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IMPROVE ADMINISTRATION OF LEAVE SYSTEM FOR FEDERAL EMPLOYEES

GOVERNMENT

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HEARINGS

BEFORE THE

COMMITTEE ON EMPLOYEE BENEFITS

OF THE

COMMITTEE ON

POST OFFICE AND CIVIL SERVICE

HOUSE OF REPRESENTATIVES

NINETY-SECOND CONGRESS

SECOND SESSION

ON

H.R. 12602

A BILL TO AMEND TITLE 5, UNITED STATES CODE, TO IM-
PROVE THE ADMINISTRATION OF THE LEAVE SYSTEM FOR
FEDERAL EMPLOYEES

FEBRUARY 9, 22, 1972

Serial No. 92-32

Printed for the use of the
Committee on Post Office and Civil Service



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1972

74-692

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CONTENTS

Testimony of—

Cohen, Herman J., member of the board, American Foreign Service Association -----	Page 80
Jacobson, Raymond, Director, Bureau of Policies and Standards, U.S. Civil Service Commission, accompanied by Richard J. Carney, Chief, Leave and Policy Office -----	1
McCart, John A., operations director, Government Employees Council, AFL-CIO -----	54
Matsunaga, Hon. Spark M., a Representative in Congress from the State of Hawaii -----	61
Nilan, Patrick J., legislative director, American Postal Workers Union, accompanied by Edward L. Bowley, legislative aide -----	64
Walters, James J., vice president of Association of Civilian Technicians, Inc., accompanied by John Hunter, executive vice president, Association of Civilian Technicians, Inc. -----	69
Webber, Clyde M., executive vice president, American Federation of Government Employees; accompanied by Carl Sadler, legislative representative, and James Lynch, assistant legislative representative -----	37
Wolkomir, Dr. Nathan T., president, National Federation of Federal Employees, accompanied by George Margolies, staff counsel -----	46

Prepared statements included—

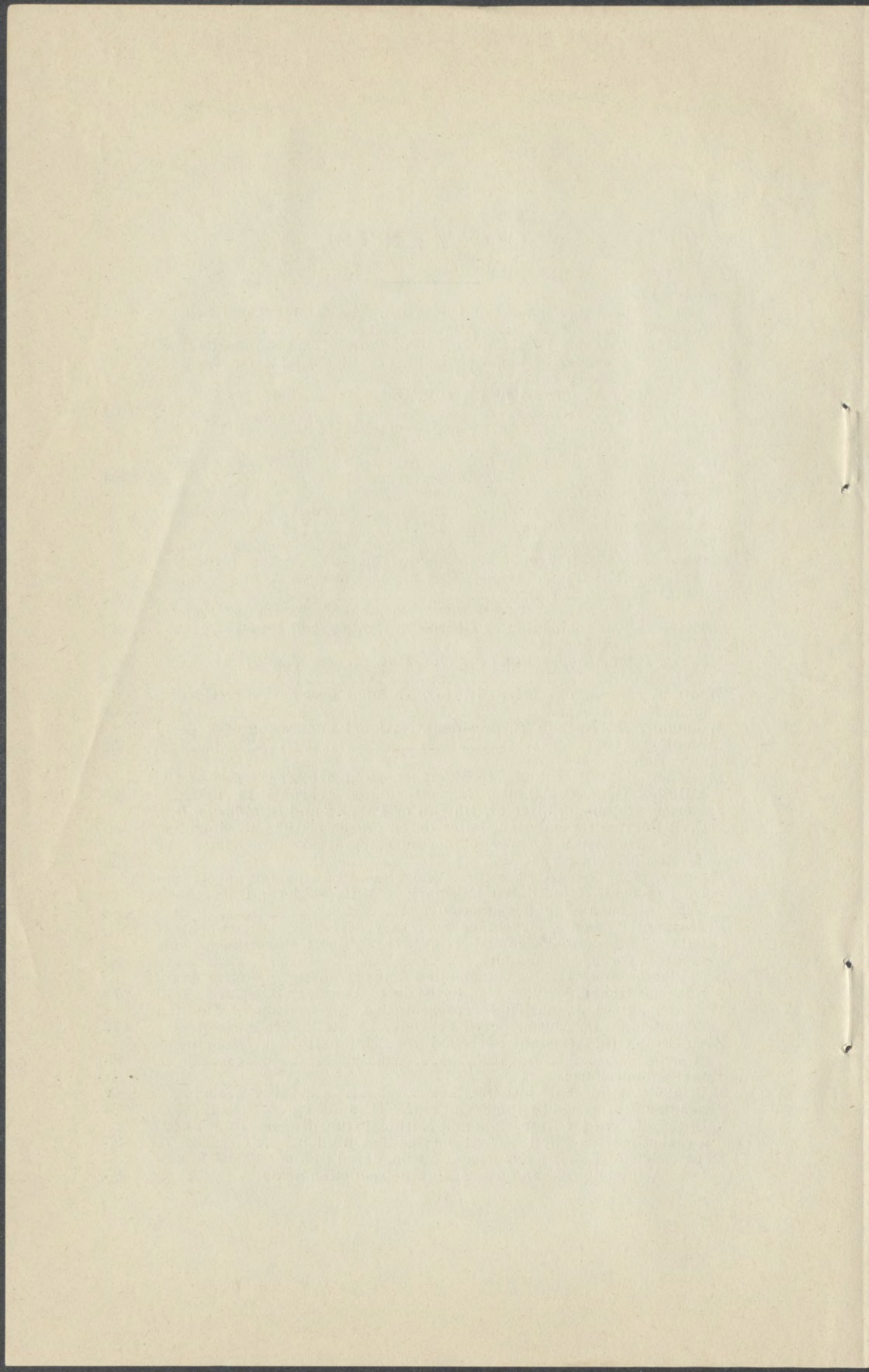
McCart, John A., operations director, Government Employees Council, AFL-CIO -----	56
Whitney, Alan J., executive director, National Association of Government Employees -----	84
Wolkomir, Dr. Nathan T., president, National Federation of Federal Employees -----	52

