst for these sessions.

At the June meeting, the director of the Institute for Program Evaluation, Eleanor Chelimsky, discussed how the goals of the Institute related to other evaluation working groups. Institute staff made several presentations. Richard Barnes, Robert York, and Susan Arnold reported on the implications for accountability when the block grant program was expanded to other programs. Burma Klein and Bruce Layton discussed their efforts to establish procedures and instruments for more accurately measuring service delivery programs (they will pilot their methodology in an evaluation of Vietnam Veteran Counseling Centers). Kwai-cheung Chan, Luis Gonzales, and William Updegraff described their methods for evaluating the relative merits of such energy processes as coal liquefaction and ethanol-producing systems.

The meeting's guest speaker was Robert Raynsford, a senior manage-

ment associate at the Office of Management and Budget. He spoke about efforts under the current administration to assure that evaluation is integrated effectively into the decisionmaking and internal control processes within each agency.

The evaluation directors' group meets about once every 6 weeks at a participating agency. The host agency discusses its evaluation activities, such as evaluation methodologies, organizational and administrative issues, and specific substantive findings. Group meetings are open to heads of evaluation units throughout the Federal Government.

The success of the evaluation directors' group in sustaining the interest of high-level evaluation officials indicates that it is filling a genuine need. Perhaps its most important function is to establish personal contact among individuals who share particular common interests or problems. Since most evaluators interact primarily with people involved in their own policy areas, this group enables them to learn about and profit from the experiences of their colleagues in other policy areas. For more information, contact the group's executive secretary, Wally Cohen, at 275-3593.

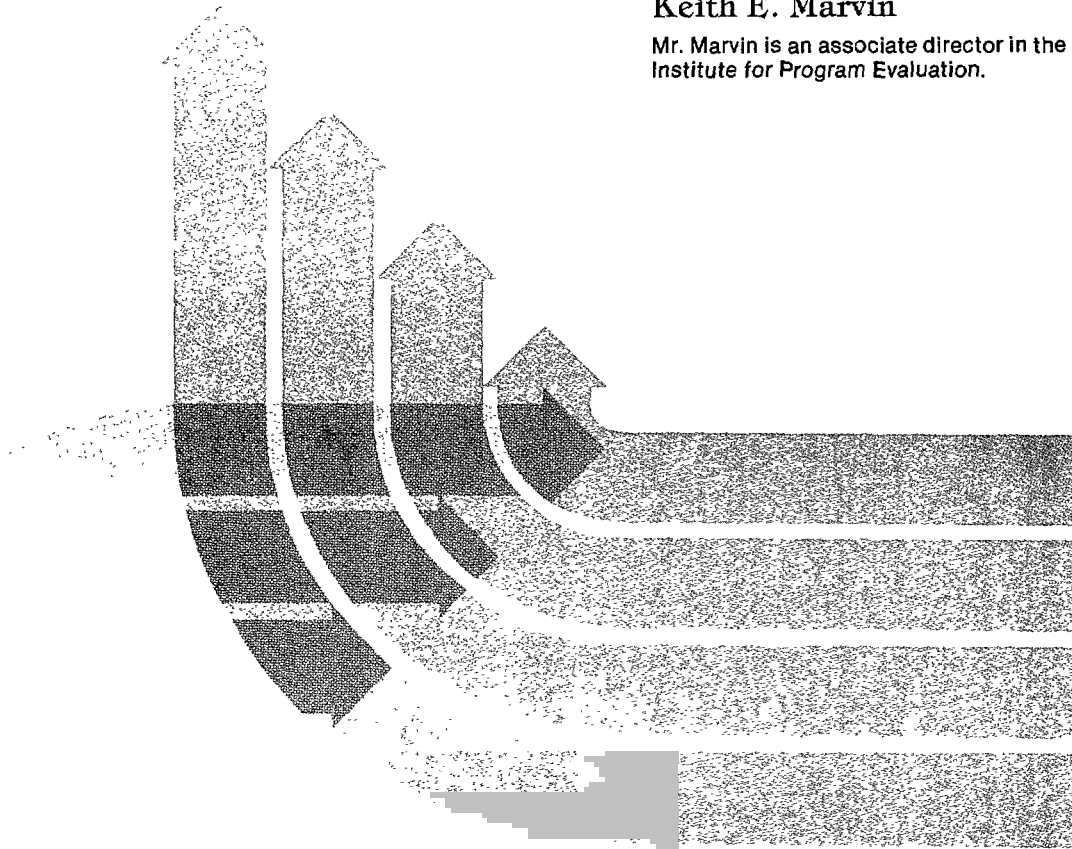


Eleanor Chelimsky addresses the Federal Agency Evaluation Directors' Forum.

Trends in Evaluation

Keith E. Marvin

Mr. Marvin is an associate director in the Institute for Program Evaluation.



The Summer issue of this column discussed the increasing number of articles and books in which developments in state-of-the-art evaluation are published. This column continues a similar theme, emphasizing what evaluators can gain from methodologies for reexamining completed evaluations.

An evaluator faces a formidable quantity of prior evaluation reports. For example, GAO has published three directories of Federal evaluations completed in the 7 fiscal years 1973-1979. In total, the 3 directories contain 5,610 entries, each containing a brief statement of the program objective and an abstract of the study. Indexes appear in each directory by subject, relevant congressional committee in the House and Senate, law authorizing the program, and the budget functional/sub-functional categories in which the authorized funds are classified. Directories also contain an index of short program names in about the same 7-year period. State legislative program evaluation officials made efforts to create a clearinghouse containing stan-

dardized reference to their evaluation reports. One such effort by the Eagleton Institute of Politics collected information dating from 1971 to the present on over 1,000 completed evaluations. Filing of reports—in this case voluntary—has increased steadily, and this data will become part of the Legislative Information Service of the National Conference of State Legislatures. NCSL issues a *Program Evaluation Report Newsletter* from its office at 1125 Seventeenth Street, Suite 1500, Denver, Colorado 80202.

Under conditions of curtailed evaluation budgets and growing complexity of policy questions, the incentives become ever stronger to effectively sort out, categorize, and use relevant prior research and evaluation as part of the current evaluation data base. This was rarely done until about 10 years ago but has since been attempted often enough to establish the outlines of a field of concepts and methodologies specifically for this purpose. Also, rapid growth in quantity of completed work increases the potential useful information available.

An early term used to describe these efforts was "synthesis," the putting together of parts or elements to form a whole. For example, an extensive synthesis of previous evaluation and related research was conducted by the National Science Foundation. Each report was to include an analysis of the validity and utility of research in the field selected, a synthesis of the evidence, and a discussion of any needed additional research. In general, the results of this effort fell short of expectations, and like other early synthesis efforts, results focused heavily on shortcomings in the research data and design. Still, significant literature grew out of these early efforts, such as a synthesis of policy-related rehabilitation research by M. Berkowitz, et al.¹

Evaluators are developing methodological approaches for combining the results of past evaluation and research. Examples of these methodologies are reanalysis (often called secondary analysis), meta-evaluations, and content analysis. All of these approaches can potentially help evaluators summarize in a valid way the conclusions of past studies about a particular question or issue.

Reanalysis usually focuses on a single salient study or a small number of studies. The objective is to obtain the data used for the original work and to reanalyze it with what the evaluator believes might be better statistical methods. An example is the extensive reanalysis conducted over the past decade of a widely publicized study of equality of educational opportunity conducted in the mid-1960's by James Coleman. Reanalysis has enjoyed a good deal of popularity due to reduced cost because there is no need to collect primary data. It consumes significant resources and time, however, where data bases are very large and where access is complicated by pledges of privacy given by the original researcher. Considerable effort has been devoted to the specific problem of obtaining data for such analysis through methods which do not reveal individual identities. The benefit to policymakers of continuing secondary analysis of salient studies may be both new insights and a higher confidence that any biases in the original analysis will not persist for years without being recognized.

Meta-evaluation is an appropriate method for evaluators concerned with the findings of a large number of studies. For a given issue there may be

hundreds of prior studies varying greatly on a particular effect and even resulting in inconsistent findings and conclusions. Although reexamination of original data is not ruled out, meta-evaluation is more likely to stop with a statistical analysis of the reported results. The assumption underlying this approach is that the results of large numbers of studies can themselves serve as data to which statistical techniques can be applicable. The results of this approach may be statistical distributions (for example, bell-shaped curves) illustrating the variation in findings and conclusions regarding a particular effect and providing indications of conclusions most likely to be correct. A shortcoming of this approach in comparison with secondary analysis is that poorly designed or poorly executed studies may be weighted equally with the most valid studies.

Content analysis is not yet widely recognized as an evaluation technique, but it does offer evaluators the potential for systematically analyzing written material in contrast to the emphasis of other methods on analyzing quantitative material. Content analysis can be used to analyze evaluation reports or any written material relevant to the subject matter of evaluation. The technique involves carefully defining and

sampling (if necessary) the written material to be analyzed. It requires developing standardized categories and coding the material with rigorous reliability checks. Finally, it calls for summarizing and analyzing the coded data to discover patterns and relationships. These procedures can be used to describe or summarize information or to count the frequency of statements. They can also be used to develop complex formats to analyze trends or to detect subtle differences in the intensity of statements.

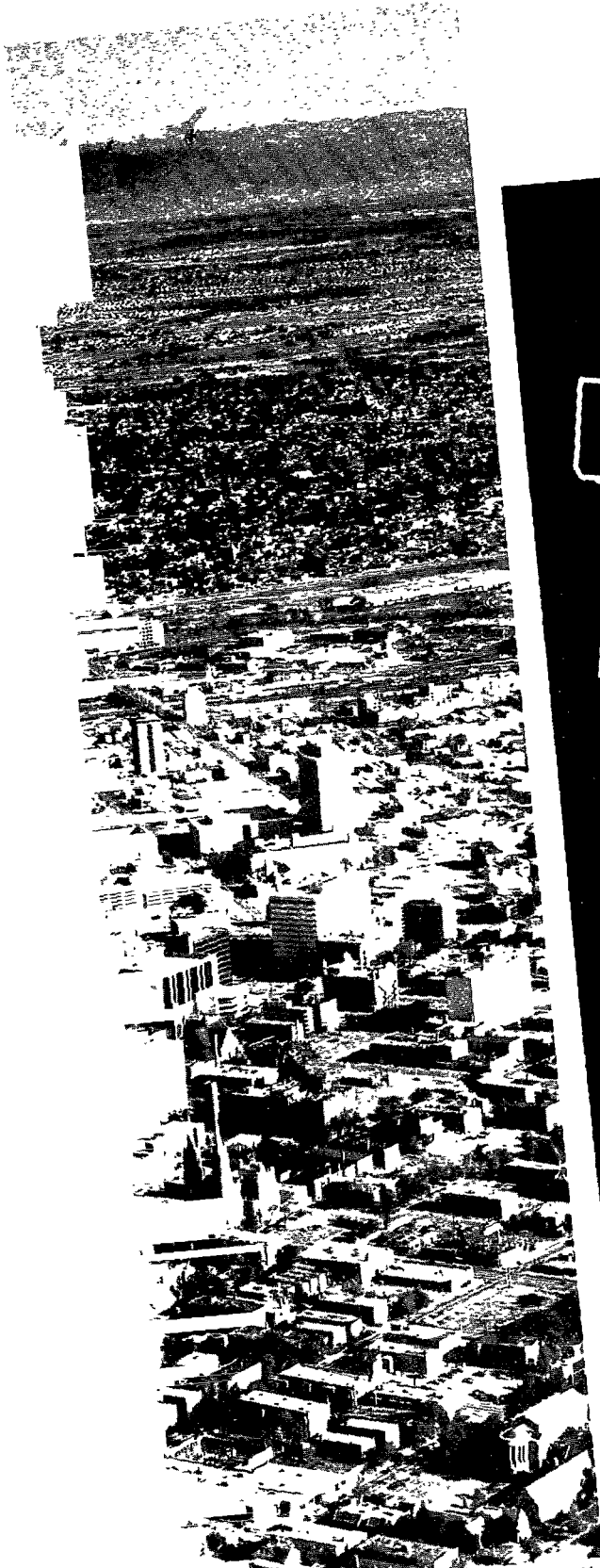
Depending on the time and resources available, various combinations of the above methods could be used. Clearly, methods such as these offer evaluators confidence that they have drawn valid conclusions from their "literature search." Literature on the results of studies emphasizing the use of these methods is growing. Increasingly, evaluators will have significant summaries of prior knowledge enabling them to replicate any method they may doubt. As such methods become more widely tested and generally accepted, each new evaluation may be seen more as a component of a vast body of organized knowledge rather than an independent piece of information.

¹Berkowitz, M., Englander, V., Rubin, J., and Worrall, J. *An Evaluation of Policy-Related Rehabilitation Research*. New York: Praeger Publishers, 1975.

Denver

ROCKY MOUNTAIN





Denver Convention & Visitors Bureau.)

N HIGH ional Office



Written by Pamela K. Turner with much appreciation to Bob Hanlon for his comments, suggestions and encouragement.

Living and Working in Denver

Regional Manager Bob Hanlon

Originally from Arlington, Massachusetts, regional manager Bob Hanlon thinks his new home in Denver is a wonderful place to work. Why? "It's beautiful. The weather, the mountains, the national parks and the blue blue sky—it's all beautiful. I find the Colorado climate especially pleasing, with very little humidity and relatively mild winters. He remembers being surprised, during his first winter in Colorado (1979), to see kids playing football in the snow. "That's the difference," he says. "It isn't bitter cold here when it snows, and there aren't any northeasters. You can go for walks in the snow and enjoy it. And the snow itself is different—it's softer, prettier."

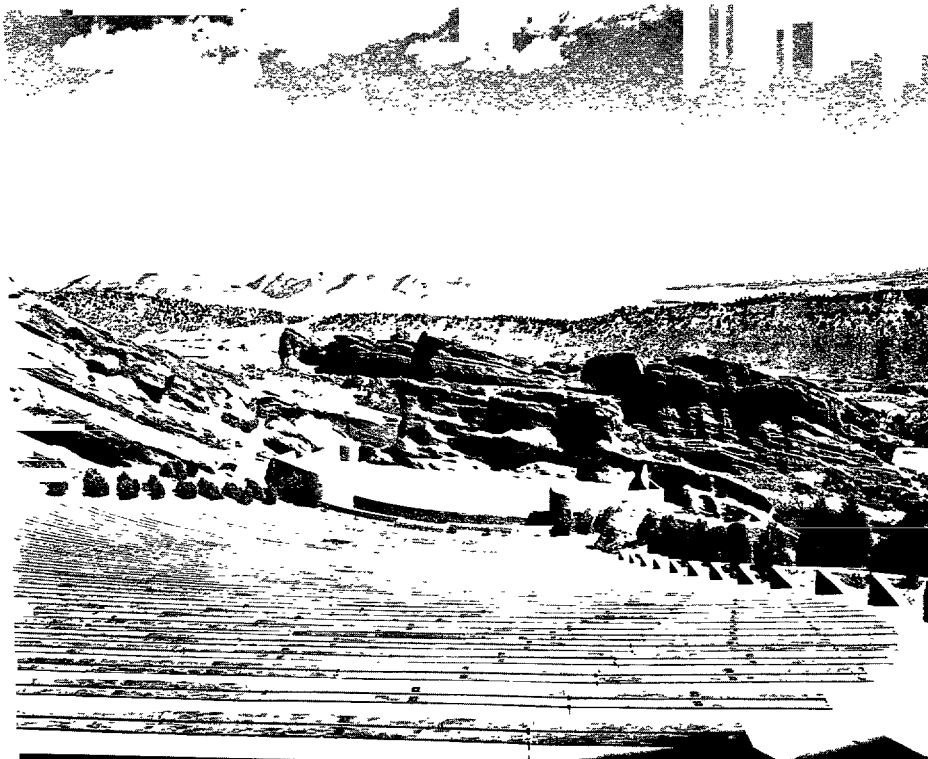
"GAO work is similar in all regions," Bob says, "but the travel is more demanding in Denver—if only because of the distance. At least it's more demanding here than in Cincinnati, where about 50 percent of the work was done in the office."



(Courtesy Denver Convention & Visitors Bureau)



Courtesy Denver Convention & Visitors Bureau



(Courtesy Denver Convention & Visitors Bureau)

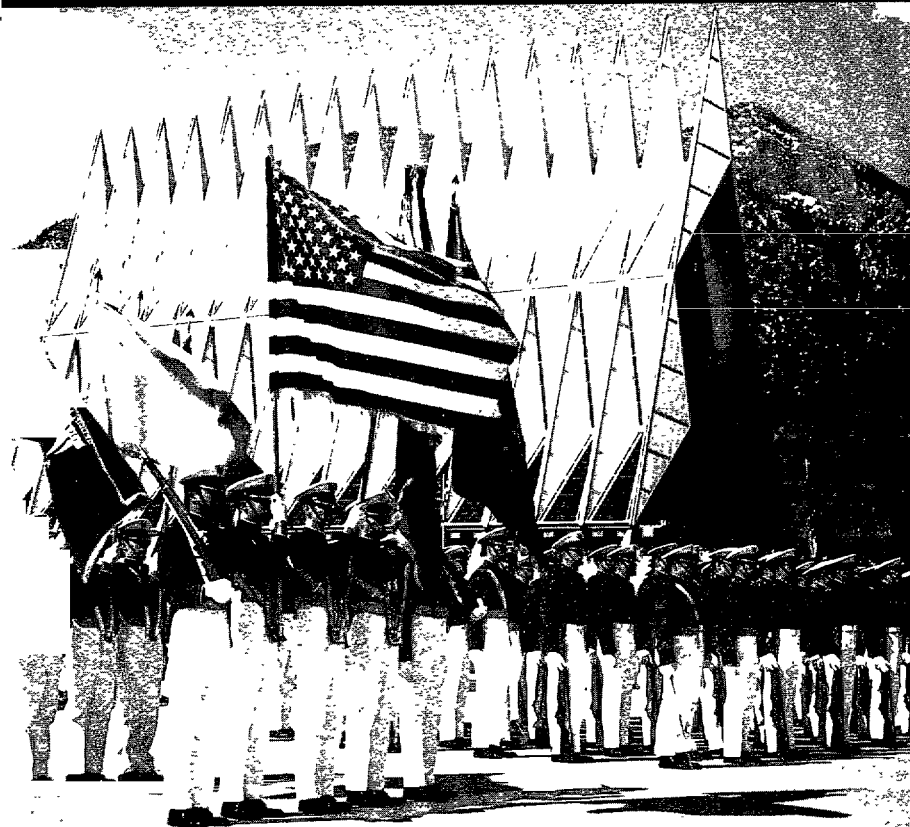
**Assistant Regional
Manager Shirley Ward**

Assistant regional manager Shirley Ward, another newcomer to the area (July 1980), agrees. Originally from Abernathy, Texas, she also enjoys the Colorado climate. "The most surprising thing to me," she says, "is that it rarely rains here, and there are no trees. And the Rockies—they're pretty; they're not green. The thing about Colorado seems bluer, bigger here than elsewhere, and the climate is constantly changing." Compton, where Shirley formerly lived, has a rush hour that is virtually no traffic jams, and "only a few problems of

**Assistant Regional
Manager Arley Whitse**

Assistant regional manager Arley Whitse has been with the bureau since October 1976. Originally from Mississippi, he also enjoys the dry climate. "The heat isn't as intense here because of the dryness—it's only when you're camping," he says. He also enjoys the Rockies, fishing, and a hunter.

Like Bob, Arley thinks the weather is different in the Denver region. "Flying is required because of the distance between towns and cities. Driving required is easy. The expansion plains and open spaces are different, of course, if you have to drive over the mountains—especially in winter." A few months ago, while on DRO, Arley learned what the natives mean when they say "it don't like the weather in Colorado—it'll change in 5 minutes—it'll change any or March 1977," he recalls. "I went down to Colorado Springs for a conference at the Air Force Academy. Of course I had no suitcase. I intended to return that afternoon, but a sudden spring snowstorm was there, and the roads were all closed. Two days later I had to go back to Denver—in the same plane I had left."

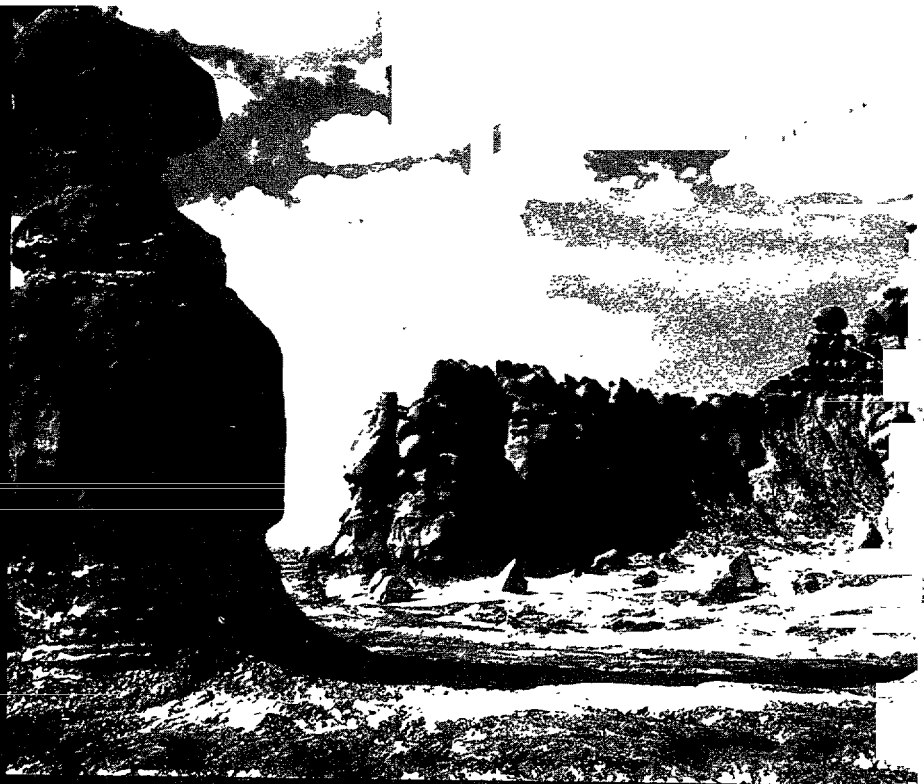


(Courtesy Air Force Academy)

**Assistant Regional
Manager John Murphy**

regional manager John
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—a Colorado native. Origin-
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Rockies) he joined GAO in
transferring to DRO about
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so," he says, "and so is the
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a lifestyle is more

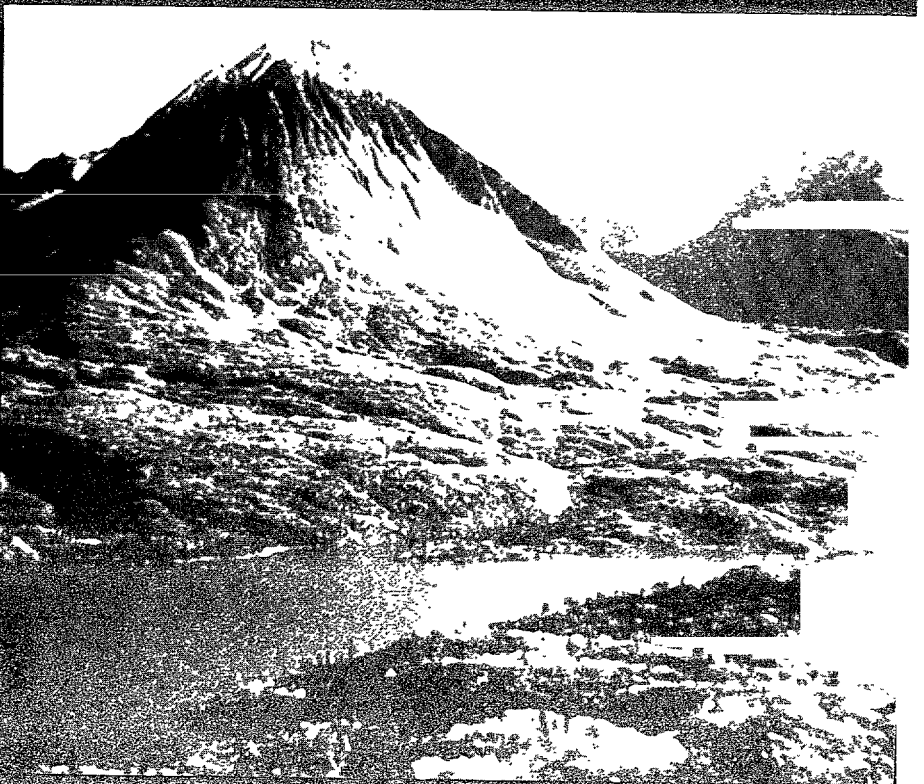
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escape all that—the moun-
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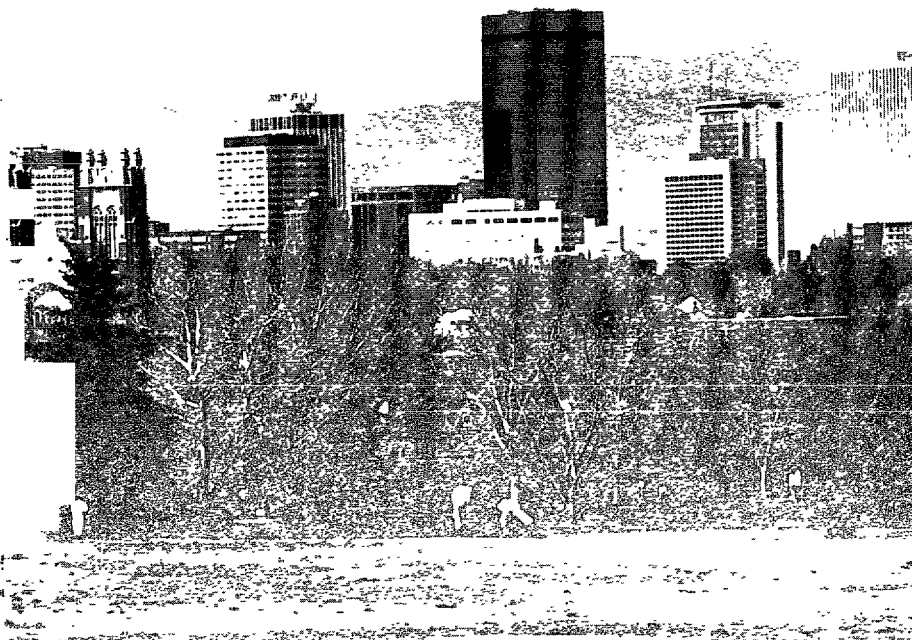
(Courtesy Bob Hanlon)

**Mayor William H.
McNichols, Jr.**

als' views on Denver are
RO regional management's
Denver's mayor since 1969,
H. McNichols, Jr., says, "I have
ood fortune of being born in
and, except for a very few
have lived here all of my life. Of
there are the obvious reasons
and so many others enjoy living
the climate, the recreational and
l facilities, the proximity of the
ains, etc. But the greatest part
being a resident of Denver is the
From my biased viewpoint I
uly say I believe we have the
people of any in these United
ates. They are friendly, cooperative,
working, and vitally interested in
well-being of their city. I am
ident that with their future involve-
nt and dedication, Denver will con-
e to prosper and remain the city of
hich we are all so proud."



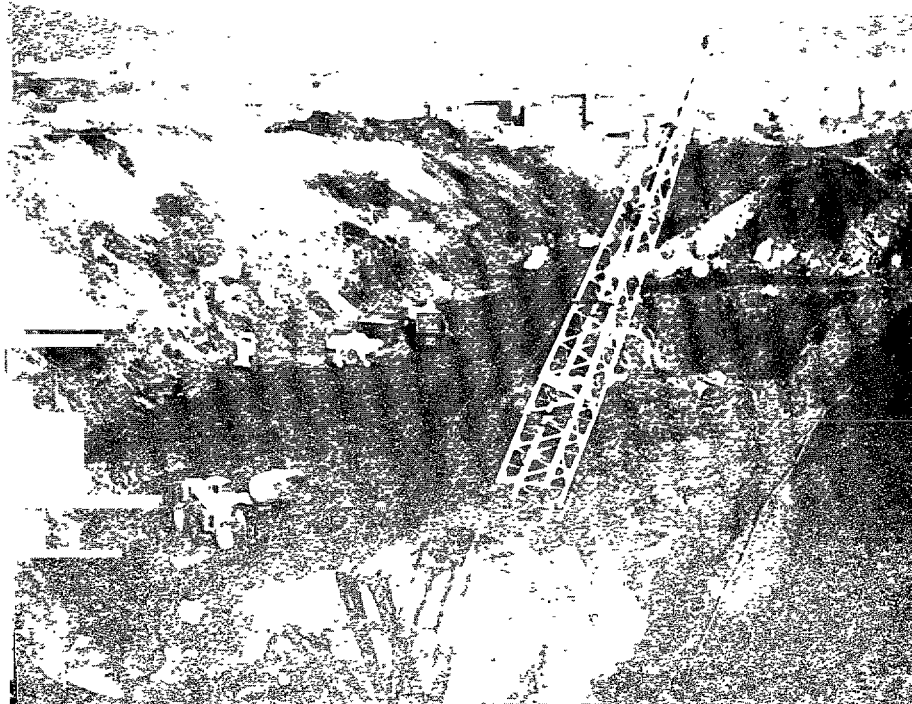
(Courtesy Bob Hanlon)



(Courtesy Denver Convention & Visitors Bureau)

Governor Richard D. Lamm

Originally from Madison, Wisconsin, Colorado Governor Richard D. Lamm has lived in Denver since the 1960's. He tells why Colorado is a great place to live and work: "Colorado is quickly becoming the energy center of the West, while acting as host to many major industrial companies. As a result, it is the fastest growing State in the country. The opportunities for growth will continue to expand. For those who are interested in furthering their education, Colorado is the home of excellent public and private schools, higher learning. From elementary and secondary to offer a curriculum rich in advanced academics, and vocational education. I believe Colorado holds the key to any kind of enjoyment—whether it be the peace and quiet of an evening in the mountains or the excitement of a dazzling disco—for any individual or family."



Colorado's Growth

Congressman RAYMOND B. BAKER, representative of Pueblo, Colorado, 100 miles south of Denver, offers his views: "Denver's growth in the area is growing rapidly. It is the hub of the West. This is due to energy, industry, Colorado and other factors. The beauty of the area makes Denver a magnet for new growth. However, this growth has caused some problems: air pollution, high cost of living, and minimized open space. Denver is known for—Denver does remain warm, friendly, pleasant, and inviting."

This is the thirteenth in a series of articles on GAO's regional offices.

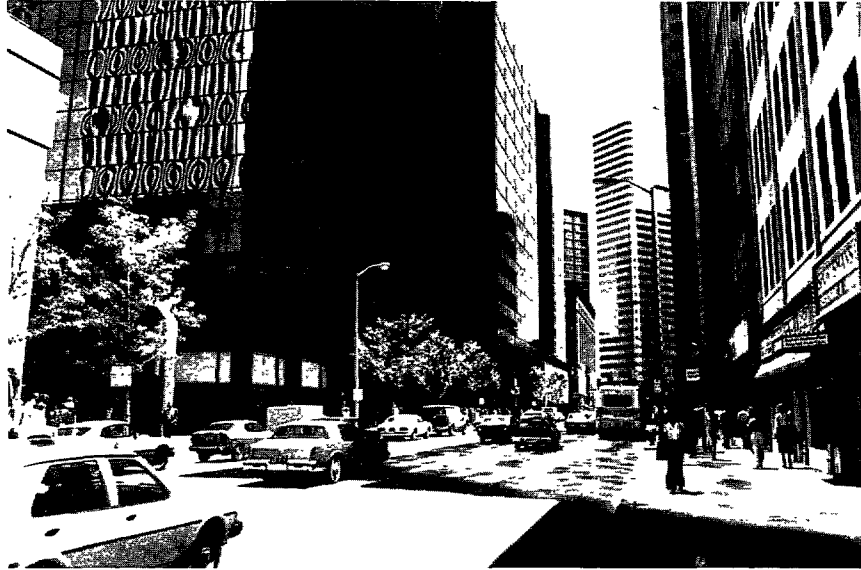
Welcome to the Denver region! Encompassing some of the most beautiful States in the Nation, the region extends from Canada to Mexico. It includes the States of Colorado, Montana, New Mexico, North Dakota, South Dakota, Utah, and Wyoming, plus portions of Idaho, Nebraska, and Texas. The regional office, about 2 miles west of downtown Denver, overlooks the city. Most of the 130 DRO staff are assigned to the Denver office. A permanent audit staff is located east of Denver at Lowry Air Force Base's Air Force Accounting and Finance Center. The regional office has two suboffices: one in Albuquerque, New Mexico, and in Ogden, Utah.

The Denver area is growing rapidly—people are drawn to it by its wealth of natural resources; its vast, splendid expanses of forests, plains, and grasslands; its sunny, semiarid climate; and the beauty and recreational opportunities—especially skiing and camping—offered by its magnificent Rocky Mountains.

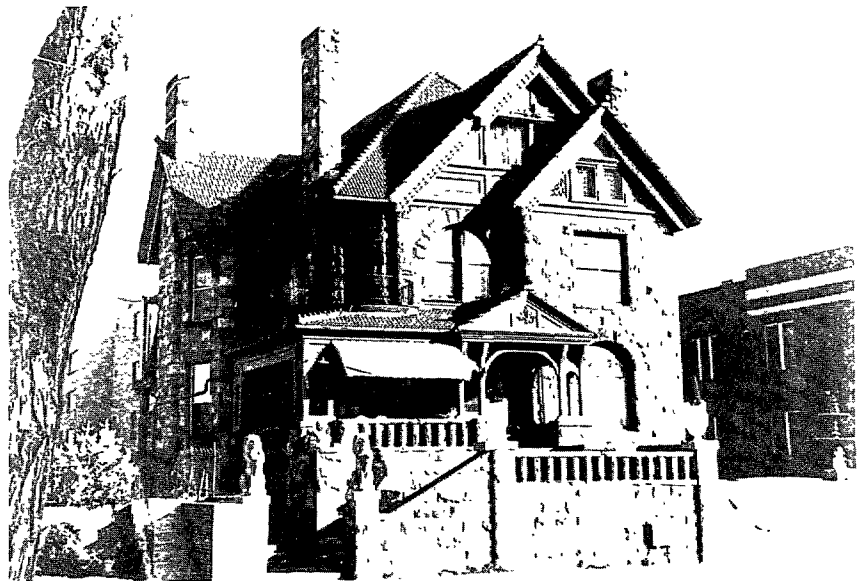
Queen City of the Plains

Near the towering Rocky Mountains lies mile-high Denver—5,280 feet above sea level. Grown from a "cow town" to a sophisticated metropolis, Denver offers a wide variety of entertainment opportunities—from nightclubs and fine restaurants to cultural events to tourist attractions to professional sports. One of the most popular events is the National Western Stock Show and Rodeo, held in Denver every January. The largest such event in North America, the stock show attracts buyers and sellers of livestock from all over the world. Its popular, lavish rodeo features many of the Nation's finest rodeo performers. The abundance of area cowboy bars and western nightclubs reflects not only the western flavor inherent to Denver, but also the growing national popularity of western attire, music, and lifestyle.

In sharp contrast to the western attractions, however, are the city's cultural events. The Denver Symphony Orchestra performs year round and offers free concerts in the city parks during the summers. Also in the Denver



Seventeenth Street — "Wall Street of the West" — is downtown Denver's business and financial district (Courtesy Denver Convention & Visitors Bureau.)



The "Unsinkable Molly Brown" house in downtown Denver. (Courtesy Denver Convention & Visitors Bureau.)

area are several other symphonies, as well as ballet, opera, and theatrical companies. Tourists in Central City—35 miles west of Denver—can either visit old silver mines or attend the opera. The historic Bonfils Theatre, and numerous others, offers first-run plays; several dinner-playhouses present plays or musicals, often "in the round." The new \$80 million downtown Denver Center for the Performing Arts, still under construction, will be larger than New York's Lincoln Center. Featuring a

block-long glass arch, it will encompass an outdoor amphitheatre, a galleria, a parking garage, a cinema, and the existing Boettcher Concert Hall (the Nation's first symphony hall in the round) and the Auditorium Theatre and Arena.

Among the many Denver-area museums are the Museum of National History, the Denver Art Museum, the Wax Museum, the Forney Transportation Museum, and the Colorado Heritage Center.

In downtown Denver, tourists enjoy visiting the U.S. Mint (the largest depository of gold outside of Fort Knox); the Capitol, the dome of which is plated with 24-carat gold; Larimer Square (an entire block of renovated Victorian-era buildings); and many historic mansions, including the unusual Victorian home of the "Unsinkable Molly Brown." Also popular are Denver's two amusement parks: Elitch Gardens and Lakeside. Elitch Gardens features two roller coasters, the newer of which is among the world's highest (and scariest).

Hundreds of restaurants offer a range of cuisine to suit everyone's taste—including French, Moroccan, Italian, Chinese, Japanese, Afghan, and Mediterranean. Some restaurants offer prime cuts of beef, while others offer new taste sensations for the adventurous, such as buffalo steaks and rattlesnake meat. Among Denver's most popular restaurants are the many serving Mexican food prepared in authentic, spicy southwestern style.

The spectator sports scene in Denver is very much alive, and will continue to align itself with the city's growth. Professional sporting events in the Denver area include every major sport with the exception of major-league baseball. Until major-league baseball becomes a part of the Denver sports scene, Denverites will continue to turn Mile High Stadium orange on Bronco (football) Sundays, and will cheer on their Rockies (hockey), Nuggets (basketball), Avalanche (soccer), and minor-league Bears (baseball).

Through the years Denver has developed a beautiful and elaborate park system—169 city parks and 51 city-owned mountain parks. The most famous of Denver's mountain parks is Red Rocks, named for its monumental red sandstone rocks. The park, 15 miles west of Denver, features a 75-million-year-old natural amphitheatre with perfect acoustics. Seating up to 10,000 people, it is the scene of Easter sunrise services and summer concerts, ballets, and operas.

Sixty miles south of Denver is Colorado Springs, a popular and pretty resort area founded in 1871. Among the city's attractions are the Cheyenne Mountain Zoo and the Pro Hall of Rodeo Champions and Museum of the American Cowboy. Near the city is the beautiful United States Air Force Academy. Several other popular tourist attractions are also near the city, including the Cave of the Winds, the Seven Falls, the

Garden of the Gods, and the Royal Gorge (which features the world's highest suspension bridge and an incline railroad to the bottom of the gorge). Visitors can also ride the cog railway to the summit of Pike's Peak (14,110 feet above sea level) for the panoramic view which, in 1893, prompted Katherine Lee Bates to write the words to "America the Beautiful." The song's opening lines were inspired by this view of "spacious skies" and "purple mountain majesties."

The Energy Boom

In recent years Denver has evolved into the "Energy Capital of the West." Centrally located in the southwest, Denver is not only easily accessible to the Nation, but also in close proximity to the Rocky Mountains. And the Rockies tantalize the Nation with their vast hidden wealth of energy resources—particularly shale oil. So the "oil rush" is on.

Major oil and energy companies, seduced by the Rockies' natural treasures, have been rapidly establishing Denver offices in recent years. Many companies are creating "boom towns"

again on the Rockies' western slope. For example, near Grand Junction, Colorado, the town of Battlement Mesa is growing rapidly—not wildly, however, but under Exxon's close, careful guidance. From its recent population of about a dozen families, Battlement Mesa is expected to house nearly 20,000 people by 1992. Most will be employed at the Colony Oil Shale Project—Exxon's joint venture with Tosco Corporation—15 miles north. By 1985, Exxon anticipates that Colony will be producing about 46,000 barrels of shale oil a day, and will employ about 2,000 workers.

The Scenic Wonderland

Of the region's land, 33 percent (about 150 million acres) is federally owned. Most of this is preserved by National Forests and Parks which house some of the Nation's most spectacular scenic areas. For example, among the National Park Service's popular wilderness areas in the region are Colorado's Black Canyon of the Gunnison, Mesa Verde, Great Sand Dunes, Rocky Mountain, and Dinosaur;



The "Bucking Bronco" and "On the Warpath" statues, reminders of Denver's western frontier heritage, stand before the 24-carat gold plated dome of the Colorado State Capitol building in downtown Denver. (Courtesy Denver Convention & Visitors Bureau.)

Idaho's Craters of the Moon; Montana's Glacier; New Mexico's Bandelier and Carlsbad Caverns; Utah's Zion, Capitol Reef, Canyonlands, and Bryce Canyon, Wyoming's Yellowstone and Grand Teton; North Dakota's Teddy Roosevelt; and South Dakota's Badlands.

Colorado Mountain Country

Colorado has 1,143 mountains which rise to an altitude of 10,000 feet or more above sea level. Fifty-three snow-crowned peaks tower to more than 14,000 feet, giving the State over 6 times the mountain area of Switzerland. For a glorious view of nearly every major peak in the State, one can take the world's highest auto road—just 62 miles west of Denver—to the 14,260-foot summit of Mt. Evans.

The Majestic Rockies

The magnificent Rocky Mountains dominate Colorado. Viewed from Denver, they present a dramatic, ever-changing panorama of noble snow-capped peaks rising sharply against brilliantly blue skies or softly tinted by the golds and reds of sunrise or sunset. Driving through the Rockies is also a remarkable experience, with astounding views from the lofty mountain passes and sharply winding roads.

Recreation in the Rockies

The Rocky Mountains, of unparalleled grandeur, offer incomparable recreational opportunities. Skiers delight in navigating the powdery slopes of the region's numerous ski areas, several of which are internationally famous: Aspen, Vail, Steamboat Springs, Winter Park, Breckenridge, Copper Mountain, and Keystone are only some of the most popular Colorado ski areas. Cross-country skiers and snowmobilers, penetrating the forests' inner kingdoms, enjoy spectacular mountain scenery.

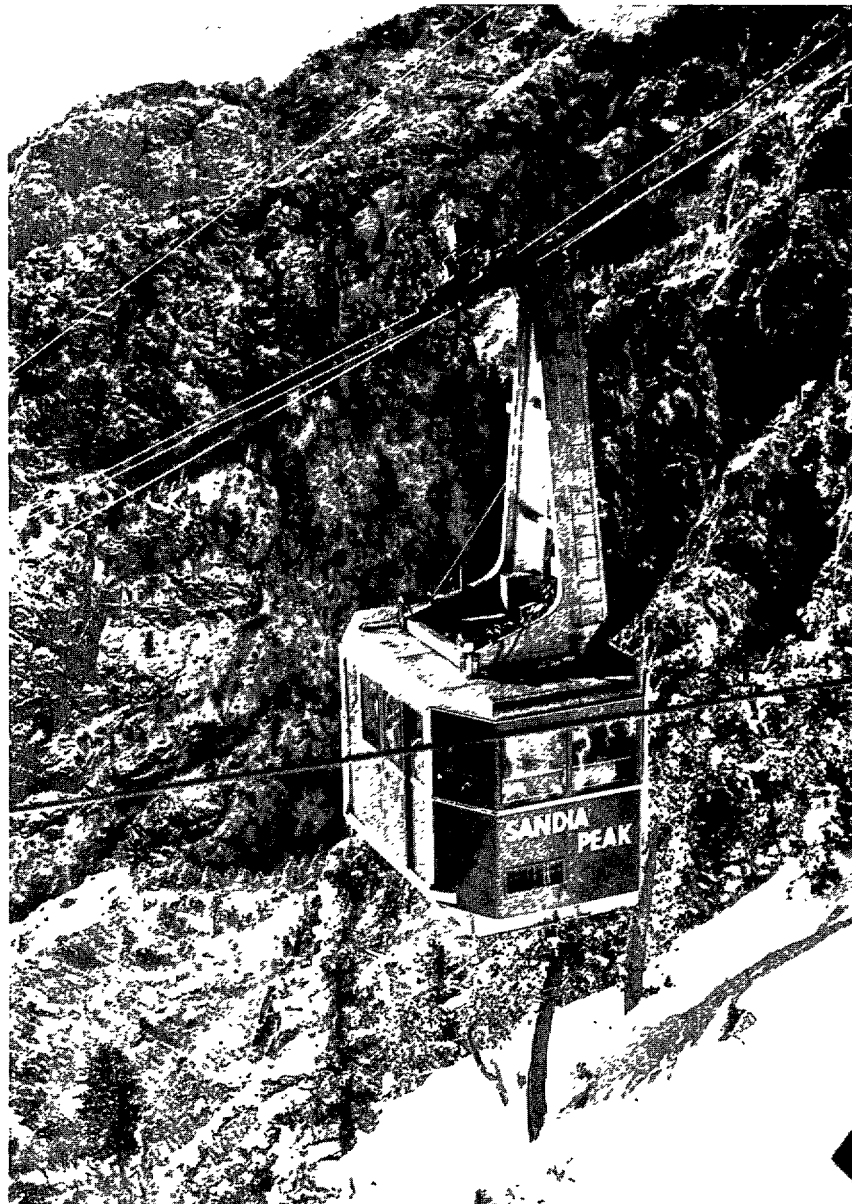
In the summer months hikers and campers are enthralled by the Rockies' breathtaking beauty, deep forests of aromatic pine, fir, and aspen; crisp, cool, and invigorating air; abundant wildlife; and fragile rainbows of wildflowers. The Rockies' National and

State Forests and Parks contain miles and miles of hiking trails which are at once rugged, primitive, and well maintained. Campgrounds, many of which must be reserved well in advance, are usually filled to capacity throughout the summer months.

Fishermen and water enthusiasts share a profound respect, awe, and delight in the tumbling mountain rivers and streams. Clear, cold, and fast, the waters are often dangerous, but full of delicious trout and salmon. Canoes, kayaks, and rafts navigate the swift waters precariously, often to be up-

ended by the rapid white force of the water. Mountain reservoirs and natural lakes stud the Rockies like sparkling jewels. Well stocked with fish, they are a fisherman's heaven; although frigid, they are also popular with water skiers and sailors.

Hunters revel in stalking deer, elk, bears, mountain lions, antelope, big-horn sheep, ducks, geese, and pheasants through the mountain forests and meadows. Colorado's annual deer bag ranks among the highest in the Nation.



Sandia Park Tram, the longest tramway in North America, near Albuquerque, New Mexico. (Courtesy Albuquerque Convention & Visitors Bureau.)

The Denver Regional Office Through the Years

On March 30, 1952, Comptroller General Lindsay C. Warren announced the creation of 23 field offices. The previous six zones' staffs were transferred to the field offices during the following transition period, and the offices' regional managers were installed by July 1, 1952. Harry L. Bushong was designated manager of the Denver Office, whose 25-30 employees he directed until 1954. In 1954 the field offices and staffs in Albuquerque, New Mexico, Billings, Montana, and Salt Lake City, Utah, were merged with the Denver office, and became its sub-offices. The manager of the former field office in Albuquerque, Alpiere R. Horton, was at that time designated manager of the Denver office, where he served until 1962.

The field offices, however, were not the first GAO units to operate in the field. During the war years, GAO's Office of Investigations set up an active base of field operations. Shortly after the Air Force Accounting and Finance Center was founded in Denver in 1951, a GAO unit—the Air Force Audit Sub-division—was established to perform centralized audits of the Air Force finance officers' accounts. In January 1952 the unit was placed under the jurisdiction of the Director of Audits (in Washington, D.C.), and was called the Air Force Audit Branch. Similar organizations in Indianapolis and Cleveland served the Army and Navy finance centers.

The Field Operations Division was established in March 1956, with 19 field offices. Also in 1956, the Office of Investigations and the Civil and Defense Accounting and Auditing Divisions were merged. The combined field audit offices were at that time designated as U.S. General Accounting Office Regional Offices.

Denver's Air Force Audit Branch was transferred to FOD and consolidated with DRO in October 1962 as a sublocation. At its peak, the Air Force audit staff included 165 employees, but the staff has decreased steadily since 1955 due to changes in functions and audit approach. About five employees are now assigned to the Air Force audit staff.

In 1963 Stewart D. McElyea was designated manager of the Denver regional office, where he served until

his 1971 designation as deputy director, FOD. DRO's next manager was Irwin M. D'Addario, who served in that capacity until 1977, when he was designated manager of the Dallas regional office. His successor to Denver was William D. Martin, Jr., who managed DRO from 1977 to 1979, when he became deputy director, FOD. DRO's current manager, Robert W. Hanlon, assumed his position in August 1979. He previously managed the Cincinnati regional office (from 1972-1979).

DRO at Work

Denver does much of its work in several issue areas which reflect the value of the region's land and natural resources. These areas include energy, materials, water, land use, and food and agriculture. Denver also does considerable work in the areas of federally sponsored or assisted health programs and income security programs and program and budget information

Energy: Fueling the Nation's Struggle for Independence

The Rocky Mountain region contains about 450 million acres of land, nearly one-third of which is federally owned. Ensclosed in this land are vast reserves of natural energy resources vital to the Nation's economy and growth. For example, the Denver region contains

- all of the Nation's high-quality oil shale,
- about half of the Nation's coal resources,
- much of the Nation's known onshore oil and gas reserve, and
- over 80 percent of the Nation's uranium.

Ranking first among the regions in Energy and Minerals Division assignments, Denver allocated about 14 percent of its staff years to its primary issue area—energy—in fiscal year 1981. The region's wealth of energy resources, many of which are located on federally owned land, leads to Denver's reviews of uranium mining and milling activities, onshore oil and gas production, coal mining and leasing, etc.

With the Nation struggling to free itself from dependence on foreign oil, research and development of alterna-

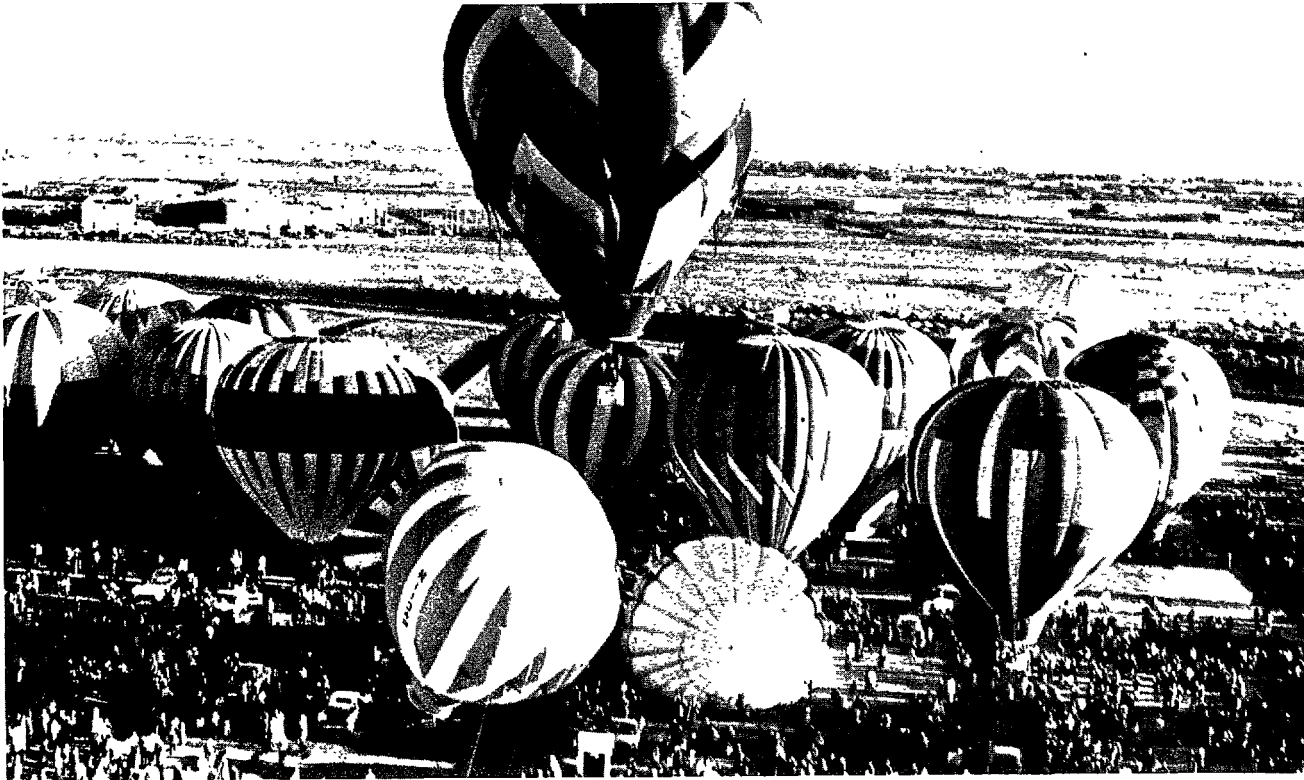
tive energy sources is becoming increasingly important. Denver's energy workload is increasing correspondingly, since many facilities in the region manage or deal with renewable resources, nuclear power, or fossil resources. For example, Denver's energy work has recently focused on some of the following facilities and their activities:

- The Rocky Flats plant, near Denver, has been designated by the Department of Energy as the primary national development and test center for small wind machines.
- In St. Vrain, Colorado, is the Nation's only demonstration-sized nuclear facility with a high-temperature gas reactor.
- In Grand Junction, Colorado, the U.S. Geological Survey manages the Nation's only uranium supply program, as well as a program for oil shale development and its related environmental effects.
- The Bureau of Land Management's Denver Service Center computes and pays royalties due States from Federal fossil fuel production. It also prepares all environmental impact statements for fossil fuel development.
- The Office of Surface Mining, in Colorado, approves mining plans for all coal development west of the Mississippi.
- The Solar Energy Research Institute, in Denver, is the Department of Energy's lead center for research, development, and demonstration of all solar technologies, and conducts work in commercialization and national policy analysis for the Department of Energy

Materials: Supplying the Nation's Industry

The Denver region also abounds in non-fuel minerals (materials). For example, New Mexico supplies 34 percent of the U.S. supply of potash; the other 66 percent must be imported from Canada. For many other critical minerals, most of the Rocky Mountain States rank first or second in U.S. output. For example, Colorado ranks first in U.S. output of molybdenum, tin, and vanadium, while Wyoming ranks first in bentonite and soda ash (trona).

Denver reviews the activities of agencies responsible for administering, controlling, and patenting the region's Federal lands, including the leasing and sale of the land's materials. Regional



The International Hot Air Balloon Fiesta, Albuquerque, New Mexico. (Courtesy Albuquerque Convention & Visitors Bureau.)

staff deal with such agencies as

- the U.S. Geological Survey and the Bureau of Mines,
- the Bureau of Land Management,
- the Forest Service, and
- the Department of Energy.

Water: Sustaining the Wealth and Life of the West

Although rich in energy and mineral resources, the region is poor in natural water resources. Yet all mineral and energy development depends on adequate water supplies, as does the agricultural future of the region. Thankfully, numerous federally constructed reservoirs assure this vital water supply. For example,

- of 234 reservoirs constructed by the Bureau of Reclamation, 125 are located in the Denver region and
- of 73 reservoirs built by others, but operated by the Bureau of Reclamation, 43 are in the Denver region.

Last year Denver ranked first among the regions in water jobs. Denver's work included reviews of

- the adequacy of water for energy development,
- the safety of Mt. Elbert Dam,

- water research activities,
- ground water pollution, and
- water marketing activities.

Because water and energy are interrelated, water jobs are critical not only to Denver, but also to the Nation. A recent GAO report, "Water Supply Should Not Be an Obstacle to Meeting Energy Development Goals" (CED-80-30, Jan. 24, 1980), contradicted the common contention that the energy industry's thirst for water will create severe shortages throughout the water-short, energy-rich West. Rather, said the report, "recent evidence indicates that these predictions are unfounded or outdated and that adequate water is available for energy development through at least the year 2000." The report was selected by Community and Economic Development Division Director Henry Eschwege for use in briefing the new Secretary of the Interior, James Watt, on the West's water and energy issues.

Land Use: Development or Conservation?

Because nearly a third of the Denver region's land is federally owned, the

land's use and development is of paramount regional importance; as such, it frequently causes controversy. The views of environmentalists and industrial developers about how the land is and should be used are often diametric. For example, industrialists and environmentalists are currently in opposition regarding the recent inception of the "Sagebrush Rebellion"—a scheme conceived in Nevada to allow States to seize control of federally owned western lands. To date, most Sagebrush Rebels have agreed that control of only the western lands administered by the Bureau of Land Management should be transferred to the States; others are calling for the transfer of Forest Service lands as well—an even more controversial proposal. Many environmentalists fear that the proposed "land grabs" will convert western wilderness areas to industrial wastelands.

Denver's work in the land use area often centers on the activities of the Bureau of Land Management, the region's major Federal land management agency. Managing 474 million acres nationally, the Bureau has 12 State offices, 5 of which are located in the Denver region. Additionally, most

major Federal recreation agencies have regional offices in Denver, including the Forest Service, the National Park Service, the Bureau of Reclamation, and the Fish and Wildlife Service.

Food and Agriculture: Feeding a Growing Nation

Ranches and farms, long an integral part of the West, still cover much of the region's land. Cowboys on horseback still herd sheep along hot dusty roads, cattle still lazily wander in search of lush grazing grounds, and grainfields still sway and ripple in the wind. Therefore, Denver's work in the agricultural area often focuses on the factors affecting the region's production of food products from beef, sheep, and wheat.