Communications from—

Innecken, Paul E., colonel, technician personnel officer, Office of the Adjutant General, Atlanta, Ga., letter dated February 11, 1972 -----	79
Jacobson, Raymond, director, Bureau of Policies and Standards, U.S. Civil Service Commission, letter dated March 8, 1972, with attachments furnished in answer to questions submitted subsequent to the hearing of February 9, 1972 -----	20
Romney, Hon. George, Secretary, Department of Housing and Urban Development, letter dated February 8, 1972, subject: Department organization and staff reduction -----	88
Silberman, Laurence H., Under Secretary of Labor, Department of Labor, letter dated September 3, 1971, subject: Government-wide program for cost reduction -----	86
Strickland, James H., Jr., commander, support facility, Georgia Army National Guard, Winder, Ga., letter dated February 2, 1972 -----	78
Walters, James J., national representative, Association of Civilian Technicians, Inc., letter dated February 28, 1972, with enclosures -----	77
Zarb, Frank G., Assistant Secretary for Administration, Department of Labor -----	85

Additional submissions:

H.R. 12602, subject of hearing -----	v
Amendment proposed by the Civil Service Commission to H.R. 12602 --	5
"Military Leave for Reservists and National Guardsmen—June 1969," a report prepared by the Civil Service Commission -----	25
Department of Labor management memo, dated October 12, 1971, subject: Achieving cost and average grade reduction goals -----	85



92^d CONGRESS
2^d SESSION

H. R. 12602

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1972

Mr. HANLEY (for himself and Mr. MATSUNAGA) introduced the following bill;
which was referred to the Committee on Post Office and Civil Service

A BILL

To amend title 5, United States Code, to improve the administration of the leave system for Federal employees.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 That (a) the second sentence of section 5551 (a) of title

4 5, United States Code, is amended by striking out “, except

5 that it may not exceed pay for a period of annual or vacation

6 leave in excess of thirty days or the number of days carried

7 over to his credit at the beginning of the leave year in which

8 entitlement to payment occurs, whichever is greater”.

9 (b) Section 5551 (b) of title 5, United States Code,

10 is amended to read as follows:

I

(V)

1 “(b) The accumulated and current accrued annual leave
2 to which an officer excepted from subchapter I of chapter 63
3 of this title by section 6301 (2) (x)–(xii) of this title, is
4 entitled immediately before the date he is excepted under
5 that section shall be liquidated by a lump-sum payment in
6 accordance with subsection (a) of this section or subchapter
7 VIII of this chapter, except that the payment is based on
8 the rate of pay which he was receiving immediately before
9 the date on which section 6301 (2) (x)–(xii) of this title
10 became applicable to him.”.

11 SEC. 2. Section 6303 (b) of title 5, United States Code,
12 is amended by inserting in the first sentence immediately
13 after “an employee” the words “whose current appointment
14 is limited to less than ninety days”.

15 SEC. 3. Section 6304 of title 5, United States Code, is
16 amended—

17 (1) by striking out of subsection (a) the phrase
18 “subsection (b) of this section” and inserting in lieu
19 thereof “subsections (b) and (d) of this section”;

20 (2) by striking out the word “or” at the end of
21 clause 1 of subsection (c) ;

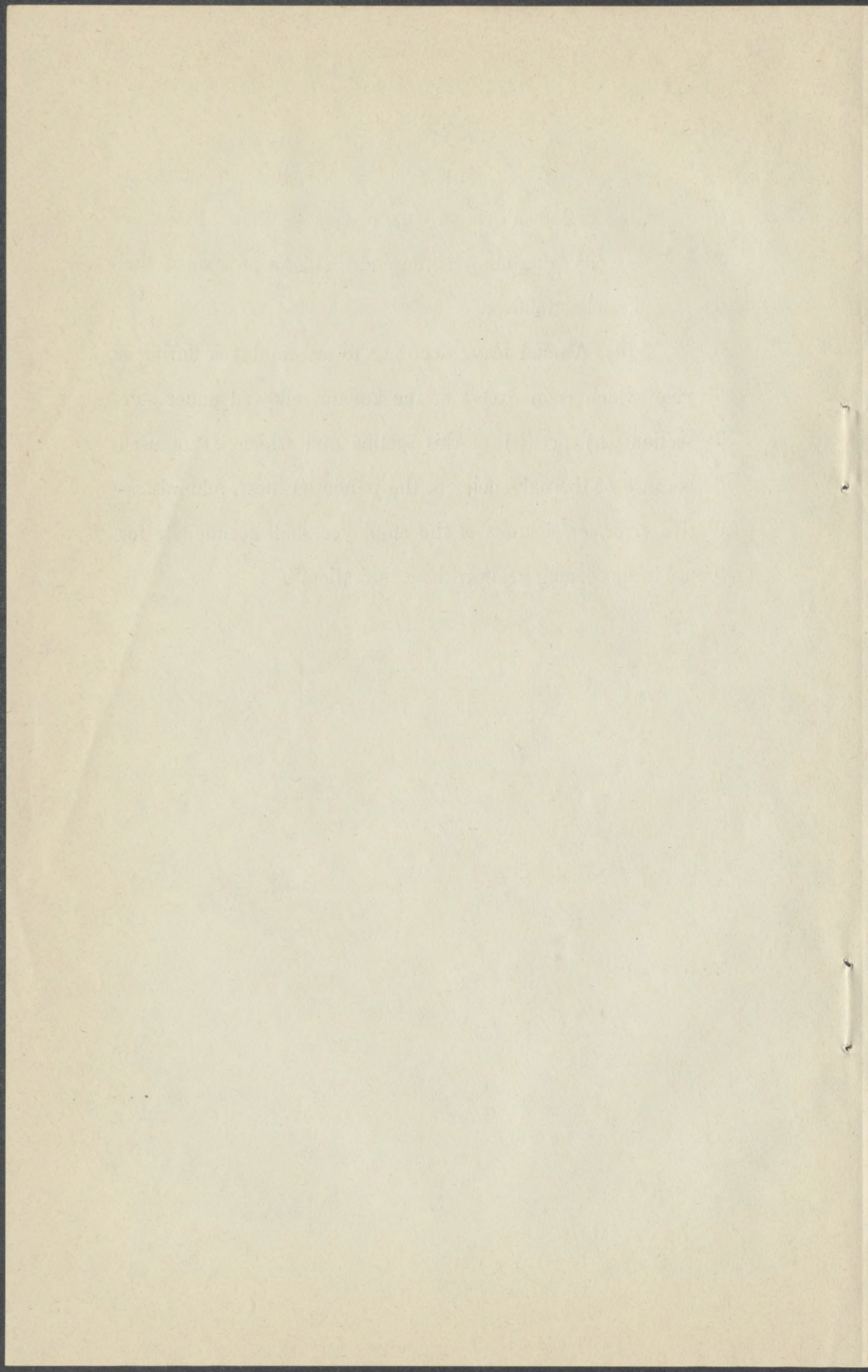
22 (3) by adding the word “or” at the end of clause 2
23 of subsection (c) ;