Significant regional food issues which drive Denver's review efforts include

- depletion of ground water reserves used for irrigation, which threatens the economic viability of current agriculture;
- availability of surface water for irrigation;
- conversion of farmland to other uses; and
- increasing control of farmlands by large non-farm corporations and outside speculators.

Denver's work in the food and agriculture area also addresses issues of national concern. Many of these issues are illustrated in the region, including

- the continuing loss of the family farm,
- the cost/price squeeze on farmers, and
- the effect of Federal programs and food policy on the farmer.

Additionally, Denver's agricultural jobs often center on the activities of several unique food-related facilities located in the region. These facilities include the Department of Agriculture's research center for seed viability and storage and the center for sugarbeet production research.

Other Areas of Significance

Denver also does considerable work in the area of federally sponsored or assisted health programs. Denver's work efforts in this area focus primarily on two programs: the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and the Indian Health Service. Headquarters in Denver, CHAMPUS administers a program

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of medical benefits for military dependents and retirees that is approaching \$1 billion.

"Indian jobs" are common in Denver, since almost half of the Nation's Indian population lives within the region. The Bureau of Indian Affairs has its central accounting office and three area offices in the Denver region. The Indian Health Service manages a budget of about \$600 million for Indian health care. About half of the publicly supported service units and hospitals providing health care are within the Denver region.

Another area in which Denver does considerable work is federally sponsored or assisted income security programs. Jobs in this area focus on welfare and social services programs such as Headstart, Medicare, Medicaid, Aid to Families with Dependent Children, etc.

Program and budget information is another important area for Denver. Over 20 percent of all government units and over \$16,000 units of local government are located in the Denver region, including cities, counties, school districts, and other special government entities. Denver's work in this area usually focuses on how to better coordinate Federal, State, and local budget processes.

The Air Force Audit Staff

The Air Force Accounting and Finance Center audit staff is primarily responsible for all jobs in the areas of accounting and financial reporting and Federal personnel management and compensation. For example, the Department of Defense has centralized at the Finance Center the responsibility for accounting and billing for all foreign military sales. As the focal point for all Air Force financial operations, the Finance Center

- pays about 1.2 million military personnel,
- accounts for the total \$33 billion Air Force budget,
- establishes financial policies,
- designs Air Force accounting and finance systems, and
- provides personnel support for the rapid mobilization of reserve forces.

Regional Travel: Agony and Ecstasy

Depending on the season and the

assignment, regional travel can be grueling or exhilarating. Traveling in January on a review of Indian education or housing, for example, a staff member might fly from Denver to Missoula, Montana, then rent a car and drive, through blizzard conditions on icy roads, 250 miles to reach the Blackfeet Indian Reservation. On the other hand, imagine spending the summer months on a National Park Service assignment, traveling through Yellowstone or Rocky Mountain National Park, driving or perhaps hiking through cool mountain forests to interview rangers or concessioners. On an energy job, a staff member might tour a nuclear power plant, a coal or molybdenum mine, or the Solar Energy Research Institute. A defense assignment might include a tour of the North American Defense Command (NORAD), housed under Colorado Springs' Cheyenne Mountain, or the Air Force Academy, near Colorado Springs. An agriculture job might take a staff member on muddy treks over furrowed fields to interview farmers or inspect crop damage wreaked by voracious grasshoppers. On a water job a staff member might descend into the thunderous cavern which houses Hoover Dam's generators, or might skim the ground in a small plane for an eagle-eye view of the region's rivers, basins, reservoirs, and dams.

A lucky traveler to Salt Lake City might listen to the Mormon Tabernacle Choir rehearse during the lunch hour. At Hill Air Force Base, site of the Ogden suboffice, staff members can observe the skillful maneuvers of the new Air Force F-16 fighter. And at the White Sands Missile Range, just outside of El Paso, Texas, a staff member might watch missile tests being conducted.

Easterners are often surprised by the vast distances that separate and often isolate western cities and towns. Regional manager Bob Hanlon says, "When I worked in Cincinnati, it took me an hour to get to D.C. From Denver, it takes longer just to get to one of the suboffices!" Traveling through the region must often be done by car; the airlines don't fly to many small towns. Summer driving can be long, hot, and dusty—with towns few and far between. Imagine driving through barren New Mexico for 8 or 10 hours, finally stopping for a long-awaited dinner at a tiny town—only to discover that the menu consists entirely of frozen pizza warmed in a microwave. Two DROers recently drove from Albuquerque, New Mexico, to Chinle, Arizona (about a

5-hour drive), where they had reserved a room at one of the town's two motels. Delayed on the road, they called ahead to the motel and were assured that their room would be waiting. After finally arriving at 10.30 p.m., however, they were unable to rouse the motel manager, and met with a similar lack of success at the other motel. Nearly out of gasoline (and patience), they called the police to ask where they might find a place to sleep. The police kindly offered them humble accommodations—stern benches in the police station lobby. They accepted the offer.

Newcomers to the West are usually apprehensive about driving through the mountains. The astounding winter beauty of the snow-capped peaks is surprising, but so is the snow plowed 20 feet deep along the roadside. Chains are often required to cross the mountain passes, but negotiating the hairpin turns is precarious even with chains or studded snowtires. Driving through the mountains one might startle a herd of deer into graceful flight. Buffalo herds can still be seen ponderously moving across the land, sometimes raising their massive heads to disdainfully scrutinize a human intruder.

The Region at Play: The Energy People

It isn't all work and no play in DRO! Staff activities are numerous, and are heartily encouraged by the regional

manager. Several activities are organized annual events, while others are spontaneous. Many are sponsored by the region's social committee and funded with employee fund monies from sales of coffee and donuts.

In Denver, as in many other regions, the annual Christmas party and the annual picnic top the list of most popular all-staff activities. Among Denver's other popular social activities are the following:

1. Golfers enjoy the annual DRO golf tournament, this summer in its 19th year. Following the tournament, the golfers (and some nongolfers) grill prime steaks and enjoy hors d'oeuvres and salad. After dinner the golf prizes and trophies are distributed, and the poker games begin, lasting into the wee hours of the morning.

2. Skiers enjoy the annual ski weekend at Steamboat Springs—3 or 4 days of downhill or cross-country skiing. In the evenings the skiers gather for dinner and trade tales of the day's adventures (or disasters) on Steamboat's grand Mt. Werner.

3. Only the adventurous (or the foolish) dare to brave the annual whitewater rafting trip—an exhilarating 1- or 2-day expedition down one of Colorado's ferocious mountain rivers. The rafters return to DRO exhausted, sunburned, and bruised, but most are already looking forward to the next trip.

4. Another popular event, usually held once or twice a year, is the Coors

night party tour. Staff gather at the Coors Brewery, located in Golden (in the foothills just west of Denver). The evening includes a tour of the brewery, glasses of Coors beer, ample hors d'oeuvres, an entertaining short film, door prizes, and dancing. Best of all, it's all free—compliments of Coors.

These sponsors events aren't the only ones enjoyed by Denver staff. Retirement parties are fun-filled occasions, attended by not only staff members, but also former GAO retirees. The retiring staff member is usually "roasted" (a la Dean Martin) and then honored with gifts and speeches.

DRO staff are an energetic bunch. Spontaneous events often center around athletic activities—staff members get together to enjoy volleyball, tennis, golf, bicycling, fishing, skiing, bowling, jogging, hiking, dancing, etc. DRO also has a softball team which competes throughout the summer with other Denver area teams.

Now you know a little about the Denver regional office, its work, and its environment. Words really can't describe the mile-high city, colorful Colorado, the awe-inspiring mountain panorama, or the grandeur of the Rocky Mountain region; you have to see it for yourself. Experience the West—you'll see western hospitality at its best!



Regional Manager Bob Hanlon.



ARM Shirley Ward.



ARM Arley Whitsell. (Courtesy Ray Hess.)



Pam Tumler. (Courtesy Ray Hess.)



Secretarial staff.



Janet Lowden

Ms. Lowden began her Federal career in 1972 as a management intern at the Defense Logistics Agency. In 1976 she joined GAO's Federal Personnel and Compensation Division, later transferring to the Community and Economic Development division. Ms. Lowden graduated magna cum laude from Shepherd College with a bachelor's degree in English and is working toward a master's degree in Behavioral Sciences in Organizational Development at George Washington University. She is listed in *Outstanding Young Women in America, 1979*, and received a GAO Meritorious Service Award in 1980.

A Bureaucrat Who Made a Difference—for the Better

Claims about the wonders of management by objectives for improved organization functioning read like turn of the century snake-oil ads:

- **Guaranteed To Increase Your Ability To Measure And Judge Performance!**
- **See Performance Requirements Materialize From Thin Air!**
- **Watch Organization "Deadwood" Disappear Overnight!**
- **Users Report Laggard Employees Become Motivated And Productive—"It's A Miracle!" Says One Happy Chief Executive Officer.**

Management by objectives, or MBO, is the latest tonic touted as the solution to Federal Government performance appraisal ills. The Civil Service Reform Act of 1978 brought with it restructured individual performance appraisal requirements which have at their core some type of MBO system. GAO's own Senior Executive Service, effective since October 1980, incorporates MBO-type appraisals. Executives' performance ratings will be based on achievement of specific objectives and goals.

What is this miracle cure for organization performance ills? MBO has been defined as

"... a managerial process whereby organizational purposes are diagnosed and met by joining supervisors and subordinates in the pursuit of mutually agreed upon goals, which are specific, measurable, time-bounded, and joined to an action plan; progress and goal attainment are measured and monitored in appraisal sessions which center on mutually determined objective standards of performance."

In the course of work we were doing in the Federal Personnel and Compensation Division on civil service reform, we found an agency where, by all accounts, MBO is working. The system in the Bureau of Land Management (BLM), Department of the Interior, centers around one simple form which ties objectives from BLM's operating plans to its managers' ratings. In turn, managers' objectives cascade down to subordinates' appraisals. The system is used not only to appraise performance,

but also to improve it through supervisory analysis of whether improved job design, placement, or training can enhance individual performance.

Agency personnel in BLM singled out former Bureau associate director George Turcott as a key person in the innovation's success. Since we felt such an individual might offer insight from his personal experience of innovating and managing in the Government, we interviewed him in July 1980. Mr. Turcott is not a snake-oil salesman. In person, he is a soft-spoken, apparently easy-going man, who listens as well as he talks. In a broad-ranging and frank interview, he told of his experience as a top Federal executive, sharing his thoughts about successful organization change and civil service reform.

MBO Versus the "5-Year Plan"

Mr. Turcott: Our approach to implementing MBO into the management system in BLM in the early 1970's began with some questions. How far do you go with MBO? And what really do you expect? Do you go as far as the Russian system with commissars? Everything is goals and quotas in the USSR. That hasn't worked over there; the Russians don't begin to produce, per capita, what we do.

Q: Do you mean by that the "top down" approach to goal-setting, where you have someone dictating what is to be done?

A: Yes. It's like a factory having to make so many widgets and everything is quantified and objective. You are rated accordingly. You've got to be careful of that in MBO. In fact, when we first started our system on a trial basis, some people said that we were going to a completely authoritarian system, that we were tending to rule out the individual in establishing his or her own goals, and that we were certainly going to end up with a system where we wouldn't show any reason, sympathy,

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or acknowledgment that things do happen after establishing goals and objectives in a performance year.

Q: How did you get that kind of feedback? Did you make yourself available for it?

A: Yes, I did a lot of performance reviewing myself.

A Line Manager Jumps in “With Both Feet”

Q: What characteristics and actions of your own contributed to the system’s ultimate success?

A: I jumped in with both feet. It’s not necessarily that I, as a person, did it, although I think I was well-respected in the Bureau. I think a lot of it involved people thinking, “The big boy’s going to get involved, so we’ve got to get involved, too.” The most important thing I can tell you is that a top-line executive who has real clout has got to get involved just like I did, or it won’t work.

Q: In civil service reform?

A: Right. And I don’t mean just the personnel officer. And not necessarily the head of the administrative management function. It’s got to be somebody higher than that.

Q: Do you think that just having the Civil Service Reform Act to implement is enough to get somebody at the top involved?

A: Not unless OPM lowers the boom on the Secretaries or the heads of bureaus. In fact, when I signed something and said we were going to do it, my subordinates started to do it—in some fashion. But there was a lot of resistance. Let me tell you what happened at the Bureau.

Breaking Old Habits—“Iron Butt”

A: I deliberately did not rate State directors and Washington Office assistant directors when I first set up the system. I waited until they had gone through the process during the first performance year and had rated their own people. I did that for a reason. I assumed what was going to happen.

They had just come off the old system I abhorred, the old three-ratings system (under the Performance Rating Act of 1950). I thought the old syndromes that were pervasive throughout Government would be at work on how the new process was done. It would be done as kind of a pro forma thing that had to be done by X date.

When the State directors got my memo that we were going to meet in Denver for me to rate them, they said to themselves, “Oh no, I’ve got to get this thing done!”

What I got that first time was a miserable showing, both in the statistics of coverage in the Bureau of what had been done and in how the system had been used.

Q: This was 1 year after the system was implemented?

A: I waited 15 months or something like that. I was criticized a little bit for implementing this system and then getting 3 months behind myself. But I did it on purpose. The Performance Rating Act and the way it was implemented across Government, and in the Bureau, was just a farce. At one time, there was even an attempt to rescind the law. But Congress said we had to have a rating system. I knew some of that would carry over.

The first objective on the left-hand side of the rating form, the requirements column, was to get 100 percent of the annual work plan done. One hundred percent. I expected that a lot of the directors wouldn’t achieve that. They had all kinds of reasons. If they were good reasons that I knew about—tight money, budget cuts or an unanticipated emergency—those were taken into account. But I really rated the directors down. One guy I had known for over 30 years was so mad that he wanted to go to blows. He said, “You can’t do that to me!” I said, “Yes, I can.”

Q: After you looked at his appraisal form?

A: No. I had gone to our Office of Budget and requested summaries of annual work plan progress reports. I could tell how much work the offices accomplished. They couldn’t fool me. This work reporting system is an excellent oversight device. BLM systems are really integrated as far as the work plan goes in tracking the goals of the Congress.

By the way, you mentioned earlier

that some people complained about the amount of work a new performance appraisal system causes. This system does require more work if you do it right. My budget office just screamed the first year when I asked for annual work plan performance reports and analyses by State. But then, when State directors started saying “no” to budget changes because of objectives set in their rating plans, the budget people had to start thinking, too, about priorities.

I was a real “Iron Butt” about it that first year. And every one of the State directors and assistant directors said, “If I had known, Turk, that you really meant business about this MBO, I’d have sure rated my district managers and division chiefs differently.”

In any organization where substantial authority and judgmental discretion is delegated to the field, you’ll always find a style of management where it’s said, “Just give us the money and the manpower and leave us alone; we’ll get the job done.” And I can’t say the people don’t do a darn good job. But we must have accountability. And nowadays there is immediate communication, quick transportation—and the reporting means to hold the field accountable. It’s got to be done. Reagan’s administration might eliminate this, but I doubt it. I don’t see how it can—MBO should be its baby.

If there is one thing Congress has said, especially post-Watergate, it is that the Government must be run honestly. Two and two must equal four, and there must be accountability.

Budget Psychology and an Impossible Mission

Q: You hear so often that there are disincentives to being frank about what really can be done with resources given. Were the BLM directors afraid they’d get less if they were honest?

A: Well, you know the whole budget psychology. If you ask for a little more money to get six more units done, the subcommittee disallows the request because it is not enough to fiddle with. Next time, you ask for a budget increase for 20 more units in hopes of getting enough to do six. But if we don’t produce as promised, then the Bureau looks bad. We made a real effort to be

absolutely candid and honest with the subcommittees. And when I left, we still had that reputation.

Yes, integrity was one of the reasons we wanted to integrate MBO into our management systems. Our budget officer told me, "Turk, the one thing that really helped toward 100 percent accomplishment of the annual work plan was our putting the new MBO appraisal system in and the staff's understanding that you meant it." It took 2 years, but the State directors passed the heat right down the line.

Q: You mean it took 2 years for the accountability to cascade further down the line?

A: Yes, and the system is still evolving. Another reason we wanted to integrate MBO into our management systems was our increasing responsibility and limited resources. When I started with BLM, it had less than 1,000 people in it with only a few temporary positions. When I left, it had around 10,000, including temporaries. Nonetheless, when you compare us to the Forest Service, and we have as much or more to do as they, we are only about a third their size. So we have paranoia in the Bureau, at least the old careerists like me do. Our size forced us always to use system innovations and to develop top managers to get the impossible done with not enough.

We were one of the first agencies to completely automate. We were the only bureau in the Department of the Interior, and practically the only one in the Government, to get the GAO certification for our finance system. We didn't have the alternative of doing things inefficiently.

Q: GAO traditionally has fought personnel ceilings as creating inefficiency. Yet we've found agencies were forced to change by the environment's changing, making resources more constrained. Agencies had to innovate to stay in business with limited resources. How can they adapt?

A: I can't tell you how to get organizations to change or to get civil service reform done. Either somebody just feels it needs doing, like me, or the agencies are just going to have to be told to change. But reform won't work if the head of administration, or personnel, or budget is given responsibility to get it done. The person in the line—the

boss—must get into it with both feet.

People also have to believe that MBO works and is right. They have to understand that something like BLM's MBO system is integrated into the other management systems and that all the systems complement each other. The best way to start is in the requirements column of the appraisal form—accomplish 100 percent of whatever the office is going to do that year in following the President's budget and the appropriations act.

The key in any performance review system is the annual work plan—getting done what the President says needs to be done, what Congress said to do and the President backed. Those are the Government's goals for the year, and it is not the Russian commissars' approach, either.

Q: Some people never make the connection between the annual work plan and the performance appraisal system.

A: Maybe they need a basic political science or public administration lecture to show them how it is integrated.

Q: Did any problems crop up about a political employee versus a career employee?

A: Well, I know in seminars where we discuss BLM's system, people have commented that they just don't think BLM's system will work for them. "In our bureau," they say, "we don't have career people high up in the ranks like BLM does, by law. The political appointees will play games with it." The only thing I can say with regard to the politicians is that there are all kinds of appeal systems to support the merit system—they should be used. The goals, objectives, and standards have all got to be negotiated. Individuals have got to feel that they are not being forced to accept them.

In my case, I asked my senior executives to bring in their own goals at the beginning of the year and to rate themselves. They should have been checking on progress month by month themselves anyway. Usually, they rated themselves more conservatively than I would feel about their performance. They'd say, "I really goofed, I only got 50 percent done and I feel so bad about it. I'm going to do better. I miscalculated; I didn't do very well."

Q: That's unusual. From what I hear,

people usually rate themselves high.

A: I've found just the opposite. One or two might come in on an ego trip. I myself was never rated. I never had a director who had the guts to do it. I didn't receive a performance rating for about the last 10 years of my career.

Six Months Stretches to 2½ Years for Implementation

Q: In the beginning, it seems you had to go at a slow pace. I understand that you had initially directed the system be developed in 6 months, and 2½ years later . . .

A: We finally got it. We did test it first, though, in Wyoming.

Q: Do you think it was important that you had line and staff people, field and headquarters, working to develop the system?

A: Yes, certainly. We began with a personnel management review. The fellow involved in the review told me, and I found his honesty unusual, that our performance appraisal system was as good or bad as any other agency's. "The major problem," he said, "is that it rates personality traits, and what you get from that is an old-boy network. People don't have any faith in the performance review system. It's just a thing you have to do once a year and then get on with the job." And you know something, in all of my years in the Bureau before that, in terms of being rated myself or rating others, I was always frustrated somehow that I didn't really have anything to measure against.

We had started what's called MBO in our accounting and budgeting and work performance systems. I wondered if we could find psychologists or behavioral scientists and management people who could develop this MBO appraisal system instead of just talking theory. I asked the personnelist how long implementation would take, and he said 6 months. "Well," I said, "I'll do it. Do you need a piece of paper? I'll sign it. I've had it."

It isn't quite complete even now, I suppose. When I retired 2 years ago, it still wasn't 100 percent. I've heard that some people still don't like it. Some people just don't like to sit down

eyeball-to-eyeball with subordinates. Humanism by default.

Personal Frustration Motivated Change

Q: Through the years, as you came up through the ranks in the Bureau, you got disgusted with the old system since it didn't tell people how they were doing, and when you were in the position to do something about it, you did something?

A: Yes. Under the old system, I didn't even want to take the time to do appraisals but I had to, by law. We had an appraisal-for-promotion form, but it was in no way integrated with the performance appraisal, and in no way could it be proven in terms of past performance. Again, it was all your personality or who you knew—the old-boy network.

Q: So your motivation was based on past experience in the Bureau?

A: There was a reason that was stronger than just plain management science—personal frustration. The Department sent me to a lot of management schools, so I understood the theory and just knew that management science and behavioral science could be coupled. I couldn't get it through the Department, though, without some of the personality trait factors. Managers love dealing with work-related skills. It's easier. They don't have to get down to brass tacks and tell the truth to someone about poor performance or expected increase in production. Of course, one of the attributes of the good manager is that there should be no surprises at rating time. An employee should not have to worry about receiving a bad rating out of the blue.

Q: Suppose you had retired only 2 years after the change instead of 6? Would that have made a difference, or was the new performance appraisal system already institutionalized?

A: No, it wouldn't have made a difference. I was given the opportunity, the privilege, of picking my successor myself by the Secretary of the Interior. Since I had that choice, it would have continued. Of course, I had some opposition. I can think of people who, if they had succeeded me, would have killed the system.

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MBO Useful for Things Other than Accountability

Mr. Turcott: The performance appraisal system was also useful for assessing training needs. My budget chief once said to me, "We're spending 35 percent more on training in the Bureau than we are on range conservation." When I heard that—I'm a range conservationist by profession, originally—I actually jumped off my chair and said, "That can never get out! But if we're going to keep that under our hats, we've got to do something about it."

At that time we had a merit promotion plan, and one of the elements was training. So people were accumulating training courses and actually getting points for them in promotion assessment. We didn't have any system to assess training needs. Frankly, I made some trouble about it. We got a system for two, but never a good one until this MBO-type appraisal and performance improvement system. Then the training dollar started to go down.

Q: One of the purposes of the Reform Act, according to a lot of what we read, is to get rid of Government deadwood.

A: Well, our existing system could do that, but it wasn't intended to be negative. If you're going to terminate someone, or take adverse action against them, the first thing personnel asks for is the performance appraisal form. And if that person has had at least a satisfactory rating, you could forget the adverse action. Under any system you're going to have a difficult time firing anyone unless you've at least offered to help them improve. But BLM's system will document unsatisfactory performance objectively.

A "Gentle Tyrant"

Q: Reflecting on the kind of manager you were, do you have any insight to offer from your experience? Strengths or weaknesses in terms of making such a difference in BLM? It seems that there are certain qualities that successful men and women executives have in common. What are your strengths? The way people here seem to respect and admire you is unusual in my experience.

A: I grew up in the Bureau. To me, my greatest strength was that I had done everything the people who work for me had to do. I made some mistakes, but they were never deliberate. Even up until the last, until computer technology, there wasn't anything technical in the Bureau that I didn't understand. Sometimes I think that was bad. Maybe I second-guessed subordinates too much. You get out of date sometimes.

Also, you have to insist on, demand, your right to advise and disagree with the political appointees. You have to have courage. I saw Andrus [Cecil B. Andrus, former Secretary of the Interior] quiet his aides who thought I was being too forward. I've heard him say to them, "Be quiet! I'm learning something!" Of course, appointees very rarely took my advice! I used to tell people, too, if they didn't stand up to me I wouldn't respect them.

Well, to close, I hope my experience has been helpful to you in understanding the implementation of the new appraisal system. The first question is, how can you do it in a heavily political agency, and second, how fast can you do it? Just let me emphasize one thing about these new appraisal systems. The "top dog" has got to get involved. I never had a director who would do it. Don't let the assistant director for administration do it. You have to get the line director or the associate to do it. People have to persist. I'm positive—but I can't quantify it—that people really got responsive to the annual work plan. It works. Some people might argue with me and say that this is the Russian commissar approach, but the significant difference is that due process exists in BLM's system. You've got to have management reasonableness the whole way through, and be a gentle tyrant

GAO Commentary

We learned a lot from our 3 hours with Mr. Turcott, coming away with an impression of his forceful integrity, and understanding why, although he retired 2 years before we spoke to him, BLM employees still refer to him with admiration. The evolution of BLM's MBO-type appraisal system, as Mr. Turcott explained it, contains several issues worth recapping. BLM's system, after all, works. Here are some key points:

- Top line management must be involved in the system actively by reviewing performance themselves.
- Top management must believe that

MBO works or will work in their organization, since MBO requires a participative management style and a willingness to share power.

- MBO must be integrated into other management systems, such as budgeting.
- Objectives should be negotiated and renegotiated if they seem unreasonable because of changing circumstances.
- Due process must exist throughout the MBO cycle.
- Managers, supervisors, and employees must view participation in the MBO system as an opportunity to win.
- The system must be tailored to the individual organization's needs—and that takes a lot of time and attention.



George Turcott

'Mark L. McConkie, "A Clarification of the Goal-Setting and Appraisal Processes in MBO," *Academy of Management Review*, Vol. 4, No. 1 (1979), p. 37



H. Rosalind Cowie

Dr. Cowie joined GAO's Office of Organization and Human Development in 1979 as chief of the Training Branch. She was formerly an educational administrator at Georgetown University and Newton College. She holds a Ph.D. from Columbia University and has taught at the university level. In 1981, the Federal Training Office's Conference presented her with a Distinguished Service Award.

Training at GAO: A Systematic Approach

GAO's training programs have been undergoing extensive revision during the last 2 years. In the past, sound and valuable programs were offered, but the times and the needs of the agency changed and, in recent years, the lack of a comprehensive and systematic approach to training became a cause for concern. The question was raised: How do we know when we are training the right people to do the right things? In January 1979 the Training and Employee Development Branch of Personnel was reorganized and mandated to design and implement a training program that would dependably meet the present and future needs of the organization.

Concern for a more deliberate and systematic approach to training is not a new phenomenon at GAO. Dr. Leo Herbert, a former Personnel director in the early 1970's, wrote a paper entitled "Audits of Management Performance—A Conceptual Framework for Training," in which he hypothesized a framework for auditing which would be the basis of both classroom and on-the-job training.

One prior training effort which has had and continues to have a significant effect on the agency is the Writing Program, which is directed and staffed by professional teachers who are trained and have experience in the university setting. The Writing Program creatively adapts current college techniques for teaching writing to GAO's unique requirements for report writing. The program has given the agency a common language for discussing writing problems and has helped to standardize report writing practices. The POWER (Producing Organized Writing and Effective Reviewing) principles are now cited in the *Report Manual* and in the *Project Manual*.

Assessing Training Needs

The first major step toward developing a comprehensive and systematic GAO training program was the *Training Needs Assessment of the Audit Function*, undertaken in 1978 by a task force working under the director of the former Organization and Management Planning Staff. The final report of the

task force is an invaluable document and is still the major source of information used for redesigning evaluator training courses.

The task force analyzed the job of the evaluator in terms of over a hundred discrete tasks described as precisely as possible. Then, through a survey of both evaluators and their supervisors, the task force gathered data showing both the existing and desired levels of knowledge, skills, and abilities for each of the tasks. The greater the discrepancy between these levels, the greater the need for concentrated training efforts.

Although the assessment data was used primarily in designing evaluator training courses, the performance appraisal staff used the same task statements in developing the behaviorally anchored rating scales. The Counseling and Career Development Branch used the task statements to develop workshops and seminars, and the Research and Analysis Branch is using them in its study of entry-level selection criteria. In addition to the assessment data, a copy of the last page of the GAO Form 563, "U.S. General Accounting Office End-of-Assignment Performance Appraisal," is forwarded to the Training Branch. Aggregate appraisal data collected in this way enables the branch to update courses annually in response to changing needs without the necessity of another massive training needs assessment.

Evaluators, although of central importance to GAO, are by no means the only staff who need training. The various nonevaluator series of employees and the secretarial-clerical staff are all vital for achieving the agency's mission. A formal training needs assessment has been completed for the secretarial-clerical staff and is underway for the other series in conjunction with the development of performance appraisal systems.