24 (4) by adding a new clause to the first sentence
25 of subsection (c) to read as follows: “(3) under sub-

1 section (a) or (b) of this section which was accumu-
2 lated under subsection (d) of this section;"; and

3 (5) by adding at the end thereof a new subsection
4 to read as follows:

5 "(d) Annual leave accruing to an employee during a
6 year which is in excess of the amount allowed under sub-
7 section (a) or (b) of this section and which is not used
8 because of the exigencies of the public business, administra-
9 tive error, or sickness of the employee shall accumulate for
10 use in succeeding years without limitation."



IMPROVE ADMINISTRATION OF LEAVE SYSTEM FOR FEDERAL EMPLOYEES

WEDNESDAY, FEBRUARY 9, 1972

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EMPLOYEE BENEFITS OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met at 9:30 a.m. in room 210, Cannon House Office Building, Hon. James M. Hanley, chairman of the subcommittee, presiding.

Mr. HANLEY. The subcommittee today is beginning 2 days of hearings on H.R. 12602, dealing with several minor matters concerning the leave policy of the Federal Government.

Briefly, the bill would prevent loss of annual leave through administrative error, exigencies of public business or illness, allow an employee to take leave during the first 90 days of his or her employment, and provide for lump-sum leave payment upon retirement for more than 30 days.

Our first witness this morning is Mr. Raymond Jacobson, Director of the Bureau of Policies and Standards, U.S. Civil Service Commission.

It is a pleasure to have you with us this morning, Mr. Jacobson, and for the record, if you would advise us of the name and capacity of your associate.

STATEMENT OF RAYMOND JACOBSON, DIRECTOR, BUREAU OF POLICIES AND STANDARDS, U.S. CIVIL SERVICE COMMISSION, ACCOMPANIED BY RICHARD J. CARNEY, CHIEF, LEAVE AND SPECIAL PAY POLICY OFFICE

Mr. JACOBSON. Thank you very much, Mr. Chairman. It is a pleasure to be here.

I am accompanied this morning by Mr. Richard Carney, who is Chief of our Leave and Special Pay Policy Office, and is our technical expert in this area.

I want to also express regrets of Mrs. Jayne Spain, the Vice Chairman of the Commission, who had planned to appear here before you this morning. Unfortunately, she was taken ill yesterday and is not able to attend. I know she deeply regrets that, and would much have preferred to be here herself.

Mr. HANLEY. I regret very much to hear of Mrs. Spain's illness, and certainly I understand completely, and hope for her very quick recovery.

Mr. JACOBSON. Thank you, Mr. Chairman.

If I may, I can read Mrs. Spain's statement, it is a relatively brief one, and then answer any questions.

Mr. HANLEY. If you will, please.

Mr. JACOBSON. I appreciate the opportunity to appear before you today to express the Commission's views on H.R. 12602, a bill to amend the leave system covering most Federal employees.

This bill includes several features that we believe are desirable and which would make needed improvements in the administration of the leave system.

We are pleased to be able to lend our support toward those changes which we feel are warranted. There are two features of the bill that we find unacceptable, however, and I shall discuss those in more detail.

Essentially, H.R. 12602 includes five features that would amend the leave system provided for most employees by chapter 63 of title 5, United States Code.

Two of the features are included as sections 1 and 2 in the bill, and they have our full support.

Section 1 would permit payment for all annual leave accrued but unused by an employee at the time of separation. At the present time, payment for unused leave may not exceed existing statutory limitations.

If an employee has annual leave for which he may not receive payment, agencies generally follow the practice of continuing the employee in a duty status prior to separation for whatever length of time is needed to utilize that annual leave which would otherwise be forfeited.

Thus, the proposed amendment would stop leave and retirement credit with the employee's departure from the agency, permit immediate recruitment of a successor, eliminate paperwork, and, in effect, save money for the Government. For these reasons we support section 1.

Section 2 would modify the existing statutory limitation on the use of annual leave during the first 90 days of employment. The major purpose of this restriction when it was included in the basic law in 1951 was to limit the availability of annual leave for temporary employees. The language of the law is such, however, that the restriction applies to all employees.

The modification as proposed in section 2 would continue the restriction for employees with temporary appointments of less than 90 days, but would permit employees with longer appointments to use annual leave on employment.

Experience has shown that newly-appointed employees frequently have need for personal leave during their first 90 days of employment, particularly those moving into new geographic areas. The proposed amendment would not increase employees' leave earnings, but would merely avoid the necessity for their being placed in a leave-without-pay status at a time when perhaps pay is most needed. Therefore, we also support section 2.

For purposes of discussion, we have viewed section 3 of H.R. 12602 as containing three separate features. The effect of section 3 would be to modify the existing statutory limitation on the amount of annual leave that may be carried over by an employee into a new leave year for any one of three reasons. These are, first, exigencies of public busi-

ness; second, administrative error; and third, sickness of the employee.

The Commission supports a modification of the carryover limitation only for the express purpose of correcting administrative errors. We are strongly opposed to any modification for the other two reasons as included in section 3 of the bill.

Under the existing statute, most employees may not carry over into a new leave year more than 240 hours (30 days) of accumulated annual leave. This limitation dates from July 1953 when the basic leave act was amended to reduce the maximum carryover from 60 days.

At that time, there was a great deal of concern about the large balance of annual leave that had been accumulated by a great many employees during World War II when the 60-day limit was temporarily raised to 90 days. There was a general consensus that a 60-day limit was too generous and represented too great a potential financial obligation for the Government, because unused leave is paid for at the time of separation.

The accumulation maximum was fixed at 30 days as being adequate to permit employees to take an extended vacation, if desired, and to provide a modest cushion in case of emergencies. This limit also has had the effect of moderating the potential financial burden to the Government because of the reduction in accumulated leave.

Over the years since 1953, the existing limitation has proved to be adequate to meet the needs of employees and has been manageable for the Government as an employer. We have had no indication during this period that the limitation has resulted in any major inequities for any significant number of employees.

Accordingly, we cannot agree to any modification to the existing limitation on carry over of annual leave for any reason except correction of administrative error. In our judgment, any modification for other reasons would result in more problems than would likely be resolved by a change.

In an enterprise as large and diverse as the Federal Government, mistakes can and do occur and we believe that employees should not be deprived of their leave earnings because of administrative error.

At the present time, when an error is uncovered, the leave may be credited to the employee's account only to the extent that the legal carryover ceiling is not exceeded. Any additional leave must be forfeited. This is, of course, an inequitable situation stemming directly from an administrative error, and not due to any fault on the part of the employee.

In our report to the committee on H.R. 12602, we pointed out our objections to section 3, and we proposed substitute language that would limit the modification of the carryover ceiling to correction of administrative errors. Included as part of our substitution is a retroactive feature, and also a proposal which would provide an option to an employee to repay any overcredit of leave either through an immediate repayment or through a charge against later annual leave earnings.

I should like to incorporate by reference our substitute language, as previously submitted to the committee, as a part of my testimony. This language is included in the attachment to my statement which you already have. Therefore, I shall not take up your time by reciting it.

Our proposal for restoration of annual leave lost through administrative error provides for its use within a reasonable time under proce-

dures to be specified by the Civil Service Commission. If the restored leave cannot be used before separation, the employee would receive payment for accumulated leave at that time.

The retroactive application of the amendment is being proposed in order to provide relief for those employees or former employees who in the past have lost annual leave because of administrative errors. The retroactive date has been tied to that provided in Public Law 90-616, a somewhat comparable bill that provides relief to employees who encounter overpayments because of administrative error. This date is July 1, 1960.

We foresee no major difficulty in resolving any claims because of this effective date. Although it is not possible to determine the overall potential cost of this proposal, our assessment is that the number of cases involved will not be great nor will the cost be excessive.

Our proposal also includes one other element, which tends to further what we feel is the intent of Public Law 90-616. Under that law agencies may, under certain conditions, waive overpayments that resulted from employees' use of annual leave that was erroneously credited to their leave accounts because of improper administrative action by employing agencies. However, waiver is not always warranted as being the equitable course of action, and monetary repayment sometimes is required.

Our proposed amendment would permit the employee an alternative of choosing to have the excess leave—now a deficit—carried forward as a charge against later annual leave earnings, somewhat paralleling the present procedure for liquidation of an advance of sick leave.

The Commission strongly opposes modifying the carryover limit when an employee is unable to use annual leave because of the "exigencies of the public business" or because of "sickness of the employee." It is our view that any easing of the existing limit for these reasons will foster more problems than it will solve.

Concerning "exigencies of the public business" we recognize that work-load situations can and do arise where management cannot grant time off to employees in the middle of a work-load emergency. In some extreme situations, employees may lose annual leave because they already have attained the maximum permissible balance at the end of the leave year.

We believe that annual leave is lost primarily for two basic reasons: first, we believe it is lost primarily by supervisors and managers who recognize the needs of the service and simply do not try to take all the leave that is available to them; and second, employees often contribute to the problem by "saving" a few days of leave until the end of the year as a hedge against reducing their leave ceiling should a personal emergency arise. Thus, in some respects, employees take a calculated risk that they will be unable to use up such excess leave before the deadline.

The most desirable solution, in our view, is more emphasis on planning of leave usage by management and by employees. If the maximum limitation were modified, it could result in even more poor planning because the use-or-lose incentive would be removed. Moreover, there is the possibility that, with the limit removed, an ever increasing number of employees will accumulate large leave balances and thus increase the potential financial burden on the Government. This could

lead to a return to similar conditions that existed in 1951 when the present law was enacted.

Concerning "sickness of the employee," we do not believe this is an adequate reason for modifying the leave ceiling because of unused annual leave. There is no need for any employee to lose annual leave because of illness. Such loss can now be avoided by employees charging a portion or all of any absence due to sickness to annual rather than sick leave.

Annual leave is not intended to be used solely for vacation or recreational purposes. One of the principal reasons for fixing the maximum carryover at its current level was to provide an adequate cushion of paid leave for emergency situations. In our view, any modification of the carryover limit would result in an expansion of a leave benefit that is already generous by comparison with private industry.

In summary, Mr. Chairman, the Commission fully supports sections 1 and 2 of H.R. 12602, but cannot agree to section 3 as currently included in the bill for the reasons outlined. The substitute language we have proposed for section 3 will overcome our objections. We urge that our proposals be accepted, and we believe that the resulting amendments to the leave system will benefit both employees and the Government.

This concludes my statement, Mr. Chairman. I will be happy to answer any questions you or the other members may have about my testimony.