Designing the Curriculum

As a guide to developing a comprehensive curriculum for all GAO staff, the Training Branch developed a training

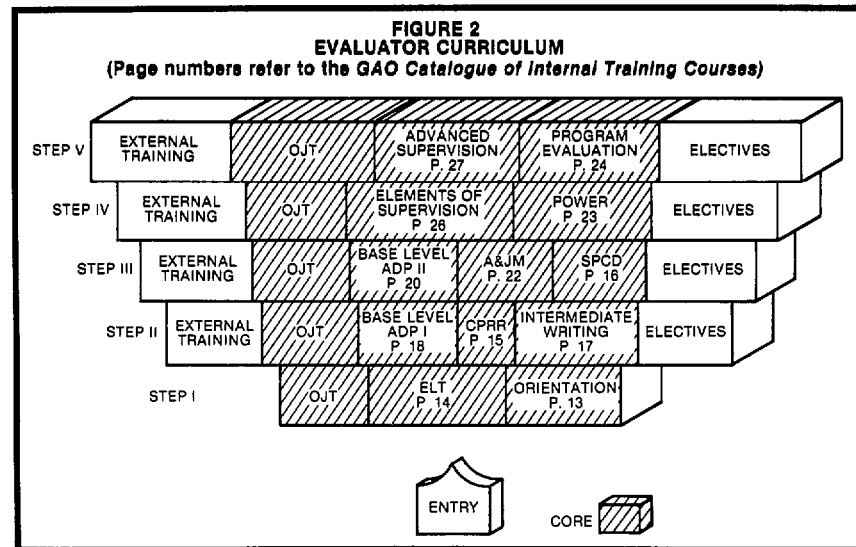
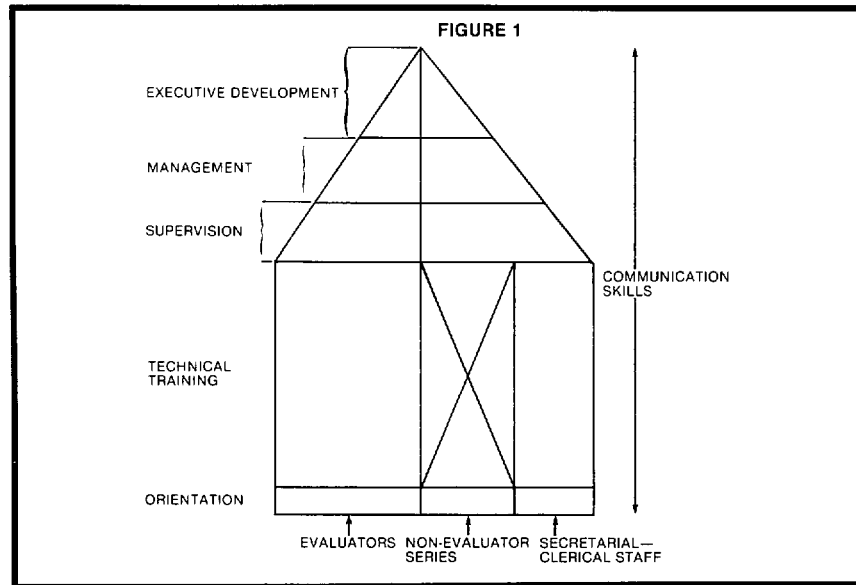
curriculum framework to encompass the entire population at GAO and to include the complete range of courses that could reasonably be offered. The framework is a simple modified matrix, illustrated in figure 1, and is derived from answers to the questions: Whom are we training? and What are we training them to do?

Our answers are that, broadly speaking, we train evaluators, nonevaluator staff, and secretarial-clerical staff and that we divide the topics these audiences need to know into five categories: orientation, technical courses, supervision, management, and executive development activities. In figure 1, the triangle over the rectangle illustrates the decreasing number of employees eligible for the latter three categories.

In the early stages of the development of this model, communication skills were listed as another course category. Apart from being taught in the Skills for Performance and Career Development course, communication skills are now taught as parts of other courses so that their applicability to the job becomes obvious.

As we proceed with our course design, every module, and therefore every course, can be placed in this framework. In addition, we can use the framework to see training as a logical and unified activity from two perspectives. We have designed a series of core orientation modules, for example, that can be presented to new employees ranging from clerk-typists at their first job to upper-level managers. This eliminates the need for the three distinct orientation programs that existed in the past. Core modules are supplemented by additional modules to meet the specialized needs of the distinct audiences. The framework also makes it possible for us to delineate clearly what core modules, courses, or programs each employee participates in as he or she proceeds from one grade level to the next, all the way from orientation to executive development. Core modules are supplemented by electives, on-the-job training, and external training. Figures 2, 3, and 4 depict, in building-block fashion, the core and elective curricula for the evaluator staff, the nonevaluator staff, and the secretarial-clerical staff.

In addition to the technical training for evaluators (figure 2), the branch administers a curriculum of ADP courses. An ADP training needs assessment is now in process, and these courses will soon be revised. Other technical training



areas under development are defense auditing and financial accounting.

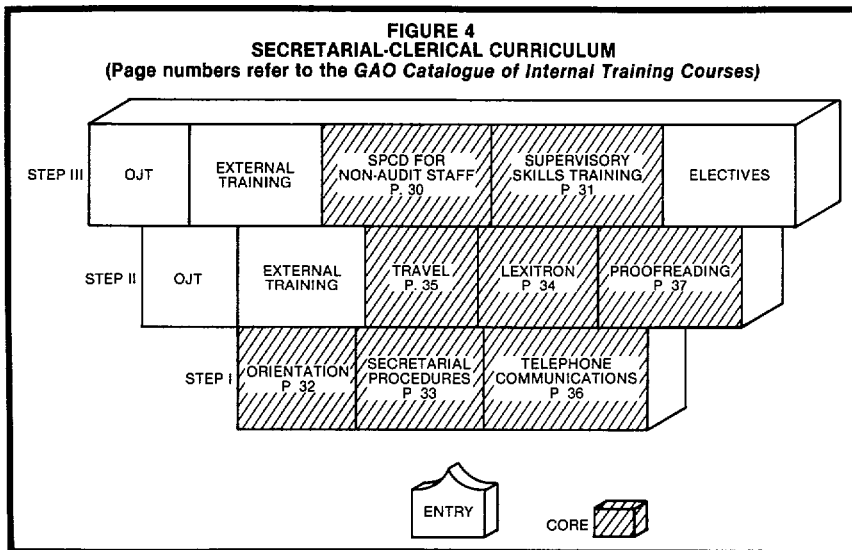
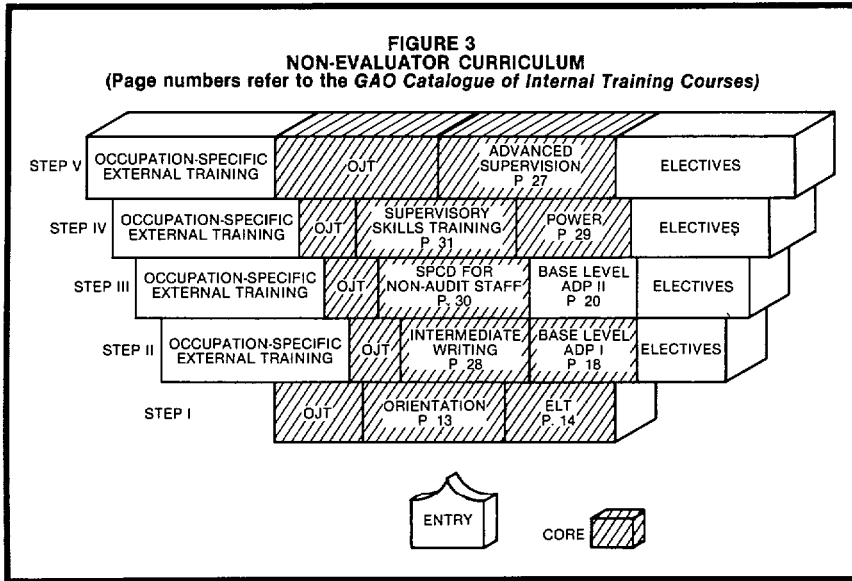
Figure 3 shows that the internal training offered to the nonaudit staff is essentially generic. The number of employees requiring specialized training in many areas is too small to warrant an extensive internal training effort. To redress a potential imbalance between training for evaluators and training for other groups of employees, external training funds for nonevaluators are more generous than for evaluators.

Systematic Development

How do the education specialists

who make up the staff of the Training Branch go about designing a course in a systematic manner? The first step, after the training need has been identified, is to compare this need with the *Training Needs Assessment of the Audit Function*. The assessment may corroborate the need; if not, the need may still exist and may be the result of changes in policies or external technological changes.

Once the need is validated and documented, the Training Branch establishes a team to develop training activities (course, seminar, job aid, workshop). The team consists of education specialists, one of whom is the project leader responsible for planning, assigning tasks, and monitoring the progress of the project; subject



matter experts drawn from the population for which the course is designed; an evaluation expert from the Evaluation Branch; an audiovisual technician from the Technical Resources Section; and a representative from the Office of Policy. (The Office of Policy is responsible for ensuring that all training conforms to the policy guidelines contained in the *CAM*, the *Project Manual*, and the *Report Manual*.) This team sees the activity through several pilot offerings, and when it is assured that the activity is meeting the identified need, the activity is turned over to the Training Branch for ongoing implementation. Periodically, evaluation personnel will assist in evaluating the course and its effectiveness.

Steps in the developmental process
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include writing behavioral objectives, i.e., precise statements of what an employee will be able to do at the end of the training, and outlining subject matter, identifying appropriate learning methods, developing tests and other evaluation instruments, and finally, writing lesson plans. During the pilot stage, the developers also identify and train the instructors who will teach the course.

Although the Training Branch takes on the major administrative responsibility for courses, the branch is still dependent during the implementation phase on highly skilled GAO employees to carry out the classroom instruction. This is particularly important in the technical area. While the education specialist can design courses to

teach participants in the most efficient and effective way, the subject matter experts are essential for credible presentation of the material. To help instructors understand the developmental and educational principles that inform the training program, the branch runs "training of trainer" programs stressing content mastery by the potential trainer and also presentation and group interaction skills.

To date, the redesign of GAO's training has focused on technical auditor/evaluator and secretarial training. As we move into fiscal year 1982, the focus will shift to the management and executive development area and to specialized technical areas, such as automatic data processing. However, the same systematic developmental principles will apply. The delivery of courses and programs in these areas is greatly enhanced by the acquisition of GAO's own Management Development Center in Georgetown. The Center's space, with its flexible classroom and seminar areas, is specifically designed for managerial training.

Training Goals

Among the goals formulated by the staff of the Training Branch is the desire to upgrade the very notion of training in the agency and, in fact, our ideal is to create a model government training program in GAO. This effort requires a high-level commitment, and we must be able to show that, in fact, training does make a difference. It is not merely an excuse to escape the daily routine of the office; it is an opportunity to learn new techniques and skills for personal and career advancement and to improve GAO's overall work quality. Furthermore, with a uniform evaluation of training and the new performance appraisal systems, our programs will keep pace with the changes in GAO's work methods. In adapting to change, in continuing its effectiveness, and in carrying out its mission, training is GAO's crucial key.



Carl E. Wisler

Mr. Wisler joined GAO in 1980 after working for the Navy Department at a missile testing range and more recently at the Department of Education as the director of an evaluation division. He received bachelor's and masters degrees in physics from Kansas State University Emporia. Mr. Wisler is presently a deputy associate director of the Institute of Program Evaluation. He is a member of the Evaluation Research Society, the American Association for the Advancement of Science, and the American Educational Research Association.

The Logic of Evaluating Program Effects

In the aftermath of the Three Mile Island nuclear accident, reports trickled in from the Pennsylvania countryside about devastating radiation effects on plant and animal life. There were stories of unusual animal deaths: 500 birds were reported to have died within a 2-hour period. There were tales of animal birth deformities, glowing fish, calves that could not stand, and goats and horses that failed to breed. There was suspicious damage to plants and trees. Fewer toads were seen than in previous years.

Concern about these reports led to an intensive investigation by the Nuclear Regulatory Commission. Aided by the Pennsylvania Department of Agriculture and the Federal Environmental Protection Agency, the Commission completed its study in October 1980.

After examination of the incidents, experts concluded that radiation from Three Mile Island was not to blame. The birds appeared to have died from toxic fumes or an overheated aviary. The goats suffered from genetic infertility, the horses from a chronic infection. The calves were found to have nutritional deficiencies; adding vitamin and mineral supplements to the livestock diet eliminated the problem. Toad sightings had been declining in Eastern States over the last 20 years. One by one each of the incidents was found to be unrelated to radiation released from the damaged nuclear power plant.

In most of the cases, it was plausible to suppose that radiation might have caused the problem. But on closer, more careful inspection, radiation was always ruled out in favor of more mundane, less unsettling explanations.

GAO evaluators often face similar, if less dramatic, situations. Like the radiation from Three Mile Island, Federal Government actions may or may not explain seemingly related effects in the countryside. In looking for the impact of government programs, GAO evaluators must usually sort through a variety of competing explanations for observed phenomena. Fortunately, there is a logic to the sorting process which evaluators can use to guide their reasoning. This article will discuss two elementary but important features of that logic and illustrate the ideas by

looking at the problems of evaluating the effect of a crime control program.

Evaluating a Program: Two Key Concepts

By most accounts, crime is increasing in the United States. Despite widespread public concern, despite increased expenditures, new law enforcement and new criminal justice procedures, and despite efforts to solve underlying social problems, crimes still seem to be on the increase. Because some government programs may in fact be effective in reducing crime, it is the test of the evaluator to find which ones work and which ones don't. The evaluator's craft depends on two key concepts: (1) comparing what is observed to happen when a government program is in operation with an estimate of what would have happened in the absence of the program, and (2) identifying possible causes of observed effects and distinguishing those caused by the program, if any, from all other effects.

A Crime Control Example

These concepts may be illustrated by looking at programs aimed at deterring crime. Society threatens to punish individuals who commit a crime with the hope that individuals will be deterred from breaking the law. For example, if a potential criminal believes that a new, increased level of police patrol will increase the chances of arrest and subsequent punishment for committing a crime, the threat of punishment may reduce the number of crimes.

In the case of a new police patrol program to deter crime, the evaluator's job is to find out what happens when the program is in operation and to make judgments about whether the phenomena observed are connected to the program. The easy part of the job is to go to a place where the new police patrol program is operating, collect data on the number of crimes reported, and compute the crime rate—the number of crimes reported divided by the size of the population in the area. In practice,

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determining the crime rate while the program is operating may be rather difficult but it is conceptually easier than the next step.

Estimating What Would Have Happened Without the Program

What the evaluator would like to do next is impossible: the evaluator would like to reset the clock. The best possible test of the police patrol program's effectiveness would be to eliminate the program, turn time back to a point before the program existed, and let history unfold again. All would be the same, the setting, the players, other historical events, except that everyone would behave as if the program had never existed. A second crime rate would be computed after an equivalent amount of elapsed time and the effect of the program would just be the difference between the two crime rates.

Because the clock cannot be reset, the evaluator must devise another approach for discovering what the crime rate would have been without the new patrol program. An alternative to resetting the clock is the first key concept in measuring the effect of a program. The evaluator determines the effect by contrasting the crime rate during program operation as measured as before with an *estimate* of what the rate would have been without the program. In making this estimate, the skill and power of the evaluator are tested.

The Evaluator's Dilemma

There are many ways to make the estimate. Some are practical and some are not. Some are costly and some are inexpensive. But perhaps most important, some estimates closely approximate the hypothetical result and some do not. If the deviation is large, there is a good chance that the wrong inference will be made about the effectiveness of the program. For example, if the estimate of the crime rate without the program is understated, the program may be mistaken as a failure. If the rate is exaggerated, the opposite error will be made and the program will appear to be a success when it is not.

The evaluator's job for any program is difficult because there are many

ways to make poor estimates of what would have happened in the absence of the program and few ways to make good estimates. To make matters worse, it is frequently hard to know if one's estimate is good or bad.

Choosing a Way to Estimate Program Effects

However, certain ways of estimating are generally regarded as better than others. Random experiments, for example, developed by agriculturists over 50 years ago are usually considered the best approach. To determine the effectiveness of the fertilizer, agriculturists staked off their corn fields into rectangular plots and randomly fertilized some plots and not others. The yield of corn from plots with fertilizer was compared to the yield of plots without fertilizer. The unfertilized plots gave an estimate of what would have happened if the clock had been reset. This procedure is not perfect because a difference in yield between fertilized and unfertilized plots is possibly not due to the fertilizer. Nevertheless, the random experiment is usually better than any other procedure.

Unfortunately, random experiments are not easily applied to many broad government programs. So instead of using the agriculturist's scheme to estimate program effects, present day evaluators have devised many other techniques, usually not quite as good as the random experiment but easier to do. The other schemes, though often complicated to describe, are just different ways to estimate what would have happened in the absence of a program. Each scheme has certain strengths and weaknesses. All are flawed, however, because the evaluator can never be sure that what appears to be caused by the program is not caused by something else. In any given application, it is not easy to tell which procedure will produce the greatest certainty about what caused observed effects. So it is part of the evaluator's job to choose the best approach.

Finding Causes for Observed Effects

This choice leads to the second major concept in the evaluator's logic: to acknowledge from the outset that an

observed effect may have many causes, with the program in question being just one, and to design the evaluation accordingly. The evaluator then tries to think of other possible causes in advance and set up the evaluation so that if an effect is observed, all causes except the program can be ruled out. The process of anticipating possible causes and ways to rule them out largely determines what procedure the evaluator will use to estimate effects caused by the program.

When considering the question of whether an increased level of police patrol deters crime, the evaluator must look at alternative explanations for a change in the crime rate. One major difficulty is the number of people deterred from crime cannot be measured; obviously individuals are not going to tell an evaluator when they would have committed crimes had they not feared arrest.

Unable to directly measure the deterrent effect of police patrols, the evaluator must use the crime rate or some other indirect measure. This is a problem, however, because many factors can affect crime rates besides an increased or decreased level of patrol. For example, rising levels of unemployment may encourage more people to commit crimes as a way to survive, therefore, the increase in crimes should not be attributed solely to a decreased level of police deterrence. Again, higher prices for gold and silver may simply make crime more profitable and worth the risk of apprehension. Conversely, high employment and increased prosperity could be the reasons behind reduced crime rates, rather than higher police deterrence. There will often be a number of plausible explanations and the evaluator must assume that each, to some extent, accounts for the observed effects.

The tools the evaluator might use to isolate the effect of a police patrol program on the crime rate are varied and complex but they often include collecting information pertaining to the other possible causes and then applying statistical procedures to make the evaluation somewhat comparable to a random experiment. The important point is that if anything useful is to be learned about program effects, the ways to rule out alternative causes must be planned in advance of doing the evaluation.

What About Unintended Effects?

Although a new crime control program might affect the crime rate, the program could also have unintended effects. To make a comprehensive assessment of the value of a program, one should know about all effects, whether they are good or bad. Looking for unintended effects can greatly complicate the evaluator's job because the evaluator must again sort through the possible causes. What might seem to be a bad program effect, for example, is perhaps attributable to some cause other than the program. The evaluator must apply judgment and confine the investigation to a limited set of unintended effects and a limited number of plausible causes.

A program of increased police patrols could have the unintended bad effect of causing citizens to see greater surveillance as harassment. Because police-community relations are sometimes fragile, especially in high-crime areas, an evaluation of police patrol practices should look at real or perceived harassment as a possible effect. The problem is obvious, however, because many other factors can be related to and perhaps cause harassment.

Credibility of the Evaluation Depends Upon Adhering to the Logic of Cause and Effect

There is no single approach to evaluating the effects of government programs. Choosing the best approach involves making tradeoffs among factors like cost, degree of confidence in the results, time to do the job, and administrative ease. But each approach should be based upon the logic of (1) comparing what happened during program operation to what would have happened in the absence of a program and (2) isolating the effects which can be attributed to the program from all other possible effects.

Where to Look for More About Evaluating Program Effects

Basic evaluation texts

Rossi, P. H., H. E. Freeman and S. R. Wright. *Evaluation: A Systematic Approach*. Sage Publications, 1979.

A currently popular, elementary text in evaluation methodology.

Cook, T. D., and D. T. Campbell. *Quasi-Experimentation: Design and Analysis Issue for Field Settings*. Rand McNally, 1979. **For a deeper understanding of the evaluator's approach to cause and effect. A definitive work.**

Major evaluations illustrating the problems of inferring cause and effect

Police patrols

Kelling, G. L., T. Pate, D. Dieckman, and C. E. Brown. *The Kansas City Preventive Patrol Experiment*. The Police Foundation, 1974. Summarized in *Evaluation Studies Review Annual*, Vol. 1, Glass. Sage Publications, 1976. **A pathbreaking early experiment with police patrols.**

Larson, R. C. "What Happened to Patrol Operations in Kansas City?" *The Journal of Criminal Justice*, 3 (Jan. 1976). Condensed in the *Evaluation Studies Review Annual*, Vol. 3, Cook and Associates. Sage Publications, 1978. **An important critique of the experiment by Kelling, et al.**

Risman, B. J. "The Kansas City Preventive Patrol Experiment: A Continuing Debate." *Evaluation Review*, 4, No. 6 (1980). **A critique of Larson's critique.**

Income maintenance

Watts, H. W. and A. Rees. *The New Jersey Income-Maintenance Experiment*. Vols. I-IV. Academic Press, 1977. **A lengthy report on the first of four income maintenance experiments. From the people who managed the study.**

Rossi, P. H., and K. C. Lyall. *Reforming Public Welfare: A Critique of the Negative Tax Experiment*. Russell Sage Foundation, 1976. **A major**

review of the New Jersey experiment.

"Income Maintenance Experiments: Need to Summarize Results and Communicate the Lessons Learned," (HRD-81-46, April, 1981). **A GAO review of all four income maintenance experiments.**

Compensatory education

Cicarelli, V. G., et al. *The Impact of Head Start: An Evaluation of the Effects of Head Start on Children's Cognitive and Affective Development*. Ohio University and Westinghouse Learning Corp., 1969. **One of the first major evaluations of a compensatory education program.**

Campbell, D. T., and A. E. Erlebacher. "How Regression Artifacts in Quasi-Experimental Evaluations Can Mistakenly Make Compensatory Education Look Harmful." In *Compensatory Education: A National Debate*. J. Helmuth. (Ed.). Brunner/Mazel, 1970. **An important methodological critique of the Head Start evaluation which raises questions about the inferences drawn.**

Cicarelli, V. G. "The Relevance of the Regression Artifact Problem to the Westinghouse-Ohio Evaluations of Headstart: Reply to Campbell and Erlebacher." In *Compensatory Education: A National Debate*. J. Helmuth (Ed.). Brunner/Mazel, 1970. **The manager of the Head Start evaluation responds to the critics.**

Evans, J. W., and J. Schiller. "How Preoccupations With Possible Regression Artifacts Can Lead to a Faulty Strategy for the Evaluation of Social Action Programs: A Reply to Campbell and Erlebacher." In *Compensation Education: A National Debate*. J. Helmuth. (Ed.). Brunner/Mazel, 1970. **The government officials in charge of the Head Start evaluation answer the critics.**

The Three Mile Island Case

Gears, G. E., et al. *Investigations of Reported Plant and Animal Health Effects in the Three Mile Island Area*. U.S. Nuclear Regulatory Commission, Oct. 1980. **Though not written from an evaluator's point of view, the underlying questions about cause and effect are the same as those faced by program evaluators.**



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Evolution of U.S. Fiscal Federalism

Through GAO's affiliation with the American Consortium for International Public Administration, the Office was asked to prepare a paper on trends in fiscal federalism for the International Institute of Administrative Sciences. This article is the result of that request.

The federal system of government was a logical choice for a nation which arose from a group of separate entities—the 13 colonies which became the first 13 States. However, the fear of a strong central government was pervasive enough when the new Nation was organized that the power to raise revenue was given to the States, with the national government assigning certain expenses to each one. Sometimes the States would pay their assessed shares, in other instances they would not. At that time (1781-1788) the fundamental framework of U.S. government was embodied in the Articles of Confederation. When it became apparent that this system of government was not the best, a new Constitution, effective in 1789, was adopted.

Under the Constitution, the U.S. Congress received the power "to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States." Thus the Federal Government has concurrent jurisdiction with the States in nearly all fields of taxation. This also marked the beginning of presidential government: although the colonies had declared themselves independent states in 1776, there was no chief executive until President George Washington assumed the post in April 1789.

Early Stages

The first half of the 19th century was a time of rapid geographic expansion and industrial growth. The national government established itself as the recognized focal point of government. However, State governments also gained political strength, all the while maintaining diverse sectional interests which culminated in the 1861-1865 Civil War between the United States and the secessionist Confederate States of America. The strong role played by the Union (Washington)

government to win the war and mold the country into a single nation had the effect of weakening the role of State governments. In fact, many Southern States revised their constitutions in the last two decades of the century, and in so doing, restricted the powers of their legislatures and governors greatly.

The first quarter of the 20th century saw little change in the proportion of taxes collected and funds spent by each level of government. The Federal Government spent approximately 20 percent of the funds devoted to nonmilitary purposes while State and local governments (including counties, cities, and towns) spent about 80 percent. However, the structure of the tax system changed radically during this period. In 1902, income taxation was so small a portion of tax revenue that precise statistics were not kept on the percentage of tax revenue it comprised. By 1927 income taxes comprised 64 percent of Federal and 10 percent of State tax revenues. In 1902 consumption taxes (such as sales and liquor taxes) accounted for 95 percent of total Federal revenue and 18 percent at the State level. By 1927 these had declined markedly as a share of total Federal tax revenue but were increasing at the State level. Only local forms of taxes remained relatively consistent—property taxes provided almost all local tax revenue.

Impact of the Depression

The economic havoc wrought by the depression of the 1930's did more to change the intergovernmental financial picture than all of the events of the preceding 140 years. It quickly became clear that State and local governments could not mount the massive relief and welfare efforts needed. Property taxes simply were not paid by families whose breadwinners were unemployed, and the economic chaos was heightened by massive crop failures due to drought. State governments did not have the resources or administrative mechanisms to effectively rescue local units.

This, then, was the climate in which President Roosevelt created the "New Deal"—a complex combination of public works projects, work relief, and direct

financial assistance. In 1935 the Social Security system was created by legislation which provided for a Federal program of old-age insurance. It established a Federal-State system of unemployment insurance and an extensive system of grants for public assistance. State and local governments were called upon to participate in these programs and were reimbursed for about half their costs.

At about the same time, the judicial branch also began to rule in favor of a more integrated Federal system. The Supreme Court had formerly tended to rule more in favor of stricter boundaries between Federal and State activities. During the New Deal era, however, the Court interpreted the national government's responsibility to provide for the "general welfare" as one not bound by judicial restrictions on the amounts or purposes of Federal spending.

Thus, the Federal Government's role expanded greatly, not only in terms of financial assistance, but also with respect to regulatory activities. A prime target of Federal oversight was the finance industry. Aspects of investment activity and banking practices were restricted, and many regulations were designed to protect the consumer. While there were those who argued at the time that State governments had been ineffective in meeting the various economic crises and should be dissolved, in retrospect it is possible that the magnitude of the Depression only forced a stronger Federal role in a system of finance which itself was expanding far beyond the bounds foreseen by the framers of the Constitution.

Post-World War II Shifts

World War II also had a dampening effect on State and local spending patterns. Between 1940 and 1944 Federal spending rose from \$10.1 billion to \$100.5 billion, while State and local spending declined from \$11.2 billion to \$10.5 billion. However, when the war ended, the Federal Government quickly dismantled its military machine and withdrew to its prewar activities.

The Federal Government's role as promoter of economic stabilization was formally recognized in the Employment Act of 1946, which established a national goal of full employment. This legislation reflected a shift in thinking

rather than a series of Federal programs.

The 1950's also saw a change in intergovernmental fiscal relations. With the population boom and increased use of the automobile after World War II, State and local spending was devoted primarily to schools, roads, and other facilities and infrastructure requirements needed to accommodate a population shift from central cities to suburbs. The Federal Government contributed to much of this development through Federal grants, particularly for highway construction, and through Federal programs to stimulate the availability of financing for home construction and purchase in the suburban areas.

Most Recent History

In raising revenue to meet their expenses, the three levels of government use somewhat different sources. Currently the Federal Government gets approximately 45 percent of its revenue from individual income taxes, 30 percent from social insurance receipts, and 12 percent from corporate income taxes. Another 13 percent comes from excise taxes, borrowing, and other sources. States also use the income tax source (26 percent from individuals and 10 from corporations) but obtain most revenue from sales taxes (51 percent). Eleven percent comes from miscellaneous sources, such as motor vehicle and estate taxes. Property taxes are now almost the exclusive domain of local governments, which raise 77 percent of their revenues from this source. Thirteen percent is derived from sales taxes, while 6 percent is from individual income tax and 4 percent from other sources.

Despite the variety of income sources available to them, during the 1960's State and local governments found themselves unable to expand their revenue base as quickly as residents increased their demands for services. This situation was somewhat eased by the Federal Government's expanded role (through what became known as President Johnson's "Great Society" programs), which greatly increased grants from the Federal to State and local governments. Federal aid to State and local governments has grown from approximately \$7 billion in fiscal year 1960 to over \$90 billion in fiscal year 1981, with an annual growth

rate during the 1970's of about \$6 billion (15 percent) per year. The number of Federal programs providing assistance to these other levels of government climbed from 150 in 1960 to 498 in 1979. The purpose of many programs is to stimulate State and local action in behalf of stated national purposes, while a more limited number of programs support the ongoing operations of these governments. The programs cover almost every conceivable area (health, education, law enforcement, transportation, urban development, and others), and there are also many ways of dispensing the aid.