(Attachment follows:)

The Commission proposes that H.R. 12602 be amended by striking the last six lines thereof (lines 5 through 10 on page 3) and that the following be substituted therefor:

"(d) After June 30, 1960, an employee who loses annual leave by operation of this section because of administration error is entitled to have the lost leave restored to him. Leave so restored, to the extent that it brings an employee's maximum leave accumulation above that permitted by law, shall be credited to a separate leave account for the employee and is available for use by the employee within the time limits prescribed by regulations of the Civil Service Commission. Leave credited under this subsection but unused and still available to the employee under the regulations prescribed by the Commission shall be included in the lump-sum payment under section 5551 or 5552(1) of this title but may not be retained to the credit of the employee under section 5552(2) of this title."

SEC. 4. Section 6302 of title 5, United States Code, is amended by inserting the following new subsection after subsection (e):

"(f) An employee who uses excess annual leave credited because of administrative error may elect to refund the amount received for the days of excess leave by lump-sum or installment payments or to have the excess leave carried forward as a charge against later-accruing annual leave, unless repayment is waived under section 5584 of this title."

SEC. 5. With respect to former employees who are not on the rolls on the date of enactment of this Act, annual leave otherwise accruable after June 30, 1960, but, because of administrative error, lost by operation of section 6304 of title 5, United States Code, is subject to credit and liquidation by lump-sum payment only if a claim therefor is filed by or for the former employee with the agency by which he was employed at the time of forfeiture, within three years immediately following the date of enactment of this Act. Payment is to be at the salary rate in effect on the date of separation from the employment during which the forfeiture of annual leave occurred.

Mr. HANLEY. I appreciate the very fine testimony, Mr. Jacobson.

As you read on there, I can only think of the possibility that the problem we are dealing with could be greatly compounded as a result of the implementation of the Equalization and Stabilization Act inas-

much as the Congress is determined that this effort be implemented through an established agency of Government.

I think of personnel within the Internal Revenue Service, personnel within the Agriculture Stabilization and Conservation Service whose workload has been greatly increased dealing with the mechanics of price and wage control.

So I am very apprehensive about the possibility of many of our personnel in both of these agencies being hurt because of the present provisions, where obviously—the workload being so great—the employee's plea that he or she are directed to give up or postpone leave because of this volume of work.

Do you have any comment on that?

Mr. JACOBSON. Well, I think it is true, as you indicate, Mr. Chairman, that there are emergencies, and this latest emergency is an excellent example, where employees are required to dedicate themselves rather heavily to performance of very urgent work.

The only thing I can say is that in planning for the additional staff needed for activities such as these, such as in the case of the Internal Revenue Service, when they were planning to add a total of, I believe, 3,000 employees for the performance of these additional functions they had to take on——

Mr. HANLEY. Excuse me.

At this juncture, are these new employees, or are these employees transferred from other agencies?

Mr. JACOBSON. These are 3,000 additional positions.

Now, the positions, of course, could be filled either by the transfer of present employees, as was done in many cases, and then hiring in behind them, or by new hires, and I think the division has been relatively equal between them.

About half of them have been filled through transfer, the other half new hires. But there are 3,000 additional spaces and money for those.

Mr. HANLEY. Is that in IRS?

Mr. JACOBSON. That is the IRS figure as I recall.

Mr. HANLEY. What about the other agencies?

Mr. JACOBSON. I believe, and here I am drawing from memory, that the total of the Cost of Living Council, the Pay Board and the Price Commission staff amounts to something like 800.

Mr. HANLEY. As opposed to what I had reference to, the Agriculture Stabilization and Conservation Service? Has a provision been made there for increased personnel?

Mr. JACOBSON. I cannot speak to it of my own personal knowledge, Mr. Chairman. We could find that out for you, of course.

The major thrust, or the major weight of the new responsibilities under the economic stabilization program—of course, the amendments of the Stabilization Act just became law at the end of the year, about December 22, as I recall.

So the impact of that on these other departments I am not aware of as yet.

But the major impact of the economic stabilization program—the President announced it on August 15—has been on the agencies I named, that is, the Internal Revenue Service, Cost of Living Council, the Pay Board, and the Price Commission, and the total additional

employment provided for in those agencies, I believe, is in the order of 3,800.

The main point that I wanted to make in giving you a figure of that type is not that that is the right amount, the right number of people—obviously, I am not in a position to know that—but in calculating the needs for any Government agency's program, any change, part of the standard calculations is to add in leave usage.

In other words, you assume that to obtain a certain amount of work days there will be a certain amount of annual leave used and any budget officer who calculates personnel needs always includes this item in his consideration.

Of course, there are emergencies that develop, for example where there is an emergency flood condition or an emergency because of some other act of God which requires Government employees to work long hours frequently.

If these happen to occur at the end of the year, that could cause a problem; but, when we look at the facts, and I think we indicated this in our report to the committee, although it isn't in the prepared text, we find that the loss of leave by Federal employees in the last year for which we have figures available amounted on the average to a third of a day, or, say, between 2 and 3 hours, per employee. In a leave system where the average employees is granted say, 20 days, we don't regard as significant the loss of 2 or 3 hours.

I recognize this is an average. There would be instances in which an individual employees will suffer more than that.

Mr. HANLEY. Well, that is an interesting statistic, and I interpret you as saying that, on the average, the employee, through whatever deficiency prevails in this program, has lost approximately one third of a day of that full year's leave earnings?

Mr. JACOBSON. Right.

Mr. HANLEY. The Commission has stated that some limit should be placed on the leave which could be carried over pursuant to the bill.

Now, as I understand it, the Commission no longer recommends this?

Mr. JACOBSON. I think, as far as the language that we propose to correct administrative errors, we would not have a limit to the carry-over of leave subject to forfeiture, but we would ask that that carry-over be kept in a separate account, for use as quickly as possible. Thus, there would not really be an increase in the 30-day limit.

We don't feel it ought to just provide more leave accumulation, subject to eventual lump-sum payment.

Mr. HANLEY. I must admit that I was surprised to hear that the Commission opposed the section on exigencies of public business.

Our indications are that this is a substantial problem. Certainly many of our employees lose leave because their supervisors refuse to allow it.

Do you perceive this as a problem, and, if so, how would you solve it?

Mr. JACOBSON. Well, as I indicated, we don't consider it perhaps as serious a problem as you are indicating.

Mr. HANLEY. Because of the statistic that you have already offered, that is, the one-third of 1 day per year?

Mr. JACOBSON. Well, that is part of it.

Now, I have to agree that I don't have detailed statistics by which I could say how many employees lose, say, more than 2 days, or more than 1 day, or more than 3 days.

We do know that we have had very little in the way of complaint that indicates there have been real stringency measures applied by supervisors. In fact, there is some complaint in the public press, as I read yesterday, that supervisors seem to give too much leave at Christmas time; therefore, no one is available to work. This, I think, is an exaggerated statement, but it would imply just the reverse, that supervisors are not intimidating employees by refusing to grant them leave.

It seems to me it is a shared responsibility. I think supervisors and managers have a responsibility to plan the use of leave with their employees so that it is spread over the entire 12 months. We do feel that some agencies do a pretty good job of this, although others don't, and we feel that more pressure should be put on agencies to do a good job.

We think that by providing a higher ceiling in individual cases you would take the pressure off to do a good leave-planning job. We think it is important that agencies recognize they have that responsibility.

And, as I say, many do. I think the fact that the average leave loss is so low is really an indication that there is a good deal of planning going on in the scheduling of leave.

I think the big problem is that most employees perhaps very naturally like to save a little leave in case of an emergency. They don't want that 30-day cushion to be eaten into, and so they like to save a little out of the leave they earn during the year, to save it up to the last few days, and then, if an emergency does occur, an emergency in the agency, not an emergency personally of the employee, and the supervisor has to say, "Look, I know you were planning on using those 2 days you have left,"—or even 8 hours or 7 hours—"I really can't let you go today because we have this very special crisis to deal with," that employee would obviously feel somewhat aggrieved.

But I argue that these employees are really gambling a little, and in some cases they lose, and I think the amounts they lose are small. There is a risk that they take, which I don't think is substantial.

The reason for a 30-day limit is that the Congress felt that there had to be a limit, and the limit had to be reasonably low.

This means that an employee who is in the 26-day earning category—with more than 15 years of service—has the 30-day limit, plus the 26 days. He has available for his use during the year 56 days, and we would certainly think this is an extremely generous system.

Mr. HANLEY. Do the provisions as now applicable provide anything in the way of handling a crisis as you are moving into the end of the year, the holiday season and so forth?

Mr. JACOBSON. No, there is no provision by which we could under the law provide special treatment.

Mr. HANLEY. What I am saying is, do people kind of plan accordingly and then, as we approach the end of the year, a large percentage of people then utilize the leave due them which in turn poses a problem for agencies?

Mr. JACOBSON. I don't have a statistical answer, and I wish I did, because we should know what the leave usage is by month. As I indi-

cated earlier, I feel that the concept that the Government—you know, one-third of the work force is off from December 15 to January 10, or something, which is a charge I have heard—I think this is a grossly exaggerated charge—

Mr. HANLEY. But, actually, you have never analyzed it?

Mr. JACOBSON. We don't have statistics to demonstrate it one way or the other, Mr. Chairman.

Mr. HANLEY. Thank you, Mr. Jacobson.

Mr. BRASCO.

Mr. BRASCO. Thank you, Mr. Chairman.

Mr. Jacobson, getting back to the example that you gave before of the possible aggrieved employee who had 30 days accumulated at the end of the year and then decides before he takes his time off, he decides to take 2 days, and if a departmental emergency occurs he would have to work and then would lose the 2 days because he can't carry them over.

Now, it would seem to me, and since you have said that he might be rightfully aggrieved, I suppose, without putting words in your mouth, it is basically an unfair approach to an employee, to take something that he has and wants to take at a particular time, in this case, the 2 days time off, and tell him he can't do it because of an agency emergency and not try to make it up to him some place along the way.

I suppose that is what this bill is trying to do, and that is what you are against.

Why? Is it just a matter of inconvenience? I don't understand the equity behind it or the thinking involved.

Mr. JACOBSON. I am not trying to argue it from the standpoint of inconvenience. I am trying to say we have the 30 days as a carryover. This is a cushion.

In addition to the 30 days, you have whatever you are allowed to earn, and this depends on your length of service.

I was thinking of a senior employee who has 15 years of service or more and therefore is earning 26 days a year.

Now, we say he should schedule that leave, with his supervisor, so he uses his 26 days during the year.

In the example, I was using—

Mr. BRASCO. Suppose he did schedule it to take a vacation, as many people like to do?

Mr. JACOBSON. Around Christmas.

Mr. BRASCO. Yes. He wants to take 30 days off in December to take care of his Christmas shopping and, maybe if he has got enough money, to go on a little trip, and he schedules that with his employer, and then this crisis comes up.

Mr. JACOBSON. Well, let me put it this way: I think in those situations where there is scheduled leave employees very, very rarely are prevented from taking it.

I think usually the problem occurs when an employee schedules only part of his leave. Let's say he has 26 days to use—and that is in addition to the 30 days, remember, that he has sitting there—but he decides to schedule only 20 and he holds 6 back, because he may need it later.

We think the 30 days is for that purpose. But, you see, he is taking it out of his leave which we think he should have scheduled for his use during the year.

In such a situation, the employee is gambling that he will be able to take that time off. In most cases he is right and will be able to take it off, but in some cases the gamble doesn't pay off.

Mr. BRASCO. I understand that. I am trying to say that since we are in agreement that the individual employee has earned this time, and, it is his time, it just seems to me to be, really and truly, the height of inequity if we can't devise a system whereby he gets it.

Even if maybe this requires changing this 30-day carryover situation.

If we were talking about time that he hasn't earned, well I would be inclined possibly to agree with you.