Some of the aid has gone directly to local governments, but the majority has gone to States or been funneled through States to local units. Some has been provided for specific functions or projects (categorical grants), while other funds have been for more general purposes within a given area (block grants). Revenue sharing has been popular with State and local governments, since it is provided with essentially no Federal instructions. Because of increasing complaints from State and local government recipients that Federal funds come with too many requirements which detract from actual program implementation, the trend has been shifting to more of the block grant or revenue sharing approaches.

This gradual shift has more recently accelerated, given that President Reagan's economic program calls for the return to State and local governments of responsibility for some of the programs the Federal Government now funds. The President plans to reduce the number of categorical grants and replace them with block grants. The changes also contemplate reduced Federal funding in many areas. At this point, it is too soon to project the long-term effects of these initiatives on intergovernmental fiscal relations, but it is probably fair to say that the balance of responsibility will shift somewhat from the Federal to the State and local levels.

A Different Perspective: Intergovernmental Auditing and Evaluation

In promoting GAO's efforts to seek cooperation among Federal, State, and local auditors and evaluators, the *Review* is introducing this new intergovernmental series. We encourage our State and local colleagues to contribute articles relevant to the intergovernmental audit and evaluation community.

We offer a special thanks to the Section on Management Sciences of the American Society for Public Administration for generating the idea for the intergovernmental series. The following three articles were adapted from an ASPA symposium on this subject.

State Auditors and Performance Audits of Federal Programs

This article examines the advantages and disadvantages of auditing federally funded programs operated by the States. By developing some formal audit agreements between the different levels of government, auditors will be able to make more efficient and effective use of Federal and State resources.

Introduction

Since 1960 Federal aid to State governments has increased eightfold, to an estimated \$60 billion annually. These funds flow through a maze of about 500 grant-in-aid programs and comprise 25 percent of the revenues of State governments. This massive influx of Federal dollars has had a major effect on the organization and operations of State government. Entire State agencies have been created with the

primary purpose of distributing Federal funds. Moreover, virtually no State agency is unaffected by Federal grant regulations mandating program, personnel, audit, statistical reporting, and other requirements. Such requirements, however, have been mandated in almost as many ways as there are grant-in-aid programs, causing great confusion on the part of State program administrators. In the areas of statistical reporting and audit, for example, numerous reports have been generated for some programs with little evaluation as to their usefulness, while other programs have gone untouched.

Along with the increase in Federal grants has come a corresponding increase in the States' investment in these programs, because most programs require the States to match the Federal contributions. More and more



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State legislatures are asking, "Is it worth it to continue investing in these Federal programs?" "Are we getting our money's worth?" To answer these questions, they are asking for performance audits on these programs. As a result, programs like Medicaid and CETA have become some of the most frequently audited in the country despite the fact that most State auditors have limited resources and abilities to conduct performance audits. In Kansas performance audits of Federal programs have provided some insights that State auditors should consider when auditing and recommending changes in both State funded and federally aided programs.

Benefits of Auditing Federally Aided Programs

Federally aided programs are often much easier to audit than similar programs with no Federal funds. There are three main reasons for this. First, federally aided programs generally have more detailed standards and objectives to measure against. Second, they usually have quality control and evaluation requirements. Third, because of the standards and quality-control requirements, agency officials have usually been subject to previous scrutiny and thus are more familiar with the nature and purpose of an evaluation. For these reasons it is easier for the auditors to do their job because they better understand the kinds and types of data needed. All of these points have been confirmed in performance audits of both federally aided and similar State-funded programs conducted by the Kansas Legislative Division of Post Audit. In one audit, the Division compared a State program having no standards for efficiency and effectiveness with a similar federally aided program having these standards. The results of the audit confirmed two things: first, the program with the clearly articulated standards ran better; and second, these standards made the program easier to audit.

Comparing State and Federally Funded Programs

In evaluating the 100 percent State-funded General Assistance program

(cash assistance for those who have economic need but do not meet the noneconomic criteria of federally aided welfare programs), the auditors compared the program's operation to that of the federally assisted Aid to Families with Dependent Children Program (AFDC) administered by the same State agency. The comparison identified a number of similarities and differences between the programs. The main similarity was that the administering agency used the same rules and regulations, policies and procedures, and staff to administer both programs. The programs had different noneconomic eligibility criteria. The main differences in the programs, however, centered around Federal standards and quality-control requirements.

The AFDC program was subject to a federally mandated quality control review. This review was required on a continuing basis by a separate unit within the administering agency. The purpose of the review was to determine how much money was paid in error and to use these findings to reduce future errors. The State program was not subject to a similar review. When the auditors asked why, the agency said the review was costly and was done for the AFDC program only because it was required to keep Federal funding. The agency also pointed out that it had to keep its error rate at an acceptable level or that it would lose Federal funding.

The auditors, using the federally required quality control review procedures as a framework, conducted a similar review of the State program and compared the results of that review to a quality control review done on AFDC for the same period. They found that 17.6 percent of the dollar value of the State program's claims were paid in error. In comparison, only 5.2 percent of the dollar value of the AFDC program's claims were paid in error. As a result, an estimated \$2.0 million of the \$11.2 million paid to clients in the State program was paid in error. If the State program error rate had been as low as the AFDC program's error rate, as much as \$1.4 million could have been saved.

After conducting the review, the auditors concluded that the wide difference in the error rates between the two programs occurred because the State program was not subject to the same level of scrutiny as the AFDC program. They based this conclusion on several factors. First, recipient reports in the

State program were generally much more poorly maintained than those in the AFDC program. Several caseworkers and agency supervisors indicated that the records were in this condition because no one had ever conducted an outside review of them before.

Additionally, internal caseworker re-evaluations of State program recipients were often done less frequently than required while AFDC reviews were more timely, again because no one was checking on them. Moreover, caseworkers were much more careful about ensuring the AFDC recipients submitted required information on income received, employment status, requirements to seek employment, living arrangements, and disability than they were for State program recipients; again because no one was checking on them. The auditors also concluded that the agency was more careful about collecting identified overpayments from AFDC recipients than it was from State program recipients; because of potential penalties. In fiscal year 1977, for example, the agency recovered 12 percent of the estimated overpayments in the AFDC program while recovering only 4 percent of the State program overpayments.

A final difference was that the agency actively referred AFDC recipients to social services and training designed to help remove their need for welfare, while it did not encourage State program recipients to use those same services. There were a limited number of slots available in most programs and they were being reserved for the AFDC recipients because of Federal requirements. As a result, only 7 percent of the State program recipients received social services. By contrast, 34 percent of the AFDC recipients received these services.

The auditors found overall that the State program, although operated side by side with the federally aided program using virtually identical guidelines and procedures was much more poorly managed. The difference was mainly that the federally aided program was not only subject to Federal rules and regulations but also to continuing review along with penalties for poor performance. The auditors used the Federal rules and review procedures to their advantage in formulating recommendations for improving the State program.

Difficulties of Auditing Federal Programs

Although Federal programs are often easier to audit because of the rules and regulations governing their operation, they are harder to fix or change for the same reason. When State auditors find problems and recommend changes, they often find that the changes cannot be made because of those rules. Because Federal rules apply to programs in all 50 States getting changes made in only one State is difficult, especially because no formal mechanism exists for State auditors to suggest program changes to Federal agencies administering the programs. These problems even extend to wholly State-funded programs because those programs are often dependent on federally aided programs in some way.

Federal Regulations Hinder Program Improvements

Three examples involving Kansas' General Assistance program demonstrate how Federal rules impede program improvements. In one instance, the State unnecessarily paid \$275,000 in cash assistance and another \$1 million in medical benefits each year to State General Assistance recipients. This money went to people who were eventually admitted into the Federal Supplemental Security Income Program but who received General Assistance while waiting for a determination of eligibility for that program. Eligibility was based on a finding of long-term disability by a State welfare agency unit under contract to the Social Security Administration. When the auditors found that the criteria for disability used by the unit were identical to those used by the agency for determining eligibility for General Assistance as a disabled recipient (a determination made by a private physician), the auditors suggested that the State disability determination unit accept the private physician's diagnosis and save the State from putting these people on the General Assistance program. The State agency said the Social Security Administration would not accept the determinations made by a private physician under the General Assistance program or even determinations made under the federally aided Medicaid program.

Another instance of Federal rules

preventing the auditors from improving the State program involved the State's employment service. About 40 percent of the General Assistance clients were on welfare because they could not get a job. The auditors recommended that the federally funded job service program provide more help in finding them jobs. The State agency administering that program did not want to provide additional help, however, because General Assistance recipients, as a class, were harder to place in jobs than most others using the job service program. Additionally, the agency's Federal funds for the program were tied to its rate of successful placement.

A third instance involving the General Assistance program was far more serious. The auditors' ability to audit the wholly State-funded program was threatened by Federal rules and regulations and a lack of cooperation from the U.S. Department of Health and Human Services (HHS). The audited agency denied the auditors access to confidential recipient records, because Federal confidentiality laws prohibited auditors from seeing certain materials included in their records. The auditors appealed to HHS for a ruling. It took the Kansas Legislative Division of Post Audit 3 months to get HHS to conclude that it was a State matter. During that time, fieldwork for the audit was delayed. These problems may be considered minor, however, in comparison to those faced by the auditors in recommending changes to the State's severely troubled nursing home regulatory program, a federally mandated and aided program.

The auditors found that the program was indeed poorly administered and that the State's regulation of nursing homes favored the industry rather than the public. Historically, 20 percent of the States nursing homes had repeatedly violated laws and regulations, yet very little enforcement action had been taken and the homes had been relicensed in violation of State law. Also, the auditors found that the agency had ignored a large percentage of public complaints on the poor conditions in the nursing homes. All of the problems were traced directly to the way the State agency administered the regulatory program. The Legislature had recognized these problems for several years and had made repeated efforts to correct them by bolstering the agency's enforcement powers. Because the problems were serious the auditors concluded that the program

could be successful only if it were administered by a new staff in another agency. Consequently, the audit recommended that the nursing home regulatory program be transferred to another agency.

Unfortunately, the recommendation conflicted with Federal regulations, which require that the same State agency must conduct certification inspections for all health facilities participating in the Medicare and Medicaid programs.

Duplication of Effort Fosters Inefficiency

One last problem in auditing most federally aided programs is duplication of effort between Federal and State auditors. For example, just prior to Kansas' audit of nursing home licensing, HHS released an audit of nursing home certification in Kansas. In some cases audit topics are specifically related; in other cases they are not, although the same agency is being audited. Thus, a program agency can find itself subject to a continuous string of auditors and audits, all with different legal mandates, differing approaches, and consistently high demands on the time of the program officials. In some situations, this can escalate to the ridiculous. For example, during the General Assistance audit, Kansas auditors found themselves sharing office space and the program officials' time with auditors from GAO, HHS, and the State agency's own quality control auditors. Many of the program officials surely spent too little time administering their programs during all of these audits.

Suggested Changes in the Federal-State Audit Relationship

Many State-funded agencies and programs could benefit from some of the structure and controls present in many federally aided programs. However, structured guidelines, as noted earlier, may make programs harder to change or improve. Also because State performance auditors do not have a formal relationship with Federal program or audit personnel, communicating program problems to Federal officials is difficult. For the

administering Federal agencies communication seems to be one-way—down.

To make Federal and State performance audit efforts more productive and better coordinated, major changes in intergovernmental grant policies and procedures are needed. The GAO has begun to address this in a number of its recent audits. GAO's report entitled, "Federal-State Environmental Programs—The State Perspective," concluded that Federal rules, regulations, policies, and agency officials' attitudes towards State program officials caused numerous problems and program failures because of inflexibility and refusal to allow State input into the programs. GAO recommended that a new system be established to allow State participation on rulemaking, operation, and evaluation of the programs. Perhaps a similar approach ought to be adopted for other federally aided programs. This would help identify and resolve program problems before they reached the point of needing the auditor's attention.

Many problems, however, would slip through this process and become the subject of performance audits. When a federally aided program is the subject of a performance audit, more cooperation and coordination between Federal, State, and local auditors is necessary. Such an approach requires coordination between all audit groups before, during, and after the audit.

One example of good coordination would be to have two or more audit groups cooperatively perform an audit, with each group performing its own required work. Such an approach is used successfully by Federal and State bank examiners in several States. An alternative would be to persuade one of the audit agencies to incorporate certain approaches from another audit agency into its fieldwork with the agreement that such exchanges would be reciprocal. Either approach would seem to provide a more effective and efficient audit. Duplicative audit efforts and audit-related burdens on program personnel would be diminished.

To date, several cooperative audit ventures have been made, and the participants have reported favorable results.¹ These include reducing duplicative audit effort and costs, reducing disruptions to program personnel, and improving the chances of implementing important changes. With the introduction of the single audit concept for financial-compliance audits, the stage has been set for further coordination

between Federal and State performance audit work. Moreover, Federal and State auditors need to work through their intergovernmental audit forums to develop formal agreements for cooperating on performance audits of federally assisted programs. These agreements should cultivate cooperation in defining the scope of audits, allocating audit resources, reporting findings, and implementing recommendations. The final result of such an approach will be a more efficient and effective audit approach for both levels of Government.

¹ See for example "Reducing Duplication of Effort in Post Audits of Federal-State Programs," *The Internal Auditor*, June 1979, "Cooperative Audits Get the Job Done," *The Internal Auditor*, August 1979, and "Multiple Audit Objectives Can Be Satisfied through Expanded Scope Audits at the State Level," Mountain and Plains Intergovernmental Audit Forum, November 1979.



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The Challenge of Intergovernmental Politics for Evaluation Managers¹

Sharing the power and decisionmaking in many Federal programs is a significant aspect of the Reagan Administration's new economic package. For example, the administration plans to consolidate 24 educational grant programs into 1 block grant. Another proposal would consolidate some 40 health and welfare programs and leave the decision up to the States on how to distribute the over \$9 billion budgeted for fiscal year 1981. This trend will pose challenges to Federal evaluation managers.

Evaluation and the New Federalism

Decentralization of the programs does not mean that Federal policymakers are no longer concerned with program implementation and results. Rather, it means that evaluation managers will have to rethink how they can help in guiding these programs.

In situations where the politics of the new federalism brushes up against comprehensive national endeavors, evaluation managers need to redefine their assumptions about the decision-making process. That is, Federal programs which cross the jurisdictional lines of other government levels must be recognized as different from those in which other governments are not directly involved. Such multijurisdictional endeavors lack the kind of central control which the rational-comprehensive approach to evaluation management requires. In such cases, evaluation managers need to shift their perceptions about the manner in which information needs are determined, data is gathered, and control is executed.

An example of the successful application of the rational-comprehensive approach to program management is the national space effort headed by NASA since the 1960's. On the NASA effort, system values are ranked according to their importance, objectives identified, alternatives compared and the most promising alternative strategy selected, performance standards established, actual performance policy compared with standards, and results identified. These processes are

iterative and guidance comes from the top down. Because the program is centrally controlled, evaluative information is used quickly to redirect parts of the program. A uniformity of purpose is assumed to exist throughout the system. In other contexts, especially in the management of national programs which are intergovernmental in spirit (i.e., multijurisdictional), the rational-comprehensive approach used to describe the NASA management is not practical.

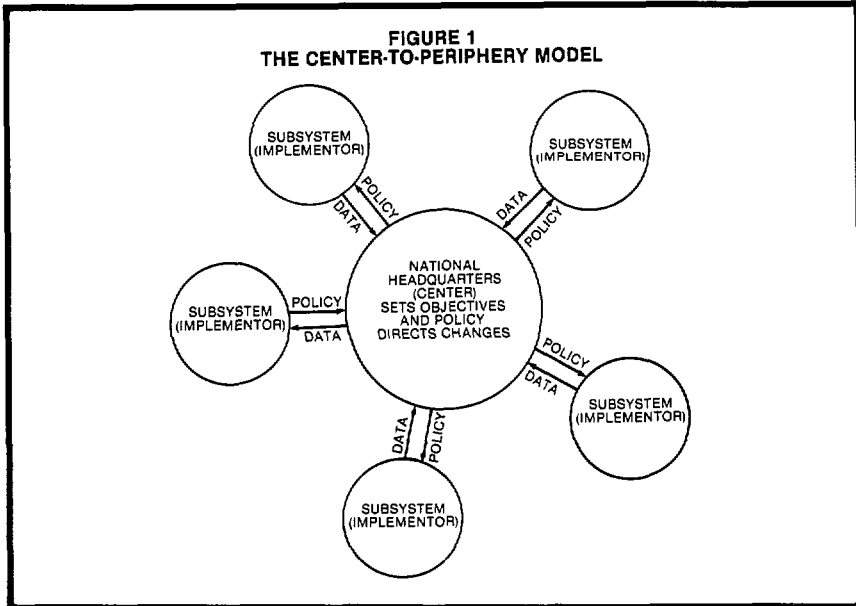
Two Models of the Political Environment

A look at their behavior reveals that Federal evaluation managers have not given sufficient recognition to the counterrational environment of the political system in which they operate. They behave as though their systems' policies are those set in Washington, and they proceed to evaluate effectiveness and performance at the State and local levels. This failure to see the realities of federalism leads the managers to endless attempts to reconcile alterations in policies as Federal monies and other resources filter through various political layers which comprise our national intergovernmental system.

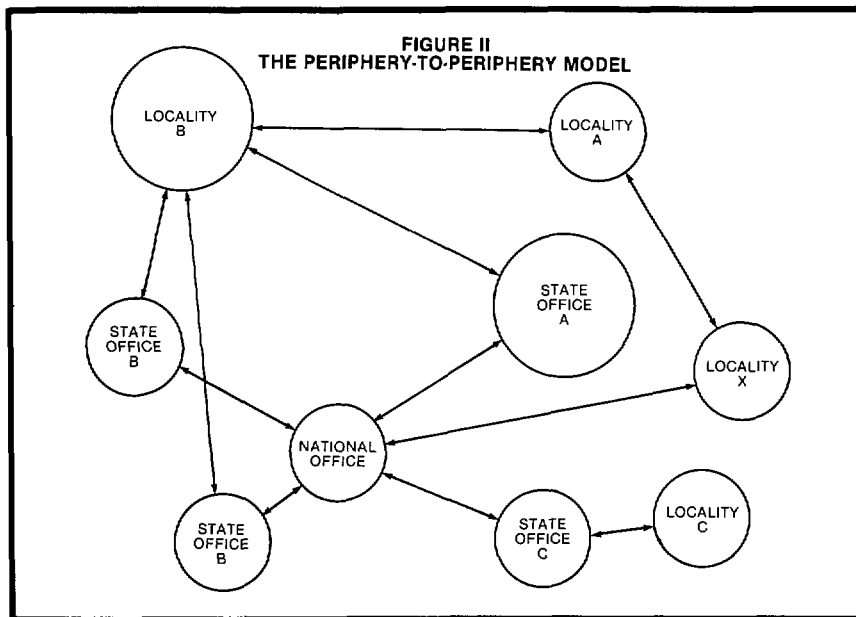
Consequently, these evaluation managers are frustrated by the lack of clarity of national purposes, the deviation of policy interpretations, and the variety of project/program designs employed at State and local levels to implement the Federal Government's objectives. They are dizzied by this "policy drift" and may, in fact, label it as "poor management." Their rational bent fails to accommodate the checks and balances of federalism, and this failure is reflected in their evaluation planning and design.

The Center-to-Periphery Model

In the nonintergovernmental context program control can generally be assumed to be centralized and evaluative information needs determined by



EXPLANATION: Headquarters (center) controls and directs the subsystems (periphery) Information flows from the periphery to the center and policy flows from the center to the periphery



EXPLANATION: A dynamic network of political "centers at the periphery" exists here Policy control and data exchange are variously exercised from periphery to periphery The Federal hierarchy of Federal-to-State-to-local rhetoric is not identifiable in the actual behavior of the system when the transactions from point to point are analyzed

the central program manager and policymakers. In such a centralized system, information obtained from its subsystems is planned, organized, and controlled from the top with the subsystems acting out relatively passive roles from a policymaking perspective. In

brief, these subsystems generate data which the central office uses to control the entire system (see figure I) This design, which we label the central-to-periphery model (see Schon, 1971), represents the rational-comprehensive example. This approach, however,

breaks down with federalism—where jurisdictional lines are crossed, policy is not unified in one location, the environment is charged with varying means-ends actions, and any one point in the system is incapable of planning, organizing, and controlling for all of the other components of the system itself.

The Periphery-to-Periphery Model

In federalism, the system lacks a unilateral center which exercises control over the subsystems. Rather, the control of the system is variously shared among the governments involved. Each government represents a "center" at the periphery of the system which is able to influence other "centers" at the periphery. States may influence other States, the national office, local governments and other political decision points. The same holds true for the local governments and special interests involved. The Federal Government continues to be a managing center. However, it is not solely in control of the periphery; other government levels are more than mere implementing agents of the Federal Government. Figure II shows the periphery-to-periphery form of control in programs which cross jurisdictional boundaries.

The result of the periphery-to-periphery control process as illustrated in figure II is breakdown of uniformity and increased variation within the system itself. Thus, the welfare package in New York City becomes markedly different from that in New Orleans. The same holds true for educational programs, affirmative action practices, and the like.²

Implications for Evaluation Managers

When evaluating decentralized programs, evaluation managers need to behave differently than when they evaluate centrally controlled programs. In periphery-to-periphery systems, the evaluation manager needs to settle for tentative policy commitments within the system. That is, goals and standards to measure performance for one activity in the system may be markedly different from those for another activity. Uniformity will rarely be observed among the parts that comprise the system.

Those at the "center" of the system (say at the national office) may actually find themselves at the periphery of decisionmaking. Thus, the results of their evaluation efforts could have only a marginal effect on the program.

To assess the periphery-to-periphery system's behavior, the evaluation management process needs also to be diffused throughout the system. Collaboration among evaluation and audit managers throughout the intergovernmental system is essential to identify the kinds of ideas needed to rationally guide the program.

In essence, where the center-to-periphery model exists in practice, control usually resides with a few key decisionmakers. In such situations, the evaluation manager can plan evaluation activities according to the specific needs of the key decisionmakers. In intergovernmental systems, however, where the periphery-to-periphery model exists in practice, the job of evaluation manager as a policyshaper becomes less clear. There are no centralized key decisionmakers who have the power to influence the program unilaterally and uniformly (although some decisionmakers may presume they have such power). The standards used to determine systemwide effectiveness are rarely acceptable throughout the system. The information gathered is seldom reported to the requesting agency (the rhetorical center, but not the actual center) authentically and uniformly from the periphery. The analysis of the data gathered is rarely used throughout the system to modify behavior or performance.

For evaluation and audit to make a difference in the intergovernmental setting, programwide, it must be more widely influenced by those at the periphery in the absence of a clear center. The shift from centralized, systemwide control to decentralized control in partnership with others is the challenge that evaluation managers face today.

In addition, realistic evaluation managers need to scale down the expectations of their effect on intergovernmental programs. The effect of evaluation on the intergovernmental program will be more subtle and difficult to assess because many audits and evaluations may be involved. Thus, a direct link between an evaluation "finding" and a systemwide policy change should not be expected. In the intergovernmental context, evaluation is less likely to directly influence large-scale, system-

wide decisions than it is to enable the system to make marginal adjustments, enhance information-sharing among peripheries, and make system components aware of the effects of their decisions on the whole system.

In summary, evaluation and audit planners face the challenge to realize that the context in which they work is a diffuse network of policy centers rather than a hierarchically structured system where power is centralized. For evaluation and audit managers to function more effectively in the intergovernmental context they should recognize the need for collaboration among their colleagues who work at various governmental levels. Following such recognition comes the difficult challenge to adapt new audit and evaluation designs to the changing Federal role in the intergovernmental system.

¹ This article is adapted from G. Ronald Gilbert, "Evaluation Management: Definition, Prospects, and Intergovernmental Challenges," paper presented at the Operations Research Society of America, the Institute of Management Sciences, Milwaukee, Wisconsin, October 16, 1979.

² Schon, (1971) in his discussion of government as a learning system, introduced the center-to-periphery and periphery-to-periphery thinking. It is from his earlier concepts that figures I and II have been developed.



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A Perspective for State and Local Program Evaluation

Contrary to the popular belief in Washington and in certain academic circles, there is no "State and local program evaluation perspective." If there were, Federal domestic programs could be designed more effectively, public management research would be simpler and more widely applied, and life for those of us who work for the 38,000-plus State and local governmental organizations in the United States would be pretty dull. There is no *State and local* perspective: there are *local perspectives* and *State perspectives* on just about everything, including program evaluation.

State governments and local governments come in all sizes and shapes and vary widely in their social, economic, environmental, and political characteristics. For example, San Diego County is in the southwest corner of the country. It contains more than 4,500 square miles and just under 2 million people. It contains 14 cities with 2 more to be incorporated next year. As a county government, we'll receive and spend more than \$600 million this year and provide services from agriculture inspection and animal control to welfare assistance.

The Local Government Environment

Diverse as they are in most ways, local governments have some common characteristics:

They provide direct services. They put out fires, operate jails, regulate construction, maintain roads, and so forth. The presence of municipal and county services is pervasive, and the public perception of service changes is immediate. Garbage is either picked up or it's not. A fire truck either gets there in time or it doesn't.

They are accessible. Compared to other levels of government, municipal and county officials and functions can be viewed, influenced, and changed by the public easily and inexpensively. It's much simpler to make your voice heard at City Hall than at the White House. A corollary to this is that citizens keep local elected officials on a shorter leash than they do for State, and especially

Federal ones.

They have a limited revenue base. Compared to other levels of government, cities and counties have limited flexibility in financing their operations. Their dependence on nonlocal revenue sources has been growing for years. In San Diego County, for example, more than two-thirds of the county's revenues come from State or Federal sources.

In summary, local governments tend to be operated as a kind of public service business and therefore tend to be sensitive to changing modes and priorities and economic fluctuations. They're fairly good mirrors of the public.

The State Governmental Environment

What has been said above about local governments generally applies to State government. Most State governments provide some direct services. All States use counties and, in some cases, cities as administrative agents for delivering State services. In California, for example, health and welfare services are largely delivered through counties, but in many other States, the same services are provided directly by the State.

When compared to the Federal Government, State governments are also seen as relatively accessible. This is because of their large legislative bodies and because of the presence throughout the State of agencies delivering services.

Like local governments, States are relatively limited in the amount of resources they can develop to finance the services they provide. Up until recently, the proportion of Federal revenues used to finance State operations was growing.

The primary distinction between State governments and local governments is organizational: State governments have a fairly clear separation of powers between the executive and legislative branches. Local governments do not. In this sense, State governments resemble the Federal Government more than they do the local level. Like the Federal Govern-

ment, State governments are suffering from a growing encroachment by the legislative branch into executive and administrative processes.

Trends in State and Local Government

Two related trends are at work in government. They began, and are most evident, at the local level in urban areas. They are becoming more apparent in the States.

New look at the top. A new breed of politician is coming into power. Professional, well-educated, conservative, and relatively young, the new politicians have little reverence for governmental tradition, and have a big stake in personal recognition. They want to take charge of government operations, not go along for the ride. Increasingly, a seat on a city council, county board or State legislature is seen as a stepping-stone for the professional politician. Today legislatures and city councils are no longer made up of the elder statesmen from a community who, having completed their active business careers, turn to public service as a community contribution or hobby. The flexibility and respect accorded to professional managers and technical people in the States and in local governments is diminishing as a result. More and more decisions are being debated and resolved at the public policy level. The new politician tends to relate to his or her constituents rather than the institution.

Fiscal limits. Much has been said and written about the taxpayer revolt. In California, we're tired of the phrase "Proposition 13," whether expressed in or out of the State. Local governments, and to a lesser extent, States, were running short of resources before anyone heard of Howard Jarvis. Inflation, rapid growth (or decline), and poorly planned service expansions during the 1960's and 1970's are the real causes of governments' fiscal problems. The taxpayer revolt simply ensures that the problem will be more difficult to cope with and that the debate over governmental priorities will be much sharper and more frustrating.

To a greater or lesser degree, local governments have reached the point where productivity improvement is not enough to stay within available resources. Actual reductions or elimination of traditional services is necessary. Unfortunately, taxpayers and politicians

will vote to cut taxes and cry for less government while demanding more and better service.