I don't see why a guy should gamble, as you say, with time that he has earned. Personally, if I were the employee, I would be rather upset about it also.

I don't know how many times it does occur, and you are probably right, maybe it doesn't occur that often, but even that isn't an answer—just the possibility of it occurring during the course of an employee's work period would seem to me to be rather upsetting, and it would not make for a happy employer-employee relationship.

We ought to be able to sit down and come up with some kind of suggestion between the Commission and the committee whereby this can be taken care of legislatively.

Mr. JACOBSON. I think, Mr. Brasco, the point that the Commission is concerned about really is allowing an exception to the limit of 30 days. Now, I grant you, 30-days could be some other limit, but 30 days is the one in effect. We have lived with it a long time, where 60 days, as the old limit, was considered both by the Congress and the administration many years ago to be a serious problem.

But whatever that limit should be, it should be held to, because once you find a breach in it we think it encourages poor planning of leave usage. The employee will always have the thought, "I will carry it over, I will be able to get somebody to certify the need was because of the exigencies of public business. We visualize therefore a buildup of a considerable number of employees carrying not 30 days but having ceilings of 35, 38, 40, 42.

Mr. BRASCO. You are afraid you will turn around one day and nobody will be at work; is that it?

Mr. JACOBSON. I am afraid we will find excessively large leave balances being carried over.

Mr. BRASCO. Well, the Government would have to pay it anyway.

Suppose I accumulated 90 days and I took them off, say, 30 in each year. I would still get paid for it, and if I took it off, the 90 days at the end, I would still get paid for it.

I don't think the financial situation should be disturbed, because I don't see that there is any difference in finances, other than the fact that at one time you may have too many people being off at a specific time.

But apparently from what you say, the agency can always ask them not to take that time off. So I really don't see the problem.

Let me ask the question in a different way: Suppose we don't get involved in this tremendous situation of a buildup, but for the fellow in the case that you were talking about, who has 2 days that he wants off and his employer says, listen, you have to help me, we have an emergency here, and you can't take those 2 days.

Why couldn't he at least carry those 2 days over? And since you say that it is only a small number of times that it happens, rather than having the employees feel that the Government is trying to cheat them, everybody would be happy, unless there is something about this thing that you know and I don't know, it does not seem to me to be a difficult thing to resolve.

Mr. JACOBSON. I don't pretend to know anything that you don't know.

Mr. BRASCO. I am talking about any technical aspects of it that makes my suggestion illogical.

Mr. JACOBSON. It appears that I have not gotten my point across; maybe my logic is not good. But we feel that if we don't have an absolute limit, then the fact that this type of situation occurs very rarely will change.

We think the reason it occurs rarely now is because we have a limit and everybody is aware of it and, therefore, we try to be fair and try to get employees to get their leave in.

Mr. BRASCO. But this is something that the employee has no control over.

I am not saying he should not use his time during the year. What I am saying is when he asks to use his time and the employer says OK. Now that does not put the employee in the position of manipulating time, which you fear. Then the employer states you have got to help me; cancel your time off.

Now, under those circumstances, what you fear can't come up because the employer is in charge, and he is not going to allow the employee to build up this tremendous carryover, but if he does say, look, this is an emergency, you have got to stay, it seems to me you are being terribly unfair with the employee, and in that limited circumstance, would you still object to it?

Mr. JACOBSON. Let me agree that we should take a look at that and see if we can suggest a way of keeping it limited.

We are concerned with a situation where this could get very much out of hand, and we think the system really operates pretty fairly right now. But I am certainly agreeing that we should take a look at that narrow situation and see if we can suggest some compromise here.

Mr. BRASCO. Thank you, Mr. Chairman.

Mr. HANLEY. Thank you.

Mr. Wilson?

Mr. WILSON. I have no questions, Mr. Chairman.

Mr. HANLEY. Mr. White?

Mr. WHITE. Mr. Chairman, I started out cold, and I am trying to climb up the ladder slowly.

I have been doing some calculations here trying to see what the outside result of this bill could be.

Now, as I understand mathematically, if a man or woman entered the civil service at the age of 21 and retired at the age of 60—is that

possible—retire at the age of 60? Under this bill if such a person never took a vacation, such a person would accumulate 903 days. Is this about right?

Mr. JACOBSON. I am sure your calculations are correct.

Mr. WHITE. Thirteen days, would be 39 days for the first 3 years, 240 days for the next 12 years, and then he would get 624 days from 15 years on for the next 24 years.

Mr. JACOBSON. That sounds correct.

Mr. WHITE. I don't know that is really what we want to do.

Mr. JACOBSON. I hope we don't.

Mr. WHITE. Is there any way that the man could take some of his leave time that is accumulated, more than 30, and put it in a pool for that catastrophic illness that he might have?

In other words, suppose a man really does not take time off, but in his tenure he has a nervous breakdown because he did not take a vacation.

Mr. JACOBSON. Well, if I may respond, let me try this way: In the first place, I think it is in the interest of the employee and the interest of the Government that employees do take time off, and I do not think management should allow employees to not take time off.

That is why we talk about management's responsibility to schedule leave.

Mr. WHITE. I agree with you on that.

Let's not take the nervous breakdown. Suppose he is constitutionally sound, but something else befalls him. He goes skiing and meets a tree and he is laid up.

For all that time he has been faithfully at service, he should have taken his vacation, but he accumulated it, fearful that some day he might have some problem. He is going to be out more than 30 days, and he is going to be out more than 30 days plus his 26 days, that particular year, or whatever it would be.

Mr. JACOBSON. The thing I would like to point out here is that we are talking only of annual leave.

We have a sick leave provision in which there is no limit to accumulation. For example, right now I personally have been lucky and healthy and having 30 years' service, have accumulated something over 2,400 hours, that is over 1 year of sick leave to my credit.

Mr. WHITE. That could be taken any year then?

Mr. JACOBSON. Not only that, but in sick leave we have no limit on accumulation, whatsoever. Since there is no ceiling, you can accumulate as long as you are in the service; on top of which, if there is catastrophic illness, management has the right to advance sick leave to a career employee who has long service.