Program Evaluation in State and Local Governments

The foregoing fiscal management environments and trends discussed for State and local governments speak to the nature of program evaluation as it exists for these governmental levels. The result of any program evaluation process, however, depends on the combination of three factors: the subject or program being evaluated, the intended user of the evaluation information, and the evaluator. We can understand program evaluation in the State and local context by examining each of these three components.

Subjects of Evaluation

The subjects of program evaluation at the State and local levels are direct services which, in most cases, can be seen to have a measurable effect on individuals or groups in a fairly definable geographic area. These services are delivered or are at least available on a continuing basis. Variations in the services are relatively simple to measure, and the services are delivered in a business-like manner. Until fairly recently, the services were designed, reviewed, and adjusted by professional managers as contrasted with policy officials. With this in mind, it's not surprising that evaluation in its academic sense is a relatively unknown practice at the State and local levels.

Intended Users

The primary users of evaluation information at the State and local levels were the managers responsible for service delivery. Their evaluation information needs were relatively simple and were oriented toward improving the efficiency or productivity of the service being provided. Broader questions of value or relative importance were not at issue.

While this has changed to some degree as the fiscal noose has drawn tighter, the majority of evaluation activity at the State and local levels remains oriented toward administrative adjust-

ment of existing services. The primary exceptions to this are social service programs introduced and mandated by the Federal Government during the last 10 or 15 years which had broader evaluation requirements built into them when the programs were assumed by State and local governments. Evaluation in these cases tends to address national rather than local concerns.

Evaluators

Evaluators for State and local governments generally have financial, auditing, or industrial engineering backgrounds. Their methods have been relatively unsophisticated, relatively inexpensive to carry out, and tailored to meet the needs of the professional managers.

Two of the components in the triangle are changing rapidly: the program being evaluated and the user of the evaluation information. The third component—the evaluator—has not fully adapted to the change.

The programs which are now the focus of the evaluation are broader than before. For example, the concern is with transportation as opposed to road maintenance activities; with the criminal justice system as opposed to the police department; with environmental quality as opposed to sewage treatment. These issues are more complex and have less reliable data and vaguer objectives. On the other hand, they are more reflective of the public's sense of what a State or a local government is all about.

The users of this information are now the top-level managers and elected officials, as contrasted with the program administrators. These are persons without the detailed understanding of program subtleties who focus on product and public impact as contrasted with process. They want to use the information to rationalize trade-offs within and between broad functional service activities. For example, health education as opposed to emergency care; highway versus transit improvements; increased prosecution versus more policemen. These users have less patience and more conflicting objectives than the professional managers.

The evaluation techniques used in local governments and State governments have not kept up with this trend. There are more planning and evaluation units in State and local governments than ever before. However, they

tend to be staffed by persons with fiscal and industrial engineering backgrounds. Their products aren't designed for public comprehension, let alone debate.

In San Diego, for example, the County Board of Supervisors has greatly reduced their resources in a highly sophisticated Office of Program Evaluation which, in the early 1970's, conducted some of the most sophisticated industrial engineering-type program evaluations done by a local government in the United States because the products which the Board of Supervisors wanted then were not being delivered, and the persons staffing that unit were not capable of understanding the new needs of these elected officials.

Evaluators have not yet come to terms with the need for public under-

standing of the information which they provide. Evaluation information which is used by policy officials also becomes available and interesting to the public itself. Most evaluation products are easily dismissed by the public and by elected officials as "goobledygook" or, more politely, jargon because they are not readily understood.

Outlook

At the State and local levels, diminishing resources and activist-elected officials backed by growing public scrutiny of governmental operations is shifting the focus of program evaluation activity. These trends will continue. Public evaluation needs are changing. Institutionally, we've got catching up to do.



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Comparable Worth— A Socioeconomic Issue for the Eighties

After this article was written, the Supreme Court ruled that, under title VII of the Civil Rights Act, women may file suit for equivalent pay and fringe benefits if their jobs are similar to ones held by men (and there was intentional discrimination). While the Court specifically declined to sanction suits based on comparable worth, it does open the door to a mass of lower court cases dealing with pay discrimination, it will also bring the issue, discussed below, to the attention of many more Americans.

In the recent film "9 to 5," the chairman of a conglomerate reviews the results of one of his companies' takeover by clerical workers. He examines day care centers for the staff's children, flexitime, shared jobs, equal pay for comparable work, and the resulting increase in productivity, and praises most of the innovations mightily—then tells a subordinate, in a whisper, to eliminate the equal pay for comparable work.

While they might view the idea of a successful clerical worker's takeover of an office as wishful thinking, especially the subsequent corporate approval of such progressive benefits, many people who work with employee relations, equal employment opportunity, or unions would immediately recognize and see the validity of the concluding vignette described above. The concept of equal pay for comparable work—the concept of comparing different jobs, assigning them values, and rewarding equal values equal recompense—is fast becoming an employment issue of the 1980's, an issue that may represent the bottom line of equal rights. It may be the issue that is, in the words of one Federal District judge, "... pregnant with the possibility of disrupting the entire economic system of the United States of America." (16) It may also become an important issue for GAO.

Legal Basis for Comparable Worth

THIS "revolutionary" concept can be seen as a natural result of earlier civil rights actions. The Equal Pay Act of 1963 prohibited employers from using

gender as a basis for wage differentials. But this act is generally viewed as not covering the vast majority of working women in this country, those in traditionally low-paying and female-dominated occupations. These women are being paid equally for equal work, but only compared to their coworkers, other women in such sex-typed jobs as nursing, teaching, librarianship, and office/secretarial work.¹ Even when educational and other prerequisites are equal within an occupation, the salary inequities resulting from sex-typing jobs are estimated at 20 billion dollars. (30, p. 1)

Women's groups, some unions, and the Equal Employment Opportunity Commission (EEOC), among others, have begun focusing on comparable worth as a tool in fighting discrimination in employment; having won the right to integrate jobs traditionally held exclusively by men, a logical next step for them is to reevaluate and perhaps upgrade traditionally female jobs. It is an important practical step to concentrate on the latter, for job segregation is still so pervasive that

... for men and women to do the same work, about two-thirds to three-fourths of employed women would have to change occupations. . . Moreover, the concentration of women in women's jobs seems to be increasing. . . 50 percent of men worked in more than sixty-three occupations; half of all working women were employed in only seventeen occupations. One quarter of employed women were concentrated in only five jobs. . . . (10, p. 23)

The most public, if not the easiest, way to reevaluate and upgrade these jobs is to equitably increase pay for "pink collar" jobs.

The current legal basis for comparable worth is title VII of the Civil Rights Act, the statute governing the EEOC (42 U.S.C. §§2000e-1-2000e-17). It is considered to be broader in scope than the Equal Pay Act and has been considered by the EEOC as broad enough to deal with wage inequality by occupational sex-typing, just as that

agency successfully said that title VII covered the requirement that employment selection criteria be job-related (20, pp. 248-249). But comparable-worth court cases using title VII as a basis have been generally unsuccessful to date. Wage discrimination based on sex under this title has been viewed very narrowly: discrimination can be shown only where there has been unequal pay for equal work, and job segregation and wage rate inequities are considered as separate and unrelated issues (10, p. 21).

At this writing, there are at least two cases involving comparable worth that are pending before the Supreme Court. It is expected that the Court will not explicitly state that comparable worth is or is not a valid way to determine discrimination, but a decision that title VII does go beyond the Equal Pay Act in covering all sex-based discrimination will at least mean that the application of the comparable-worth theory is not a dead issue.

Evaluating Worth

Both to prove that there is unequal pay for essentially equal or comparable work and to increase pay equitably, jobs must be reevaluated to determine what skills are required for them and how comparable skills in other jobs are valued in the marketplace. A distinction is made here between the employee's value as reflected in job skills and the value the job currently holds in the marketplace (the latter is considered to be the frequent result of traditional sex-typing). For example, a clerk in a university may traditionally be paid less than a janitor but after analysis of the skills required and the responsibilities entailed, the activities that predominate in the clerk's job may be more highly valued than those in the janitor's job and should be more highly paid.

Because it is necessary to examine objectively the skills of a job to carry on the process described above, there has been a good deal of emphasis on reassessing job analysis, job classification, and performance appraisal systems. In the best of all possible personnel systems, the same complete and objective list of job functions, skills, and responsibilities would be replicated (or at least reflected) in the analysis, classification, and appraisal tool for a particular job. This has not been the case in reality, and various organiza-

tions are now trying to compensate for this by concentrating on the study of how jobs are evaluated.

EEOC and the Department of Labor have commissioned from the National Academy of Sciences job evaluation studies with particular focus on their use in resolving discrimination practices. The States of Washington, Idaho, and Michigan have conducted major job evaluation studies involving public employees. Washington's study, instituted with the urging of the State's largest public employee union, has created much controversy with implications of class biases and methodological shortcomings, but the study has also stirred much interest in analyzing work by assigning it a point value (15, p. 43). The American Federation of State, County, and Municipal Employees (AFSCME) has devoted a large share of its recent pamphlet on pay equity to job evaluations, how to evaluate them, and how to set an alternative system (43). (The involvement of unions in comparable worth is of particular note because of a frequent inherent conflict of interest resulting from a history of male-dominated professions also dominating unions; in a hypothetical but typical situation, a comparable worth could involve the recompense given the skills of nonunionized nurses versus those of unionized security personnel.) Various professional organizations have published guidelines and checklists for determining inequities built into classification systems and appraisal tools. Another sign of the increased visibility of comparable worth as a practical issue is the position about it held by the Equal Employment Advisory Council, a Washington lobbying group that compares it to an "... OPEC increase in oil prices, which passes through all stages of the economy and is reflected in increased costs of living." (15, p. 43).

GAO's Involvement

Why should the comparable worth issue and its relationship to job analysis, classification, and performance appraisal systems be of interest to GAO and its staff? The subject has a direct effect on GAO both in its mandated mission and in its organizational functioning. The comparable worth issue could have implications for three GAO working units: the Human Resources Division, which handles nondiscrimination and equal opportunity program

administration, employment and training, and consumer and worker protection; the Federal Personnel and Compensation Division; and the Office of General Counsel, which could be involved in some legal aspects of comparable worth.

Internally, GAO may also feel the effect of the controversy. The agency is covered by the Federal Civil Service Reform Act of 1978, which includes comparable worth as a merit principle. GAO has been going through the process of establishing its own performance appraisal system just at the time when a volume of literature (see the appended bibliography) suggests that many such systems (along with their attendant classification and analysis systems) are exceedingly vulnerable to criticisms of discrimination. The possibility of such criticisms (and resulting lawsuits and invalidations) increases greatly in an agency in which occupation, grade, and sex alignments are essentially identical. The relationship between job performance systems (composed of job analysis, classification, and the appraisal tool) and compensation and the image of fairness they project becomes crucial in such agencies. Every organization, especially those trying to set up a standardized job evaluation system, must grapple with the problem of equity in compensation. GAO may be in the unusual situation of evaluating other systems while it is setting up its own.

The wealth of recent literature on this controversial topic has already been mentioned. The following is a highly selective list of books, reports, articles, and other items augmenting this brief overview of the current interest in comparable worth. Listed materials discuss pay equity, the varieties and results of employment discrimination, how comparability or lack of comparability can be judged, and the legal battles over performance appraisal systems.

Note

The perceived wage inequities discussed in this overview apply equally to men in female-dominated professions. It has been suggested that only when occupational sex-typing is eliminated will workers be equitably compensated. Until this happens, however, what is essentially an economic/employee compensation issue is also a civil rights issue.

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Robert B. Hall

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Who's Looking After the Country's Business?

Although GAO has taken the position on numerous occasions that "make or buy" decisions should be primarily based on cost comparisons (with special care given to the full costing of the in-house alternative), it has never addressed the more basic question of whether the Federal Government should challenge, as a matter of principle, in-house goods or services that are competitively available from the private sector. Mr. Hall offers his own informed and provocative views on this matter.

On June 22, Senator Hayakawa introduced Senate Joint Resolution 93 calling for a congressional policy along the lines suggested in this *Review* article.

This country was founded upon the principle that private enterprise, not the Federal Government, should conduct business activities. Unfortunately there has been an increasing trend away from this position. Comparing costs of products or services rendered in-house vs. private firms can now be done to justify and even enlarge in-house operations. Not only is it bad policy to compete public and private activities, but also the cost comparison tool itself is flawed. Further, cost comparison is an easy way for our highest policymakers to sidestep taking a position—pro or con—on our private enterprise system. It is, in effect, a convenient "crutch."

For the past 50 years the Congress, several Federal commissions, and various administrations (Republican and Democrat) have taken widely divergent positions about the extent to which Federal activities should legitimately duplicate or substitute for similar private sector activities. In the 1950's the executive branch issued policy guidelines (now OMB Circular A-76) intending to increase reliance on the private sector and decrease the Government's burgeoning captive "business" operations. Since its issuance, subsequent revisions have progressively weakened A-76 with exceptions, administrative complexity, and burdensome paperwork requirements. The Congress has yet to face up to the problem.

The latest A-76 revision (issued during the Carter Administration) has diverted the original purpose to the point that maintaining in-house operations is easier and recapturing activities from the private sector is an acceptable, if not encouraged, result. The

methodology used to justify and maintain this policy shift is "cost comparison." A cost comparison is now required in every case even if the existence of highly competitive private sources makes the result inevitable.

When the cost comparison exception reared its ugly head in the 1960's, it had one saving feature. The agency decisionmaker had to determine that the savings advantage to retaining in-house operations outweighed the disadvantage of *not* supporting the private enterprise system. This one saving feature disappeared with the Carter Administration's A-76 revision.

In an attempt to rationalize the new A-76 policy, the Carter Administration published an elaborate 90-page handbook to give the cost comparison technique a facade of legitimacy and to overwhelm objections to its validity or ultimate purpose. The disastrous results it could produce have been seldom challenged.

But first, what is the potential use of this new cost comparison tool? In the Department of Defense alone there are 15,000 commercial and industrial activities spending \$17 billion a year. And the Armed Services Committees have made cost comparisons a matter of law. So Defense cannot, as some agencies are doing, ignore cost comparisons. Almost half the cost comparisons made to date under the new circular favor in-house retention.

Why In-House Cost Comparisons Belong in the Outhouse

When the Federal Government competes against its own citizens (using their money, no less), many significant and long-lasting detrimental effects are inevitable. Here are some of the more glaring errors and paradoxical results of using the new A-76 guidelines:

- Cost comparisons alone are too narrow for decisionmaking because a sound business choice must also consider quality, reliability, timely delivery, and flexibility to meet changing demand.
- Cost comparisons themselves are unreliable. Government accounting

systems were not designed for business activities and do not enable true cost comparisons with private firms. Secondly, Government statements of work leave much to be desired about the specific work to be performed and standards of performance.

- Cost comparisons do not reflect long-term considerations. For example, they penalize the private firm for startup cost although it is a one-time occurrence.

- Cost comparisons do not recognize the absence on the Government side of incentives to take risks, innovate, adapt to new technology, and cut costs. There is neither carrot nor stick to motivate in-house activities.

- Cost comparisons ignore the painful fact that each in-house business shrinks the tax base and shifts the tax load to others. Private firms pay various local, State, and Federal taxes; Government entities do not. One supports the tax base; the other burdens it.

- Cost comparisons ignore accountability. If the in-house business activity does not satisfy its captive Government customers, or if it performs at a loss, there is no recourse or immediate painful result as in private business.

- Cost comparisons contribute to a longstanding Government/industry adversary relationship; they tend to exacerbate conflict between Government and its citizens engaged in private enterprise.

- Cost comparisons strain the Government's already damaged credibility. How can the Government claim to favor a private enterprise policy but threaten contractors with frequent in-house cost comparisons? How can the same agency (1) decide to conduct business activities in-house, (2) structure cost comparisons with private firms, and then (3) act as a fair judge of these "paper" competitions?

- Finally, applying the new 90-page cost handbook in all its excruciating detail across all Government agencies, plus resolving conflicts, contractor protests, congressional inquiries, GAO reports, etc., represents a serious drain on limited agency resources. The Navy has, for instance, some 300 employees doing cost comparisons.

In the long term, Federal in-house business activities, like other monopolies, are not geared to emulate innovative firms in the open marketplace in terms of cost, responsiveness, and product improvement. This fundamental characteristic of private business has helped to sustain this country

as a unique economic force. Using a simplistic cost justification tool is shortsighted, ultimately destructive and does not make good sense or cents.

A Common Sense Answer to this Problem

In the early 1970's, congressional, executive, and private sector members of the Commission on Government Procurement—despite all their differences—reached a consensus concerning a cost comparison policy: a clear national policy statement was needed in law, and this policy should state a basic reliance on the private enterprise system wherever reasonable prices are available.

If the Congress would adopt this simple, straightforward policy, it would be easy to implement. Each agency's procurement system, in its market research function, could simply identify business activities transferable to a functioning commercial marketplace. The Commission's "reasonable price" requirement would be satisfied and Federal policy held consistent. Exceptions would be legitimate Government functions (such as printing money) or maintenance of a core capability if the particular product or service is critical to the agency's direct mission performance.

For in-house operations without a functioning commercial marketplace, the above analysis would not be automatically to stay in-house. Instead, whenever possible, a viable, competitive market should be developed by the affected agency. The newly developed private capability will, with the many aforementioned benefits, always be preferable to in-house retention. This issue is a key to the overall policy's implementation; it precludes the normal preference for the "status quo" and requires positive action to overcome commonplace inertia and develop competitive sources.

What Went Astray

Given the inherent and obvious benefits derived from the private sector's taking care of the country's business, why then have the Government's policymakers gone astray? Although the following explanations concerning the executive and legislative participants are brief, each suggests a fundamental insight.

Executive agencies and policymakers are understandably biased toward continuing and, should the opportunity arise, expanding in-house business activities. This is because (1) all the people involved in the activity in question and in deciding whether it should continue are themselves part of this same activity, (2) Government actors have long fostered a distrust of private sector willingness or capability to produce at a reasonable price in an attempt to justify in-house existence and enhance appreciation of it, (3) substantial, wide-branching power bases are filled with people who naturally want to keep their positions or influence, and perhaps most persuasive, (4) action entailing confrontation and considerable effort is hardly preferable to tranquility and leaving things as they are.

Legislators have no less claim to shortsighted policymaking. Unlike the executive, they are directly mandated to follow their constituents' interests. Not being directly involved in the power structures running in-house business activities and having a vested interest in spurring the private sector (at least in their own districts or States), the Congress should have a better perspective on the country's needs and act accordingly. Unfortunately, the congressional consideration of this issue appears to have suffered from giving undue attention to the self-serving arguments of labor unions and other special interest groups favoring in-house activities under the guise of concern for Federal worker welfare.

Government workers already have several options, should in-house business activities be restored to the private sector: (1) taking their skills with them into private employment, (2) moving to similar positions still within Government, or (3) moving to other positions in Government for which they have qualifications or can be retrained. Not to be overlooked is the potentially greater reward for Federal employees who go into business for themselves. In no manner can the current employees be improperly treated by the Government without instant and massive repercussions, which quickly correct such conditions.

The fatal misstep by the Carter Administration (the OMB Office of Federal Procurement Policy) was the attempt to balance A-76 politically; that is, to develop implementing procedures pleasing to both private industry and Federal employee unions. In so

doing, our highest policymakers were given a convenient "crutch." Now they don't have to choose between private enterprise and Federal employee unions—they can just let cost comparisons and all those who administer them, "take the heat."

(about 20 percent), the potential government-wide cost reduction is \$6 billion plus a healthy expansion of the country's tax base and revenues.

The *Government Executive* magazine published a shorter version of this article in May 1981

Need for Stable National Policy

With the increasing size of Federal, State, and local governments, about one fifth of the Nation's work force and thus a large part of the voting public are now government employees. Because of their number, these government employees are a political force to be reckoned with. Thus, there is an urgent need for a stable national policy embodied in law, which can be constantly referred to in response to pressure groups from both sides and which does not vary from one administration to the next.

In summary, the current policy to justify cost comparisons of in-house with private business operations (1) violates a basic tenet upon which our country was founded, (2) uses as its rationale a tool which is itself inaccurate, incomplete, and shortsighted, and (3) produces progressively detrimental economic conditions. This policy has been aided and abetted by executive inertia and legislative inaction, which are quite understandable but in no way excusable.

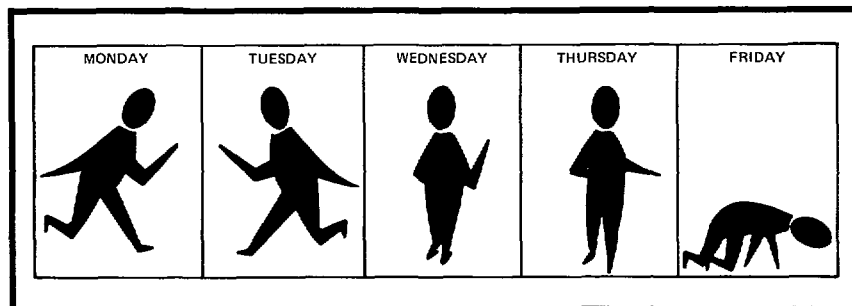
Finally, the Government's size and ability to manage its affairs are major issues today. Why then should the Government use its limited abilities to manage affairs that are not governmental in nature and are somebody else's business?

If the new Reagan Administration expects to make real progress in this field, the executive branch and the Congress need to get back to basics:

- Allow core business capabilities to exist in-house if critical to agency mission performance.
- Limit cost comparisons to in-house vs. private monopolies.
- Establish a clear policy that *simply* and *briefly* states a reliance on the private sector when competition is available.
- Establish temporary management teams in the larger agencies to oversee an orderly transition of in-house activities to the private sector.

If savings on past transitions hold up

A Week's Worth



Kenneth M. Mead

Kenneth Mead received his Juris Doctor degree from the University of South Carolina in 1975. He was assigned to the Office of General Counsel's Special Studies & Analysis Section in 1976. In November 1979 he was designated Special Studies lead attorney for providing legal support to the General Government Division. Mr. Mead is a member of the American and Federal Bar Associations and is admitted to practice before the South Carolina and District of Columbia bars.

Monday

I dedicate Mondays, more so than other days, to leftovers from the previous week and for planning out the week ahead. I went incommunicado this Monday for the first hour or so and devoted that time to the preparation of a "to do" list. I once thought of this as planning, but with the interruptions and problems that are certain to occur during the week, my list is more a memory jogger than a planning document. My calendar already shows seven meetings, a sure sign that this will not be an easy week.

With my "to do" list complete, I returned accumulated phone calls and learned that the General Government Division received three congressional requests for testimony in the near future. The staff needs assistance with the prepared statement and with responses to questions the committees propose to ask. GGD lets us know of these matters well in advance so that we can avoid last-minute problems. This procedure results in plenty of work, but it produces a better work product and tends to integrate audit findings with a review's legal aspects.

Two draft reports, recently received for preliminary review, are next on my agenda. One deals with the Attorney General's organized crime efforts and the other with the U.S. Marshals' Service. The Marshals' report will be quite controversial from the standpoint of personnel management, since marshals are legally under the control of the Attorney General and the Federal bench. Legislation more than a century old will need attention if this unusual management situation is to be changed.

I put the reports to one side to welcome a second-year law student

who was selected for OGC's summer intern program. After a brief orientation, he received his first assignment—whether personnel files may be disclosed to presidential transition team personnel under the Freedom of Information Act. After his initial research is complete, we will consider within OGC and in consultation with GGD whether to write the analysis directly for the draft report or prepare a full-blown legal memorandum, or both. Drafting directly for the report often saves us time, and, in any event, can be more useful to the audit staff.

Andrea Kole, an attorney whose responsibilities cover GGD's tax issue area, stopped in to discuss the upcoming tax protestor testimony. Claiming to be "ministers" or tax-exempt "churches," many protestors point to the protection of the First Amendment to avoid paying taxes. This is a growing problem, one that is compounded by the difficulty of deciding administratively what is a bona fide religion.

Our meeting adjourned with a call from Toby Jarman, who advised that the Senate will probably adopt some version of GAO's recommendation for amendment to the President's reorganization authority. Bill Anderson, Toby, and I testified on this several weeks ago. Although the committee's language is somewhat different than that suggested by GAO, its thrust is the same. Toby's follow-through on the recommendation is an excellent example of how GAO's work often continues after issuing a report or delivering testimony.

After returning more phone calls and attending to my in-basket, I went to lunch. With the cafeteria renovated, I no longer view the noon meal as merely a necessary evil.

Lunch is followed by a lengthy

meeting with the Acting Comptroller General, the General Counsel, and directors of OP and GGD, to review a developing access to records problem at the Department of Justice. Criminal files are among the more sensitive of the Department's records, and procedures need to be worked out to accommodate GAO's oversight needs.

When I returned to my office, two reports had arrived for final clearance. One addresses the consolidation of grants to the Insular Areas and provides a good picture of the pitfalls to avoid under the pending block grant and consolidation proposals. The other discusses alternative means of establishing the Federal payment to the District of Columbia. The District seems to believe a formula-based payment would be more consistent with Home Rule and more equitable in light of the Federal presence. Legislation would be necessary to implement this recommendation. These reports, like most of GGD's, were reviewed before final processing; I expect my bosses will make few, if any, changes.

Tuesday

Traffic on Shirley Highway slowed to a crawl this morning. My wife Betsy, who also works at GAO, drove in separately and foreclosed any possibility that we might use the express lane.

Tuesday began with the drafting of Mr. Van Cleve's review a letter Mr. Socolar suggested at yesterday's meeting on access to Justice records. Later I joined a meeting in progress in my colleague Jeff Jacobson's office on the penalty structure of the Controlled Substances Act. As a general proposition, penalties for PCP distribution are less than those for trafficking in heroin and marijuana. Our discussion centered on the complexities of statutorily changing the penalty structure and the need to closely coordinate the legal and audit findings to support the report's tentative recommendations.

I rushed to a working session with Bill Thurman's Intergovernmental Relations group to review the Senate's grant consolidation bill. This bill differs markedly from the block grant proposals because it does not name any of the programs that will be consolidated. That determination is left to the President, who will transmit his decision to the Congress for a statutory review period. By morning's end, a sectional analysis of the legislation was complete

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and preliminary recommendations formulated about how the bill might be improved. We agreed to meet with the committee staff to exchange views.

I took an unusually hurried lunch, and, in tow with Ralph Lotkin and Pete McGough, flagged a cab to IRS for a session on GAO access to tax information. Under present law, we have access to tax information for self-initiated audits of IRS, but the situation is considerably more complex when access is sought incident to an audit of Medicaid or Social Security. The meeting with IRS focused on the need for remedial legislation and interim solutions. Although much followup work will be required, we left the meeting with a sense of accomplishment.

I spent most of what remained of the afternoon in our air-conditioned law library, principally on research covering the Government's legal responsibilities for the protection of organized crime witnesses, inmate habeas corpus petitions seeking release from prison, and the Federal Government's authority to enforce grant statutes in litigation against the States. Based on a recent GGD job planning session, we knew these issues were relevant to several of the division's new starts.

After I returned to my office, I found I had to run up to the front office to respond to a question on the legal aspects of a pending GGD report on IRS efforts to deliver refund checks for which a forwarding address is not available.

Wednesday

Both the morning *Times* and *Wall Street Journal* are making projections on the identity of the Comptroller General designate. Wonder who will be nominated? Art Goldbeck, GGD's associate for the banking area, interrupted my wandering thoughts with a request that we discuss a variety of matters this afternoon or tomorrow. We settled on Thursday, since one of his concerns would require a review of pending banking legislation.

After attending to assorted odds and ends, I returned a call from the staff director for one of the Senate Judiciary subcommittees. The staff director asks, incredulously, whether it is true that the racketeering statutes need amendment if illicit proceeds are to be forfeitable in criminal litigation. His inquiry is prompted by a well-publicized GGD report that reached such a conclusion and con-

tained draft remedial legislation. Explaining all this consumed a full hour—I hope our conversation bears fruit. I took a note to touch base with Tom Colan and Ed Stephenson, who prepared and processed the report.

Two reports were next on my agenda: one dealing with the hearing procedures followed by the Postal Rate Commission and the other covering the administration's urban impact statement program. The Commission report, drafted at Willis Elmore's Postal Service site, incorporates a legal memorandum cleared by my boss, Henry Wray. The memorandum reasons that the hearing procedures are not entirely discretionary, but in some respects are required by statute. If Congress wants those procedures changed substantially, the memo concludes, legislation will be necessary. The urban impact statement report suggests the program might benefit if the opinions of urban areas were solicited, but some consider impact statements to be confidential budget documents. The initial legal work on each report was completed some time ago, except for a few refinements. Now it's a question of waiting for agency comments, then further review.

Jeff Jacobson called and advised that it was time for a meeting with the GGD Justice staff and John Ols, the cognizant group director, to review the public defender statute. A question has developed about the legal definition of "financially unable to pay." Individuals who are "indigent" or "financially unable to pay" are entitled to appointed counsel at public expense in most criminal proceedings. "Indigency" can be defined, but problems abound in ascertaining what constitutes a financial inability to pay. If an individual holds many assets, of which none are liquid or readily capable of liquidation, is he financially unable to pay and entitled to appointed counsel? Legal research will be required on this point, and the issue is clearly close to the heart of this GGD audit.

Following lunch, I joined the IGR staff to review an early draft of a report on the Reagan transition team. Transition team personnel—there were about 1,600—are not Government employees, and the Presidential Transition Act offers little guidance about what information they may have access to or how far agencies may go in using their general appropriation to support the transition effort. Our discussion centered on the issue of whether statutory

or administrative controls are necessary and whether any could be framed in a manner that would avoid handicapping the transition process.

My next stop was Bob Gramling's statistical group, where I provided a rundown on the pending census litigation. Bob has a keen interest in this litigation, since he completed and has ongoing several efforts on the 1980 census. The issue always seems to return to the constitutional requirement for an "actual enumeration" of the population and what techniques census can employ when an actual headcount is not practicable.

Two other matters, a report on criminal intelligence systems and testimony on a proposed D.C. bond issue, took up the remainder of the working day.

Thursday

This morning's first order of business was the completion of administrative chores—Form 100s, B-file cards, and accounting to AMPS for where we spent our time this pay period. OGC also has its share of paperwork.

Andrea called to remind me of a pressing pledge-of-confidentiality issue. This one involved an IRS job, a pledge offered for information obtained during that job, and the possibility of a subpoena for the same information.

I joined Ernie Jackson, an attorney whose responsibilities cover GGD's banking area, and Art Goldbeck and his staff for the rest of the morning. We reviewed the ins and outs of pending legislation that would substantially broaden GAO's role in the banking area and began the process of developing detailed comments on the bill. Next, we discussed planned and new starts in Art's issue area. We try to follow this procedure for each of the division's issue areas. It allows for up-front OGC involvement and early identification of legal issues, cuts down on final processing problems, and tends to impose some semblance of order in our day-to-day work.

For lunch, I joined a colleague from the Justice Department to discuss the fate of lobbying reform legislation; if enacted, significant new responsibilities would inure to the Comptroller General. But chances for passage seem slim, at least during the 97th Congress.

Our biweekly staff meeting with Dick Pierson and Henry Wray convened after lunch. The purpose of this meet-

ing, which we try religiously to keep to 1 hour, is to review the division's legally intensive audits and iron out sensitive or complex legal issues. We also review the AMPS report on SSA's caseload. Is our schedule in sync with the division's? Is the legal time being devoted to a given case likely to be justified by the results? Do we need help from other SSA attorneys? Any controversy brewing with our clients?

Andrea and I met with Bill Anderson and Arnold Jones' IRS staff later in the afternoon for a pretestimony briefing on the tax protestors job. Bill had a solid command of the issues and the briefing progressed at a good clip.

I missed my carpool again but managed to return what seemed an endless number of telephone messages, and I reviewed two memos and one report. To avoid an hour on "mass transit" returning to my home in Alexandria, Betsy picked me up. We went directly to Verona's in Old Town with our 4-year-old daughter, where we enjoyed delightful northern Italian cuisine.

Friday

Friday kicked off with a meeting with GGD's law enforcement issue area coordinator. We discussed new developments in the criminal justice system and possible areas for future GAO work. This exchange of views is input for a GGD planning conference in June, which will be one stage of preparation for the program planning session with the Comptroller General in the fall. This process is mutually beneficial and adaptable to each of the division's lines of effort. It provides OGC with the audit perspective, and the division receives some legal insights that could be relevant to proposed jobs.

Next, I touched base with Ernie Jackson on his legal review of a banking report and then with Jeff on the division's court reporter's job. GGD is considering the feasibility of using electronic recording equipment in civil and criminal court proceedings, but present law requires the use of court reporters. Exclusion of court reporters in favor of electronic recording equipment will require legislation, even if done on an experimental basis.

Dick Pierson and I accompanied Mr. Van Cleve to a meeting of the block grant committee, established by Mr. Socolar and chaired by Harry Havens. This occupied what was left of the morning. Given the pending grant re-

form proposals, the discussion centered on grantee accountability and the changes, if any, the new system of block grants might pose for GAO's oversight role.

After lunch, Paul Posner of Bill Thurman's IGR group discussed the Federal Emergency Management Agency review effort. This agency encountered difficulty consolidating its emergency assistance and related aid, but several of the identified problems seem to be of administrative rather than statutory origin. I spoke with OMB's Assistant General Counsel and Henry Wray early in the afternoon to explore the legal aspects of an informal OMB staff proposal to making year-end "conditional" grant awards, with the award becoming unconditional once the fiscal year turns and the grantee complies with certain requirements.

I spent the remainder of the afternoon with *U.S. Law Week*, which provides a rundown of recent Supreme Court opinions, and with GGD's newly issued firm assignment list. A few incoming phone calls raised questions that were certain to shape next week's schedule. I noticed that an astonishing 75 percent of my week's "to do" list was complete, and I commenced the ritual of stuffing my briefcase with work that needs attention but will probably remain untouched till Monday. I walked directly to the elevators, descended to the basement, joined my carpool, and with great dispatch drove to our community swimming pool.



Judith Hatter

Legislative Developments

General Accounting Office Activities

The House Appropriations Committee included the following assessment in its report on the Supplemental Appropriations and Rescission Bill, 1981:

In light of the serious need to stop waste, reduce expenditures, and economize in all parts of the government, the Committee recommends that the General Accounting Office should concentrate on those studies and investigations which are directly related to reducing waste and inefficiency in the federal government. This could be done particularly in areas where GAO initiates studies on its own. In the view of the Committee, GAO should be concerned particularly with those studies which are most likely to save tax dollars, improve operations of government agencies, and eliminate waste

The Committee believes that it may be necessary for Congress to review the responsibilities of the GAO in the near future to assure that it is operating efficiently, that it is not overburdened with unnecessary responsibilities by the Congress, and that it is fully capable of concentrating in those areas which are most likely to uncover waste and help assure the proper use of tax dollars. The Committee suggests that the review include an analysis of the GAO workload to learn the extent which is aimed at preventing fraud and waste, and so forth, as opposed to studies which may have more or less academic or historical interest.'

Federal Managers' Accountability Act of 1981

On May 18, the House of Representatives passed under suspension of the rules a bill to amend the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports on the adequacy of the systems of internal accounting and administrative control of each executive agency.

The bill requires that internal controls be established in each executive agen-

cy to conform to standards set by the Comptroller General. The Director of the Office of Management and Budget is to prepare evaluation guidelines, in consultation with the Comptroller General, for use by the agencies in determining whether their systems are in compliance with GAO standards.

In its discussion of the measure the House Committee on Government Operations made the following observations:

*One of the strongest proponents of this legislation is the former Comptroller General of the United States Elmer B. Staats. In one of his last congressional appearances before leaving office, General Staats told the Subcommittee on Legislation and National Security of his support and the urgent need for passage of this bill. He related the fact that the General Accounting Office had issued literally hundreds of reports and studies that disclose the fact that most agencies are operating systems vulnerable to physical losses and waste of Federal property and money as well as susceptible to fraudulent or otherwise improper use of Federal resources.****

On April 2, when he introduced a similar bill in the Senate, (S. 864, Financial Integrity Act of 1981) Senator Thomas Eagleton of Missouri said:

**** This is not exactly a glamorous subject, but it is a vitally important area. Retiring Comptroller General Elmer Staats has called internal control the 'first line of defense against fraud, waste, and program abuse,' and he is entirely right. ****

Debt Collection Act of 1981

The Debt Collection Act of 1981, H.R. 2811, also passed the House of Representatives on May 18. This bill requires each Inspector General to conduct a review in accordance with standards established by the Comptroller General of each program on which there is outstanding at the end of a fiscal year more than \$100 million in debt.

During the debate on this measure Congressman Jack Brooks of Texas said:

**** The GAO has found that people*

*who are making no attempt to pay off their Government debts are running up private sector debts and paying them off on schedule. They will not be able to do that so easily under this bill. * * **⁴

Federal Pay Comparability Reform Act of 1981

On March 31, Senator William Roth of Delaware introduced a part of the President's economic package, S. 838, the Federal Pay Comparability Reform Act of 1981. In his introductory remarks Senate Roth stated.

** * * The General Accounting Office has reviewed Federal pay systems extensively over the years. One of their first and most important observations has been that the Government's compensation policies, structures, and practices require continual evaluation and research to keep up with the constantly changing nature of the labor markets as well as Government's needs. The GAO has concluded that improvements are needed to achieve more reasonable comparability with the non-Federal sector in line with the basic purposes of the comparability concept. * * **⁵

¹ H Rept No 97-29, May 4, 1981, p. 240.

² H Rept No 97-38, May 14, 1981, p. 3

³ *Cong Rec*, Vol 127 (Apr 2, 1981), p S3370

⁴ *Cong Rec*, Vol 127 (May 18, 1981), p H2262

⁵ *Cong Rec*, Vol 127 (Mar 31, 1981), p S3054

Reflections



Diane E. Grant

Since *The Staff Bulletin* stopped appearing in March 1960 and *The GAO Review* was not published until the winter of 1966, here are several interesting items taken from the 1961 fall issues of the *Watchdog*. Twenty years ago:

- A. T. Samuelson, director, CAAD, presented outstanding rating awards to Philip Charam, James K. Spencer, Gregory J. Ahart, Allen R. Voss, and John D. Heller, Nov 1961.
- Changes were made in the Civil Service Commission regulations pertaining to the Government Employees' Incentive Awards Act, which revised Comptroller General's Order No. 1.25. Major changes were:

The minimum monetary award for employee contributions was increased from \$10 to \$15. Contributions must have resulted in tangible benefits of at least \$50, or if tangible benefits were not determined, the contribution should compare favorably with those receiving the minimum cash for tangible benefits.

CSC regulations provided a new and, in the higher brackets, more liberal scale of awards for tangible benefits. Criteria for superior performance awards were expanded to assist supervisors in recognizing superior performance.

An additional honorary award, the GAO Honor Award, was added. This award, consisting of a plaque bearing the seal of the General Accounting Office and suitably engraved, was to be presented by the Comptroller General in a limited number of cases to either individual employees or groups of employees whose superior service or accomplishments warranted recognition of a higher order.

- The Act of September 26, 1961, Public Law 87-322, 75 Stat. 685 amended section 505(d) of the Classification Act of 1949 to increase the number of GAO supergrade positions from 25 to 39, and section 106(a) of the Federal Executive Pay Act of 1956 to increase the salary of the General Counsel of the General Accounting Office to \$20,000.
- On October 4, 1961, S. 1040 was enacted to abolish the Federal Farm Mortgage Corporation as a result of former GAO audits reports recommending that the Congress end the Corporation and transfer its remaining assets, consisting of cash and notes

receivable, from the Federal Land Bank to the Treasury Department.

- The last freight readit voucher closed out one phase of the Transportation Division begun in 1948.

By direction of the Comptroller General, the readit of World War II transportation vouchers began in April 1948 and progressed continuously until its completion in December 1961. During this period, over 8 million vouchers covering the payment of 48 million Government freight bills of lading were readited and overcharges totaling approximately \$225 million were recovered from carriers.

Ten years ago, in the fall 1971 issue of *The GAO Review*, you'll find that:

- John G. Barmby, assistant to the director for systems analysis, Mission Analysis and Systems Acquisition Division, was appointed an assistant director of the Defense Division.
- Thomas R. Brogan, deputy associate director, International Division, was designated as an assistant director of that division in September 1971.
- Walter C. Herrmann, regional manager, Detroit, was designated assistant regional manager of the Cincinnati office, effective March 22, 1971
- Joseph W. Kegel, regional manager, Chicago, was designated an assistant director of the Civil Division, effective June 13, 1971.
- John Landicho, senior associate director, Procurement, Logistics and Readiness Division, was designated an assistant director in the Defense Division, effective June 13, 1971.
- Hugh J. Wessinger, senior associate director, Community and Economic Development Division, was designated an assistant director of the Civil Division, effective June 13, 1971

New laws passed during the fall of 1961 included:

- Public Law 92-257—established the Trust Territory Economic Development Loan Fund and provided the Comptroller General access to the relevant records of the government of the Trust Territory for audit and examination.
- Public Law 92-178—the Revenue Act of 1971, included as title VIII, the Presidential Election Campaign Fund Act which established in the U.S. Treasury, effective January 1, 1973, the Presidential Election Campaign Fund

from which payments to eligible candidates were disbursed. The Comptroller General is required to certify to the Secretary of the Treasury payments to which candidates are entitled; audit qualified expenses of candidates of each political party for President and

Vice President; and report to Congress after each presidential election setting forth campaign expenses incurred, amounts certified for payment, and the amount and reason for repayments by candidates.

The Presidential Election Campaign

Fund Advisory Board was established to counsel and assist the Comptroller General in performing the duties imposed under the Presidential Election Campaign Fund Act.



November 1961: Agriculture Team wins softball league championship. Kneeling, from left, are Ed Breen, Vic Lowe, John Abbadessa and Emery Nahay. Standing from left are Jerry McPike, Commissioner, Bill Rita, Harry Sanger, Cyril Harant, Ed Thoms, Stan Haddock, Manager, Ben Wiesman, Tom Colan, Al Jojokian, Gene Medi, Joe Covas and Phil Charam, #1 Rooter. Steve Keleti and Don Bucklin were not present at the time the picture was taken.

GAO Staff Changes



Arthur J. Corazzini

Arthur J. Corazzini was designated Program Analysis Division's new deputy director.

Mr. Corazzini previously served as PAD's associate director (economic analysis). Prior to this he was employed as a Senior Economist with the Council on Wage and Price Stability; Economist with GAO; Associate Professor and Chairman, Department of Economics at Tufts University; Deputy Chancellor for the Massachusetts Board of Higher Education; Assistant Professor at Dartmouth College and Tufts University; Economic Policy Fellow for the Brookings Institute; and Research Associate with Princeton University. He has served as consultant to a number of departments and agencies and has published numerous materials on the subject of economics.

Mr. Corazzini received a B.A. degree from Boston College and a Ph.D. from Princeton University. He is a member of the American Economic Association.



Lowell Dodge

Lowell Dodge was selected as associate director in the Community and Economic Development Division with responsibility for directing GAO functions in economic and area development programs.

Prior to joining GAO, Mr. Dodge served with the Consumer Product Safety Commission as the Executive Legal Assistant to the Chairman, and as Task Force Director and Special Counsel for the Subcommittee on Oversight and Investigations, Committee on Interstate and Foreign Commerce, House of Representatives. His experience also includes serving as Editor-in-Chief, *Environmental Law Reporter*; Director, Center for Auto Safety; and Co-Director, Youth Educational Services.

Mr. Dodge received a B.A. degree magna cum laude in politics and economics from Yale University in 1963 and a J.D. degree from Harvard Law School in 1969. He has published many materials, two of them being reports on "Federal Regulation and Regulatory Reform" and "Financial Conflicts of Interest in Regulatory Agencies."



Daniel P. Leary

Daniel P. Leary was designated director of the Office of Internal Review.

Since joining GAO Mr. Leary has had a wide variety of responsibilities in the Civil Division, the Logistics and Communications Division, the Field Operations Division, the Transportation and Claims Division, and the Accounting and Financial Management Division. He was the director of the Claims Division from October 1975 to March 1980.

Mr. Leary served with the U.S. Army from 1953 to 1955. He received a B.S. degree from LaSalle College in 1959 and an M.B.A. degree from the American University in 1962. In 1969 he attended the Program of Management Development at the Harvard University Graduate School of Business Administration. Mr. Leary is a CPA (Maryland).



C. William Moore, Jr.

Mr. C. William Moore, Jr., was selected for the position of associate director in the Mission Analysis and Systems Acquisition Division. As the head of the Mission Analysis Group, he will manage GAO functions with respect to Department of Defense systems acquisitions and their capabilities in meeting DOD mission requirements.

Mr. Moore joined GAO in 1964. He worked in the Civil Division for a number of years as an auditor, training coordinator, and audit manager at various audit sites. He later moved to the Procurement and Systems Acquisition Division and was subsequently selected for an assistant director position heading the director's planning and analysis staff. His most recent position was that of a group director in MASAD responsible for GAO's audits of DOD's strategic and space-related major acquisition programs.

Mr. Moore received his B.S. degree in accounting from West Liberty State College and has attended George Washington University, the Industrial College of the Armed Forces, and numerous seminars, symposiums, and courses. He is a member of the American Institute of Certified Public Accountants, American Institute of Professional Managers, National Association of Accountants, and Delta Sigma Pi.

Mr. Moore received a Career Development Award in 1971, an Outstanding Performance Award and Division Director's Award in 1977, Certificates of Appreciation in January and September 1978, a Meritorious Service Award in 1979, and Certificates of Merit in 1979 and 1980.



Warren G. Reed

Warren G. Reed was selected for the position of associate director in the Mission Analysis and Systems Acquisition Division with responsibility for directing the Communications, Command, Control and Intelligence Group.

Mr. Reed received an M.S. degree in engineering from the University of Pennsylvania. He worked for the Radio Corporation of America until joining the Defense Communications Agency in 1963. His most recent position was Deputy Director for Engineering, Command and Control Technical Center.

Mr. Reed received a Sustained Superior Performance Award in 1971, the Director's Exceptional Civilian Service Award in 1975, and Outstanding Performance Awards in 1973, 1976, 1977, and 1980 for work at the Defense Communications Agency.



Bill W. Thurman

Bill W. Thurman was selected as deputy director, Field Operations Division. Previously Mr. Thurman was an associate director in the General Government Division responsible for Intergovernmental Relations, D.C. Government, and the Postal Service.

Mr. Thurman joined GAO in 1962 in the Dallas regional office. In 1972 he transferred to the General Government Division where he served as assistant director of the intergovernmental relations audit group.

He is a graduate of Southern Methodist University and in 1972 completed a year of graduate study under the Mid-Career Executive Program at the University of Virginia. Mr. Thurman is a CPA (Texas), a member of the Texas Society of Certified Public Accountants, the Association of Government Accountants, the American Society for Public Administration, and the National Assistance Management Association, where he has served on the Board of Directors for the past 3 years. He is also a member of the Board of Visitors for the American University Program in Procurement, Acquisition and Grants Management. In 1975 he received the GAO Meritorious Service Award.

Other Staff Changes

NEW DIRECTOR

Office of Security and Safety

Arthur A. Klekner

NEW SUPERVISORY ACCOUNTANT

Accounting and Financial Management Division

Dennis J. Duquette

NEW SUPERVISORY GAO EVALUATOR

Accounting and Financial Management Division

John O. Zylks

Mission Analysis and Systems Acquisition Division

Steven F. Kuhta

NEW ATTORNEY-ADVISER

Office of General Counsel

Brian T. Kilder

REASSIGNMENTS

Office of Program Planning

Richard A. Davis

RETIREMENTS

Breslow, Irwin	GAO Evaluator	FOD-Philadelphia
Clement, Donald C.	Supervisory GAO Evaluator	Accounting and Financial Management Division
Conrardy, William	Regional Manager	FOD-San Francisco
Fasick, J. Kenneth	Director	International Division
Hamm, Kyle	Assistant Regional Manager	FOD-Atlanta
Hanna, Edward	GAO Evaluator	Accounting and Financial Management Division
Haran, Joseph	GAO Evaluator	FOD-Boston
Hylander, Charles D.	Director	Office of Policy
Mosher, Medford J.	Assistant Regional Manager	FOD-Washington
Smith, Peter	Supervisory GAO Evaluator	Accounting and Financial Management Division

Correction: In last issue's "Staff Changes," Mr. William D. Martin, Jr., should have been listed as former *deputy* director of the Field Operations Division, not director. We apologize for the error.

New Staff Members

The following new staff members reported for work during the period March 19, 1981 through June 19, 1981.

Office of General Counsel	Burton, Geary T.	United States Marine Corps
General Services and Controller	Alvarez, Elizabeth Cooke, Renee A. Hogue, Rennese	Department of Labor District Government Department of Navy
Community and Economic Development Division	Pangan, Herminia	Citizens Savings & Loan
Energy and Minerals Division	Campbell, Ercell C.	National Commission on Social Security
Institute for Program Evaluation	Bellis, David D. Dillingham, Gerald L. Hill, Anthony L. Holloway, Wilfred V. Rist, Ray C. Towstapiat, Olga M. Wiltberger, Heather E.	Educational Testing Service University of California Northwest Regional Educational Laboratory Cornell University Cornell University University of Arizona Cornell University

REGIONAL OFFICES

Chicago	Moultrie, Enchelle D.	U.S. Agency for International Development
Cincinnati	Applemann, Marian L. Smith, Connie M.	University of Cincinnati University of Dayton
Dallas	Price, Robert T.	Allegany County HRDC, Inc.
Kansas	Whitworth, Keith P.	Management Consulting
Los Angeles	Morrison, Theresa R.	California State University
New York	Rios, Evelyn	Douglas, Elliman, Gibbons & Ives
Seattle	Clarke, Candace M. Iritani, Katherine M.	Portland State University University of Washington

Tanabe, Ike D. University of Washington
Velasquez, Angelica B. University of Washington

The following names were misspelled in the Summer issue.
We apologize for the error.

Bratton, Mary J.
Cornelius, Carolina
Rooks, Rebecca R.

Washington, D.C.

Alexander, Michael A. Howard University
Engel, Robert B. U.S. Senate

Professional Activities

Office of the Comptroller General

Harry S. Havens, Assistant Comptroller General for Program Evaluation, addressed Town Meeting, an Anne Arundel County Forum, on "The Emerging Budgetary Consensus: Simply Cutting or Merely Shifting?" Mr. Havens' topic was "Themes in the Reagan Budget: 1982 and Beyond," Severna Park, Md., Apr. 23.

John D. Heller, Assistant Comptroller General for Policy and Program Planning, addressed the following groups:

National Association of Accountants on "Fraud and Abuse in Federal Programs: The Auditor's Role," Wilkes Barre, Pa., Apr. 14.

Syracuse University Washington Seminar Students on "The General Accounting Office: Functions and Responsibilities to the Congress," Washington, May 14.

Wayne State University, College of Education, students on "The Role of the General Accounting Office in the Federal Government," Washington, June 19.

Elaine L. Orr, director, Office of Foreign Visitors, was presented with the Chapter Service Award of the National Capital Area Chapter of the American Society for Public Administration to recognize her outstanding contributions and service to the NCAC.

Office of the General Counsel

Harry R. Van Cleve, acting general counsel, spoke before the American Society of Civil Engineers on Government procurement of A-E services in New York, May 11.

Rollee H. Efros, associate general counsel, participated in a meeting with the Federal Bar Association Task Force on Multi-Year Procurement on Apr. 1. Also, Mrs. Efros, on an ongoing basis, has been putting together a program for the annual FBA convention on Sept 10.

Seymour Efros, associate general counsel:

Spoke before the 1981 Briefing Conference on Government Contracts sponsored by the Federal Bar Association

and the Bureau of National Affairs on "Source Selection—From GAO's Perspective," Mar. 19.

Attended a conference for Senior Executives on Public Policy Issues sponsored by the Brookings Institution, Williamsburg, Va., May 10-22.

Ronald Berger, assistant general counsel:

Spoke before the Defense Advanced Procurement Management Course on "Problems in Formal Advertising," in Philadelphia, Mar. 10.

Spoke before the Defense Advanced Procurement Management Course on "Problems in Formal Advertising," in Dayton, May 12.

Ronald Wartow, deputy assistant general counsel:

Addressed the Forest Service National Contracting Officer's Workshop on bid protests, in Reno, Nev., Mar. 23.

Spoke before the Defense Advanced Procurement Management Course on "Problems in Formal Advertising," Fort Lee, Va., Apr. 8.

Alan S. Zuckerman, deputy assistant general counsel, attended the Federal Bar Association/Bureau of National Affairs "Briefing Conference on Government Contracts," in Philadelphia, Mar. 19.

Maralyn G. Blatch, attorney-adviser, addressed a seminar sponsored by the D.C. Bar Association on GAO's procedures for decisions in the area of civilian personnel law, Mar. 21.

Michael J. Boyle, attorney-adviser: Spoke before the Defense Advanced Procurement Management Course on "Problems in Formal Advertising," Fort Lee, Va., Mar. 11.

Spoke before the 7th Annual Federal ADP Procurement Conference on "Handling ADP Bid Protests," Mar. 19.

Spoke before the Defense Advanced Procurement Management Course on "Problems in Formal Advertising," in Boston, May 8.

Jerold D. Cohen, attorney-adviser, spoke before the Defense Advanced Procurement Management Course on "Problems in Formal Advertising," Fort Lee, Va., May 12.

Marilynn M. Eaton, attorney-adviser, attended the Briefing Conference on Government Contracts—importing current information and update on developments and topics of vital interest in the field to attorneys in both Government and the private sector, in Philadelphia, Mar. 19 and 20.

Michael A. Hordell, attorney-adviser, spoke before the Department of Defense Advanced Procurement Management Course on "Problems in Formal Advertising," Fort Lee, Va., June 10.

James H. Roberts, III, attorney-adviser, spoke before the North Alabama Chapter of the FBA on "Current Developments and Future Trends in Government Procurement and Acquisition," in Huntsville, Ala., Mar. 24.

Personnel

Felix R. Brandon, director, talked to San Diego Area Federal Regional Personnel Officers on "The Management of GAO's Personnel System," Apr. 20.

Patricia A. Moore, deputy director of Personnel:

Received the 1981 International Personnel Management Association National Capital Area Executive Committee Award in recognition of her efforts for Chapter and Area improvement of IPMA activities. Eligibility for this Award is open to personnelists in State, local and Federal jurisdictions in the NCA, Apr. 22.

Has been elected Chair of the Membership Committee for the Federal Sector of the International Personnel Management Association, May 28.

Accounting and Financial Management Division

Donald L. Scantlebury, director, spoke on computer technology to increase productivity at the National Automation Conference, New York City, on May 14.

Walter L. Anderson, senior associate director

Spoke on "Tangible and Intangible

Factors in Computer-Related Crimes" before a meeting of the U.S. Naval Academy Class of 1944 in Washington, Mar. 5.

Spoke on "GAO's Perspective on ADP Policy Issues and Agency Compliance" at a conference "New Directions in Federal Information Systems" sponsored by *Government Data Systems* magazine and the Association for Federal Information Resources Management in Washington, Apr. 1-2.

Chaired a Federal workshop panel on "Software and Systems Conversion" at the 7th Annual Federal DP Expo Conference in Washington, Apr. 16.

Discussed the GAO reports on Computer Obsolescence, Treatment of Conversion Costs in Procurement, and the Need for Guidelines and Management Assistance Center to Improve ADP Systems Development at a meeting of the National Research Council, Board on Telecommunications-Computer Applications, in Washington, May 1.

George L. Egan, Jr., associate director:

Spoke on "GAO's Special Task Force for the Prevention of Fraud," at the Los Angeles Chapter of the Association of Government Accountants, Los Angeles, Mar. 2-3.

Discussed the draft report entitled, "Fraud and Related Illegal Acts: A Serious Governmental Problem Which Can Be More Effectively Controlled," before the Federal Audit Executive Council, in Washington, Mar. 11.

Spoke on the "Single Audit Concept," at the Associated Accounting Firms International, in Washington, May 13.

Spoke on A-102 and the Single Audit, the Audit Standards, Inspectors General, Comptroller General, Fraud and Abuse, the Audit Forums, the Government and the American Institute of Certified Public Accountants' Community, at the Western Intergovernmental Audit Forum, Phoenix, Ariz., May 29.

John F. Simonette, associate director, participated in a workshop on internal controls at the Tenth Annual Conference on the Joint Financial Management Improvement Program, Washington, Mar. 23.

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Brian L. Usilaner, associate director:

Spoke on "White Collar Productivity Incentives" at the American Management Association's Human Resources Conference, Washington, Mar. 30.

Spoke on "Productivity Management and the Budget Process" at the American Association for Budget and Program Analysis' National Symposium, Washington, Apr. 23.

Spoke on "How Accounting Can Improve the Choice Between Public and Private Delivery of Services," at the Council of Municipal Performance Conference, New York, May 4.

Spoke on "Are White Collar Incentive Programs Effective?" at an Office of Personnel Management Productivity Conference, Washington, May 7.

Ronald J. Points, associate director, was elected to a 4-year term as a member of the National Council on Governmental Accounting beginning July 1.

Kenneth A. Pollock, deputy associate director:

Discussed GAO's recent reports on automated data processing at the National Institute for Information Research's Conference on ADP Processing, in Washington, Mar. 17

Discussed recent GAO reports on Government-wide ADP problems before a University of Maryland Graduate Management Seminar, College Park, Md., Apr. 8.

Developed a half-day educational seminar on computer auditing, using GAO speakers and materials, for the Northern Virginia Chapter, the Association of Government Accountants, at Springfield, Apr. 21.

Joseph J. Donlon, senior group director:

Spoke on "Financial Management Techniques—State of the Art," at the Tenth Annual JFMIP Financial Management Conference, Washington, Mar. 23.

Spoke on "Accounting Standards and GAO Approval of Accounting Systems" at the American Society of Military Comptrollers Professional Development Institute, St. Louis, Mo., May 29.

Gordon J. Filler, systems accountant, received the Association of Government Accountants, Baltimore Chapter, Chapter Service Award

George Sotos, group director, spoke on "Training the EDP Auditor" at a Bosses Luncheon meeting on the National Capitol Chapter of the EDP Auditors Association in Washington, Apr. 21.

Anthony Csicseri, supervisory evaluator, spoke on "ADP Life Cycle Management Costs" at the 7th Annual Federal DP Expo Conference in Washington, Apr. 16.

Dennis Shaw, management analyst, spoke on "How GAO Plans and Conducts ADP Audits" at a Data Processing Management Association meeting in Vienna, Va., Mar. 5.

Morey Chick, evaluator, participated in a workshop sponsored by the Institute of Computer Sciences and Technology of NBS for the Development of a Federal Standard for Computer Security Certification held Apr. 2 in Gaithersburg, Md.

Carl R. Palmer, group director, spoke on "Acquisition Management Under the Paperwork Reduction Act of 1980" at the AFFIRM/NIMR Conference in Washington, May 7.

Charles Davidson, computer specialist, chaired a session on MIS Development: Capacity and Resource Consideration, and participated in a panel discussion on Capacity Management for Small Systems, at the International Conference on Computer Capacity Management in Chicago, Apr. 7-9.

Ronald Kozura, supervisory computer systems analyst, presented a 1-day seminar, "Using the Computer as an Audit Tool" at the Spring Seminar for the Albany, N.Y., chapter of the Association of Government Accountants, Mar. 23.

Joint Financial Management Improvement Program

Susumu Uyeda, executive director: Gave a talk on "Internal Controls—Where Do We Go From Here?" at the Institute for Applied Public Financial Management at the American University in Washington, Mar. 3.

Conducted a presentation on productivity improvement in finance and accounting operations at the OPM's Management Science Training Center's senior managers training course in Washington, Mar. 4 and Apr. 15.

Gave a talk on the Joint Financial Management Improvement Program at the Montgomery/Prince Georges

Chapter of the Association of Government Accountants, Apr. 8.

Gave a keynote address on "Emerging Issues in Governmental Accountability" at the Issues Conference sponsored by the Association of Government Accountants and the American Society of Military Comptrollers in Indianapolis, Ind., Apr. 24.

Doris Chew, assistant executive director:

Coordinated and spoke at a workshop on "Improving Productivity in Accounting and Finance Operations," sponsored by the OPM/JFMIP Federal Executive Board in Washington, Apr. 13.

Elected director of the Washington Chapter of the Association of Government Accountants. She will be the director of programs for the coming year.

Ken Winne, senior project director, was elected secretary of the Washington Chapter of the Association of Government Accountants.

Community and Economic Development Division

John Pennington, evaluator, discussed GAO's work at the Patent and Trademark Office, before members of the Office's Executive Development Candidate Program, Mar. 19.

James Hunt, evaluator, discussed GAO's report, "Costly Wastewater Treatment Plants Fail to Perform as Expected" before the Executive Committee of the Water Pollution Control Federation, in Washington, Mar. 23.

Kevin Donohue, supervisory evaluator, participated in a panel on "Highways: The Appropriate Federal/State/Local Role," at the National Wildlife Federation's Surface Transportation Symposium, Mar. 24. He also discussed "Deteriorating Highways and Lagging Revenues," at the Tax Foundation's National Taxpayers Conference, in Arlington, Va., Apr. 28.

Roy Kirk, supervisory evaluator, took part in a roundtable discussion on travel and tourism, sponsored by the Congressional Research Service, in Washington, May 1.

John Vialet, issue area planning director, discussed "Intercity Rail Passenger Service—Problems and Prospects," before the Spring Board of Directors Meeting of the National Association of Rail Passengers, May 1.

Federal Personnel and Compensation Division

Clifford I. Gould, director, spoke on "Rethinking the Use of Human Resources in Government" at a seminar on Managing Human Resources for Increased Productivity sponsored by the Conference Board, Apr. 28.

Kenneth J. Coffey, associate director, spoke on "Defense Manpower Management and the Total Force Policy" at the 23rd Annual Reserve Components Defense Strategy Course, National Defense University, June 23.

Ros Kleeman, associate director, chaired a panel for the End-of-Program Seminar for the Presidential Management Interns. The topic was "Managing With Scarce Resources: Program Evaluation," May 12.

General Government Division

William J. Anderson, director:

Addressed on GAO's "Role in Making Information Management Work—Conference On the Paperwork Reduction Act of 1980" before the National Institute for Management Research at International Inn, Washington, May 5.

Addressed on GAO's "Perspectives on Implementation of the Paperwork Reduction Act of 1980—Records and Information Management Conference"—GSA National Archives and Records Service at Sheraton-Inn, Gettysburg, Pa., May 20.

Addressed two groups as guest faculty member of OPM's Executive Seminar Center—"Public Program Management" at Western Executive Seminar Center in Denver, Colo., June 2 and 3.

Participated in a Brookings Institution Advanced Study Seminar on "Setting National Priorities: The 1982 Budget," at the Brookings Institution in Washington, on May 28.

Paul L. Posner, supervisory evaluator:

Spoke on Federal assistance reform at the annual meeting of the National Assistance Management Association, Feb. 10.

Spoke on "Federal Approaches to Mitigate Mandates Imposed on State

and Local Governments," before a panel at the annual meeting of the American Society for Public Administration, Detroit, Apr. 13.

Coauthored an article entitled, "The Centralizing Effects of Austerity on the Intergovernmental System," which appeared in the spring 1981 issue of *Political Science Quarterly*.

Irving Boker, supervisory evaluator: Spoke on "Classification of National Security Information by Contractors" at an Information Security Training Seminar sponsored by the National Classification Management Society in Dallas, Tex., on Jan. 13.

Participated in an Information Security Training Seminar sponsored by the Society at the Naval Surface Weapons Center in White Oak, Md. on Apr. 8 and 9.

James Reid, evaluator, participated in an Information Security Training Seminar sponsored by the Society at the Naval Surface Weapons Center in White Oak, Md. on Apr. 8 and 9.

Dan Stanton, deputy director, discussed problems in enforcing immigration laws at the Symposium on U.S. Immigration Law and Policy co-sponsored by the New York Bar Association and Carnegie Endowment for International Peace in New York City, June 9.

John Butcher, supervisory evaluator:

Chaired a working group on reviews mandated by the Paperwork Reduction Act of 1980 at the 1981 Records and Information Management Conference in Gettysburg, Pa., May 20-22.

Was elected Meetings Director of the Washington Chapter of the National Association of Accountants for 1981-1982.

John Ols, senior group director, accompanied by **Jim McMullin**, evaluator, and **Charles Shrevey**, evaluator, Seattle regional office, discussed GAO's review of the use of Federal court reporters in district courts, at a conference held by the U.S. Judicial Conference's Subcommittee on Supporting Personnel, in Hyannis, Mass., June 8.

Richard B. Groskin, social science analyst, was elected to the Executive Board of the American Society of Public Administration, SCJA, to serve a 3-year term of office (1981-83). He was also appointed to the Executive Committee

on National Policy for Justice Administration by the President of the American Society of Criminology.

Human Resources Division

Charles Gareis, senior evaluator, participated in a panel discussion on the Service Contract Act, at the National Contract Management Association's Mid-Winter Regional Symposium, in Melbourne, Fla., Feb. 12-13.

Thomas L. Davies, evaluator, was a member of a panel discussing "Fungibility-Prudent Financial Management or Intergovernmental Rip-Off?" at the American Society for Public Administration's 1981 national conference in Detroit, Apr. 14.

Bill Hightower, senior evaluator, participated in a panel discussion on new course offerings for congressional staff members by the U.S. Department of Agriculture Graduate School, Apr. 6.

Bill Hightower, **Bill Rogers**, assistant regional manager, Detroit, and **Sy Simon**, senior evaluator, Seattle, discussed "What Every School Administrator Should Know About GAO and a GAO Review," before the annual conference of the National Association of Administrators of State and Federal Education Programs, in Washington, Apr. 7.

Carol Codori, training coordinator, discussed "CHAMPUS Peer Review of Mental Health Claims and Applicability to Insurance Carriers in the Federal Employee Health Benefits Program," before the American and District of Columbia Psychological Associations, Mar. 20.

Gaston Gianni, group director, participated in a panel discussion on "Major Issues Facing the CETA Program," at a management training program for CETA directors, in Washington, May 4.

Bill Gadsby, group director, and **Bernie Ungar**, senior evaluator, discussed "Implications of the Proposed Health Block Grants," before the National Association of State Mental Health Program Directors, in Washington, May 11.

Institute for Program Evaluation

Eleanor Chelimsky, director, authored a paper, "Making Block Grants GAO Review/Fall 1981

Accountable" for fall publication in the Sage Research Progress series. She has consented to serve on the Editorial Boards of two journals. *Policy Studies Review* (published by Lexington) and *Policy Studies Review Annual* (published by Sage).

Alice G. Bernstein, social science analyst, presented a symposium paper entitled "Case Managers: Who Are They and Are They Making Any Difference in Mental Health Service Delivery?" at the annual meeting of the Eastern Psychology Association in New York City, Apr. 22-25.

Heber D. Bouland, supervisory operations research analyst, presented a paper on "Changes in U.S. Seafood Processing Technology" at the annual meeting of the American Society of Agricultural Engineers in Orlando, June 24.

Venkareddy Chennareddy, economist, presented a paper entitled "The Impact of Computer Technology on Civilian Federal Government Employment" at the annual conference of the Eastern Economic Association in Philadelphia, Apr. 9-11.

Wallace M. Cohen, senior group director:

Spoke on the subject of evaluation methods, IPE, and Federal evaluation activities to a joint seminar of the Association of Government Accountants and the American Society of Women Accountants in Fort Monroe, Va., May 19.

Participated on the panel on Evaluation Issues Related to Managing with Scarce Resources at the Presidential Management Intern Program End-of-Program Seminar in Emmitsburg, Md., May 12.

Spoke on "IPE and Its Role Within the GAO" at the University of Texas in Austin, Apr. 5-6.

Virginia A. deWolf, statistician: Presented a methodological paper entitled "Quantitative Ability and Gender: Six Major Constraints on Research" at the annual meeting of the American Educational Research Association in Los Angeles in April.

Chaired a session entitled "Prediction of Performance" at the annual meeting of the Eastern Educational Research Association in Philadelphia, Mar. 15.

Authored a paper entitled "High School Mathematics Preparation and Sex Differences in Quantitative Abili-

ties" published in the Summer 1981 volume of *Psychology of Women Quarterly*.

Patrick S. Dynes, social science analyst, presented a paper entitled "The Intergovernmental Management of Economic Development: The Federal and Legislative Role of the GAO" at the National Conference of the American Society of Public Administration in Detroit, Apr. 15.

Laurie E. Ekstrand, statistician, coauthored a paper "Independent Quasi-Experimental Trials in Political Science Research" published in *Experimental Studies of Politics*.

Benjamin I. Gottlieb, supervisory actuary, spoke on auditing pension costs and eight common misconceptions that auditors have about pension plans to students of the Defense Contract Audit Institute in Memphis, Apr. 3.

Terry E. Hedrick, evaluator, presented a paper "Study Design Challenges in GAO Evaluation Work" at the Capital Area Social Psychological Association in Washington, Apr. 11.

Arthur J. Kendall, statistician:

Presented a paper "Why Social Psychologist in GAO?" at the Capital Area Social Psychological Association in Washington, Apr. 11

Discussed vocational and organizational applications of quantitative classification techniques at the twelfth annual meeting of the Classification Society (North American Branch) in Toronto, May 31-June 2.

Irene T. Mann, social science analyst, presented a paper "Defining a Role for Social Psychologists in Program and Policy Analysis" at the Capital Area Social Psychological Association in Washington, Apr. 11

Keith E. Marvin, associate director, spoke on the "Evolution of Analysis and Evaluation during the term of Comptroller General Elmer B. Staats," before the Washington Operations Research and Management Science Council in Washington, Mar. 24.

Garry L. McDaniels, deputy director, presented a paper "A Federal Administrator's Perspectives on the Documentation of School Improvement Efforts" at the University of Pittsburgh, in Pittsburgh, Mar. 12-13.

Ray C. Rist, supervisory evaluator, conducted two workshops on qualitative case study research and delivered two papers, one on research ethics and the other on a policy assessment of youth unemployment programs at the

national meeting of the American Educational Research Association in Los Angeles, Apr. 13-14.

Janet L. Shikles, program analyst, conducted two workshops on Medicaid and preadmission review in nursing homes at a Health Care Financing Administration conference in Philadelphia, May 5.

Waverly E. Sykes, Jr., operations research analyst, spoke on "Models, Data, and War" before the Center for Naval Analyses in Arlington, Va., May 5.

Carl E. Wisler, operations research analyst, chaired a symposium and discussed Federal and State relationships in the evaluation of Title I of the Elementary and Secondary Education Act at the annual meeting of the American Educational Research Association in Los Angeles, Apr. 14.

Carlotta Young, psychologist, chaired a panel and presented a paper "Opportunities for Social Psychologists in Evaluation: GAO's New Institute for Program Evaluation" at the Capital Area Social Psychological Association in Washington, Apr. 11.

Procurement, Logistics and Readiness Division

Donald J. Horan, director, spoke on "GAO Audits of Defense Programs." before the Central Germany Chapter of the Association of Government Accountants, in Frankfurt, Germany, May 11.

Werner Grosshans, deputy director, participated in a panel discussion on Defense mobilization efforts. Specifically, he addressed GAO's efforts on Defense mobilization—problems and solutions, at the Industrial College of Armed Forces in Washington, June 4-5.

Bud Connor, senior associate director, spoke on GAO's emphasis in property audits over the next 18 months and emerging issues in property management, including disposal and excess functions, before the National Property Management Association, in Washington, June 19.

Ron King, senior evaluator, took part in panels on "Inhibitors to Computer Usage in Civil Engineering" and "Federal Architect-Engineer Contracting Considerations for Computer-Aided Design: Consensus or Controversy" at the First International Conference on Computing in Civil Engineering, sponsored by the

American Society of Civil Engineers, in New York, May 13.

Julia Denman, senior evaluator, spoke on "Optimizing Limited Defense Dollars—A Challenge for Logisticians" before the Society of Logistics Engineers, in Fairfax County, Va., Apr. 16.

International Division

Frank Conahan, director, participated in the U.S. International Broadcasting and Inner Asians Symposium presented by the Inner Asian Institute in Washington, May 22. Other participants included Elmer B. Staats, former Comptroller General and currently a member of the Board of Directors of Radio Free Europe-Radio Liberty.

Val Bielecki, assistant branch director, and **Bob Pelletier** and **Perry Adair**, evaluators, European Branch, discussed GAO's study of the Department of Defense Dependent School System at the annual North Germany Administrators' Conference in Berlin, Apr. 8.

Bob Pelletier, evaluator, discussed the study of the Department of Defense Dependent School Systems at the annual convention of the European Congress of Parents, Teachers and Students, in Berchtesgaden, Germany, Apr. 14.

Ann Lee, **Jon Wooditch**, **Mark McLachlan**, **Dale Yuge**, and **John Payne**, evaluators, Far East Branch, discussed the role and responsibilities of the GAO, the history of the Far East Branch, and their personal experiences with the Office for the University of Hawaii Accounting Club, Apr. 1.

Office of Information Systems and Services

Vinita C. Mathur, director:

Spoke on "Information Technology—What Can It Do for You vs. What Can It Do to You" at the USDA for the Information Resources Administration Conference (IRAC) on May 28.

Spoke on "Information Resources Management" at the American Society for Information Sciences (ASIS) on June 11.

Phyllis R. Christenson, chief, Law Library Services, spoke on "The General Accounting Office Legislative History Project" before the Southwestern Association of Law Libraries in Albuquerque, Mar. 31.

Mission Analysis and Systems Acquisition Division

Donald E. Day, senior associate director, participated in a panel discussion on "The Manpower Impact on Life-Cycle Costing in Major Systems," at the National Security Industrial Association's First Annual Conference on Personnel and Training Factors in Systems Effectiveness, in San Diego, May 6-7.

C. William Moore, Jr., associate director, returned in June after graduating from the National Defense University's Industrial College of the Armed Forces on June 11. His area of concentration during this 10-month program was Mobilization Planning and Defense Resource Management.

Dr. John G. Barmby, assistant to the director for systems analysis, was recently appointed to the Technical Management Committee of the American Institute of Aeronautics and Astronautics. Dr. Barmby is an Associate Fellow of the AIAA.

Joseph C. Bohan, group director, participated in a panel discussion on "How to Improve the Acquisition Process," at the National Security Industrial Association's Procurement Program, in Hot Springs, Va., June 14-16.

Lester C. Farrington, Jr., group director, and **David G. Sapp**, senior evaluator, spoke on "GAO's Role in Test and Evaluation" at the Defense Systems Management College, Fort Belvoir, Va., May 21.

Harold Podell, senior evaluator, spoke on "Five Key Problem Areas in Automated Information Systems" at a meeting of the ADP Project Management Special Interest Group, Federal ADP Users Group, in Washington, June 17.

Program Analysis Division

Morton A. Myers, director, spoke on the work of GAO at the Brookings Advanced Study Program Conference for Business Executives on Federal Government Operations, Apr. 27.

Dennis J. Dugan, deputy director, discussed GAO's report, "Federal Charges for Irrigation Projects Reviewed Do Not Cover Costs," at the Federal Water Seminar, sponsored by the National Water Resources Association, in Washington, Mar. 31.

Arthur J. Corazzini, associate director, gave two talks on "Reagan Budget: Forecasts and Implications" at the Graduate School of Management, University of California, Irvine, Apr. 8, 9.

Kenneth Hunter, senior associate director, chaired a panel on "Productivity Management and the Budget Process" at the National Symposium of the American Association for Budget and Program Analysis, Apr. 23. Mr. Hunter also took part in a panel on "Public Budgeting Amidst Uncertainty and Instability," at the American Society for Public Administration national conference, in Detroit, Apr. 12-15.

Osmund T. Fundingsland, associate director, conducted two seminar sessions on "The Federal Role In Stimulating Research and Technological Innovation for Industrial Purposes," at the Federal Executive Institute, June 3.

Gerald R. Jantscher, principal tax policy analyst, spoke on "Government Intervention on Behalf of Troubled Industries: Lessons from the Maritime Aid Program," at the 1981 Humphrey Conference, presented by the Hubert H. Humphrey Institute of Public Affairs of the University of Minnesota, Apr. 27.

Mary R. Hamilton, acting group director, was appointed to the Subcommittee on Academic Programs and Policy Analysis, Committee on Science, Engineering and Public Policy of the American Association for the Advancement of Sciences.

Thomas G. Woodward, economist, presented a paper on "Narrowing Down the Possible Sources of the Recent Productivity Slowdown," at the Third Annual Conference on Current Issues in Productivity, at Rutgers University Graduate School of Management, Apr. 21.

Catherine R. Fitzgerald, operations research analyst, gave a presentation on GAO's work in engineering education at a meeting of the Committee on the Education and Utilization of the Engineer of the National Research Council, Apr. 3.

Gregory J. Mounts, economist, was commended by the trustees of the Lawrence R. Klein Fund for "the consistent quality of writing and analysis" in the *Monthly Labor Review's* "Significant Decisions in Labor Cases." As an economist on the staff of the *Review*, Mr. Mounts researched and wrote "Decisions" for four years at the U.S. Department of Labor before joining GAO.

Kenneth P. Ruscio, evaluator, presented a paper on "Doctoral Programs in Public Administration," at the national Conference of the American Society of Public Administration. Mr. Ruscio also convened a panel on Evaluating Doctoral Programs in Public Administration at the same conference, Apr. 13.

Field Operations Division

Atlanta

Marvin Colbs, regional manager, spoke on "Carrying Out Oversight Functions—How GAO Interfaces with DOD" to the Comptroller's course of the Air University, Maxwell AFB, Ala., July 31.

Lee Edwards, evaluator, authored an article on Cost-Benefit Analysis which was published in the Spring 1981 issue of *The Bureaucrat*.

Johnny Clark, evaluator, participated in a panel discussion on Auditing for a graduate Political Science class on budgeting and fiscal management at the University of Tennessee, Knoxville, May 20.

Elkins Cox, evaluator, spoke on Federal Government Accounting Careers to the Student Affiliate Chapter of the National Association of Accountants at Georgia State University, Apr. 19.

Chicago

Donley E. Johnson, senior evaluator, spoke on "Functions and Activities of GAO" at the Central Minnesota Chapter of the National Association of Accountants, St. Cloud, Mar. 19.

Cincinnati

Arthur Gross, evaluator, participated in a Rural Housing Credit Seminar sponsored by the Housing Assistance Council, Washington, Mar. 16.

Denver

Lucille Cordova, evaluator, discussed GAO's operations in her presentation on "Speaking and Presenting Effectively" at the Second National Education and Training Conference entitled "Adelante, Mujer Hispana," Denver, Mar. 28

Robert B. Smith, evaluator, addressed the University of Colorado/Boulder Chapters of Sigma Xi (The Scientific Research Society of North America) on "Computer Crime," May 19.

Robert L. Thames, evaluator, received the Black Alumni of the Year Award from the University of Denver, May 29.

Detroit

William F. Laurie, evaluator, participated in the Gerontological Studies on "The Well-Being of Older American Service Consumers" at Cleveland State University, Cleveland, June 9.

Randall D. Conley, assistant regional manager, was installed as President of the Detroit Chapter of the Association of Government Accountants.

Los Angeles

Jim Hall, regional manager, and **Nick Horsky**, staff manager, spoke before USC graduate students enrolled in the Federal Financial Management Systems class, Los Angeles, Apr. 27.

Bill Sanchez, senior evaluator, received his MBA in June from California State University, Long Beach, and was admitted to Beta Gamma Sigma honor society.

Jean Tuggle, evaluator, received her MA in Management from the University of Redlands in June.

Don Friedman, evaluator, spoke on "Conducting Program Results Reviews" before the San Bernardino Chapter of the AGA, Norton AFB, on May 13.

Fred Gallegos, evaluator, was selected to be a member of the Technical Committee for the ACM International Conference on Systems Documentation in January 1982; he also taught "Advanced EDP Auditing" during the Spring quarter at the California State Polytechnic University, Pomona.

Vic Eil, senior evaluator, spoke on: "Case Studies in Program Analysis" before USC graduate students enrolled in the Federal Financial Management Systems class, Apr. 27.

"Development of Audit Findings" before the State of California Auditor Training Program, Los Angeles, May 4.

"GAO and the Art of Evaluation" before the USC Theory and Practice

of Public Administration class, Los Angeles, May 6.

"GAO-Guardians of the Public Purse" before the Los Angeles Municipal Accountants Association, Los Angeles, May 28.

New York

Bernard Rashes, evaluator, spoke on "A Career in Federal Service" at the New York Institute of Technology, Apr. 21.

Rudoff Plessing, evaluator, and **Nicholas Zacchea**, senior evaluator, conducted a seminar on "GAO Duties and Responsibilities and Its Current Organizational Structure" at City University of New York, Apr. 13.

Harry Taylor, evaluator, spoke on "The Role of GAO in Auditing Federal Programs" at a meeting of the Fort Monmouth Chapter on the National Contract Management Association, Fort Monmouth, N.J., June 25.

Norfolk

Nick Williams, senior evaluator, discussed GAO's report on "State Hospital Rate-Setting Programs" before a meeting of the Health Insurance Association of America, New Orleans, Apr. 1.

Together with **Steve Fox**, senior evaluator, spoke on "Factors Contributing to Increased Health Care Costs" at the Tidewater Community College, Chesapeake, Va., May 1.

Edwin Soniat, senior evaluator, spoke on productivity at a May 1981 seminar sponsored jointly by the Virginia Peninsula Chapter of the Association of Government Accountants and the Norfolk Chapter of the American Society of Women Accountants. **Natalie Oliver**, senior evaluator, as a director of both local chapters, was the seminar organizer. Ms. Oliver will be the secretary of the VPC of the AGA and a director of the Norfolk chapter of the ASWA for the next fiscal year.

Don Ingram, senior evaluator, will continue to serve next year as President of the Virginia Peninsula Chapter of the Association of Government Accountants.

Philadelphia

Anthony Pinto, assistant regional

manager, spoke at the monthly meeting of the Northwest Center for Community Mental Health on "GAO's Work in the Boarding Home Area," Philadelphia, June 3.

San Francisco

Charlie Vincent, assistant regional manager:

Presented a seminar on Government Accounting to the Budget Analyst's Staff of Santa Clara County, Feb. 18.

Gave a seminar on "Accountability" for Food Managers of California school districts, San Jose, Mar. 21.

Presented a seminar on Accounting Careers to business graduate students at San Jose State University, May 20.

Gave a presentation on GAO at a meeting of the Association of County Supervisors, Santa Clara County, Mar. 13.

Together with **Jack Birkholz**, senior evaluator, presented a seminar on "Operational Auditing" sponsored by the AGA and the Western Audit Forum, Palo Alto, May 15.

Hal D'Ambrogia, assistant regional manager, and **Jack Birkholz**, senior evaluator, participated in the Western Audit Forum meeting, Phoenix, May 28-29.

Bill Purtell, technical assistance group manager:

Was named Chairman of the Training Consortium of the Northern California Coordinators of Data Processing Education.

Was named Educational Consultant for data processing to the California Society of CPAs.

Gerry Vroomman, evaluator, was elected Vice President of the Apple Computer Group of San Francisco.

Seattle

David V. Uberuaga, evaluator, along with **Stephen J. Jue**, senior evaluator, participated in Government Day at Western Washington University, Jan. 21.

Aurelio P. Simon, senior evaluator, along with **Bob Rogers**, Detroit regional office, and **Al Jojokian**, HRD, spoke on "What an Education Administrator Should Know about GAO and GAO Reviews" at a conference of the Nation-

al Association of Administrators of State and Federal Education Programs, Washington, Apr. 7.

Rodney E. Espe, senior evaluator, and **R. Jerry Aiken**, evaluator, spoke on GAO's study of Area Agencies on Aging and together with **Brad M. Miyake**, evaluator, conducted a workshop on "Project Monitoring: GAO Evaluation Techniques Can Make It Easier To Do and More Acceptable," at the 27th annual meeting of the Western Gerontological Society, Seattle, Apr. 15.

Michael R. Sparks, senior evaluator, together with **Floyd B. Heiser** and **David V. Uberuaga**, evaluators, discussed GAO's report on "The Nation's Unused Wood Offers Vast Potential Energy and Product Benefits" before the Pacific Northwest Bioconversion Policy Group, Portland, Apr. 24.

Donald A. Praast, senior evaluator, spoke on "Examination of Requirements, Issues, and What's in Store for the Future" at a financial and program management workshop for discretionary grantees sponsored by the Administration on Aging, Office of Human Development Services, Department of Health and Human Services, Seattle, June 10.

Washington

Donald M. Henry, Jr., evaluator, received a Master of Public Administration degree from the George Washington University, May 3.

Annual Awards for Articles Published in The GAO Review

Cash awards are presented each year for the best articles written by GAO staff members and published originally in *The GAO Review*. The awards are presented during the GAO Awards Program held annually in October in Washington.

One award of \$500 is available to contributing staff 35 years of age or younger at the date of publication and another is available to staff over 35 years of age at that date. Staff through grade GS-15 at the time they submit the article are eligible for these awards.

The awards are based on recommendations of a panel of judges designated by the Editor. The judges will evaluate articles from the standpoint of their overall excellence, with particular concern for:

- Originality of concept and ideas.
- Degree of interest to readers.
- Quality of written expression.
- Evidence of individual effort expended.
- Relevance to "GAO's mission."

Statement of Editorial Policy

This publication is prepared primarily for use by the staff of the General Accounting Office. Except where otherwise indicated, the articles and other submissions generally express the views of the authors and not an official position of the General Accounting Office.

Proposals for articles should be submitted to the Editor. Staff should concurrently submit a copy of their proposal letters to liaison staff who are responsible for representing their divisions and offices in encouraging contributions to this publication.

Articles should be typed (double-spaced) and generally not exceed 14 pages. Three copies of the final version should be submitted to the Editor. Article subject matter is not restricted but should be determined on the basis of presumed interest to GAO staff. Articles may be on technical or general subjects.

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