Mr. WHITE. What do you mean by long service?

Mr. JACOBSON. This depends on the individual. But I have advanced sick leave in my own organization on occasions, to people with 4 or 5 years' service, but there is every indication that they have career intentions, and we have never lost a dime for the Government on that. It is a good risk.

And so we have quite generous ways of taking care of that kind of catastrophic problem. This is apart from the annual leave system.

The annual leave system is in addition to that. If employees run out of sick leave, they can use their annual leave.

Mr. WHITE. Do you know of any instances where an illness of an employee of civil service has formed a greater hardship to the individual because he could not be advanced time, or did not have the accumulated time, and, if so, how would you have solved his problem?

Mr. JACOBSON. I guess, Mr. Congressman, since we are dealing with a government of almost three million people, I really can't say that no one has ever suffered. I am sure that people have. You have situations that can be very heartbreaking.

However, I would say that I am not personally aware of any situation in which there was not extremely generous treatment, where employees did not generally find that they were very well taken care of through sick leave, perhaps combined with some use of annual leave, perhaps with some advance, so that they were able to take care of almost anything, but obviously, not everything.

There might be some situations where someone was without income. But this normally is, I would say, a generous system, a fair system, and does take care of people who are in serious difficulties.

Mr. WHITE. What is the system in larger industries, like steel industries, automobile plants, and so on?

Do you know what their leave time is?

Mr. JACOBSON. I know that, in general, and we have some data on this that the Bureau of Labor Statistics has put together for us, that the Federal Government's leave system is a more generous one than those in private enterprise systems.

We have some statistics that give this in terms of leave as a cost to the employer, in terms of percentage of basic pay.

Private enterprise shows that about 5.3 percent of their payroll went to vacation leave costs, and the Federal government shows 8.1 percent of our payroll goes to annual or vacation leave costs.

Now, that is just vacation leave.

For sick leave, the private enterprise system shows 1.1 percent of payroll, and for the Government, 3.3 percent.

So we are three times as good on sick leave, and roughly 60 percent better on annual leave.

Now these are figures, I must emphasize, which are averages in private enterprise. They do not pick out a particular plant or a particular industry. They are an average of that part of private enterprise with which we compare ourselves for pay purposes. That is a pretty large segment of private enterprise. It does not include the very small plants. It does not include certain industries.

For example, it does not include agriculture or mining. But it would include manufacturing, real estate and finance, and retail stores, and the larger wholesale and retail operations and so on. So, it represents a pretty good cross section of private enterprise throughout the country.

Now, obviously some particular company may have a more generous plan than we do. As far as I know, I am pretty willing to bet that there aren't more than one or two.

Mr. WHITE. Do you know of any instances where an overseas employee was in a position where he could not use his time, accumulated more than, for instance—this is 45 days?

Mr. JACOBSON. Yes.

Mr. WHITE. But as I understand, you can accumulate only 30 days carryover. So in other words, if he does not take his vacation that year, he is losing 15 days?

Mr. JACOBSON. No.

The 45-day is the carryover limit for overseas employees as opposed to the 30 days for domestic.

Mr. WHITE. Okay.

Are there any overseas employees who, because of the locality, are unable to take their vacation and, therefore, lose some of their accumulated time?

Mr. JACOBSON. I am not as familiar, Mr. White, with the overseas employee situation nearly as I am with domestic, and I really would have to say I really can't answer you. I would hate to even hazard a guess.

Mr. WHITE. If we were not going to maintain the present system of 30 days, what would you recommend we go to?

Mr. JACOBSON. Frankly, of course, our first recommendation is that we maintain the 30-day carryover. I don't know what I can say beyond that, except that if the Congress in its wisdom wanted to expand that carryover limit, I would hope it would expand it very, very little.

Mr. WHITE. What would you regard the limits of reason?

Mr. JACOBSON. I kind of think 30 days is pretty reasonable, pretty reasonable, as an employee personally affected by this, too.

Mr. WHITE. Thank you very much, sir.

Thank you, Mr. Chairman.

Mr. HANLEY. Thank you, Mr. White.

You have mentioned that under certain circumstances we can advance sick leave. Does this same ability apply to annual leave?

Mr. JACOBSON. I don't believe we can advance annual leave.

Mr. CARNEY. Annual leave may be advanced only to the extent of what the employee would earn for the rest of the leave year, whereas you don't have that limit for sick leave. Sick leave advance is limited to 30 days.

For example, if an employee earns 20 days leave a year and 6 months of the year have gone by, he already has earned 10 days and an additional 10 days may be advanced.

Mr. WHITE. Would the gentleman yield?

Mr. HANLEY. Mr. White?

Mr. WHITE. Suppose this committee should decide as one compromise that it would be well to advance annual leave, but if the employee left the service before he had paid back that time, that he would owe the Government through some medium, or through some means to pay back the government?

Mr. CARNEY. That is generally the way it works now, Mr. White.

For example, in the Post Office Department, as well as some other organizations, the practice is to credit the full amount of annual leave that the employee would earn during the entire year at the beginning of the year, so that they can schedule the use of leave during the entire year.

Mr. WHITE. That is not the question we are asking.

The question he is asking is, suppose a man has an opportunity to go to Europe and visit relatives, but the package would require more than the annual leave that he could take in that 1 year.

Suppose he needs actually 25 days to go there, but he couldn't possibly do it with his annual leave. Now, can he be accredited in advance—not now, I know he can't—but do you see any reason why he shouldn't be able to borrow from the following year in the event he leaves the service?

Mr. JACOBSON. Of course, the purpose of the 30-day carryover suggestion is to allow for that.

In other words, employees can and do—many of them do, of my personal knowledge—take more leave in a year than they will earn in that year, and they are eating into that balance, and that is perfectly OK.

I once had an employee who wanted to visit some relatives in Australia, and he just couldn't go to Australia for a short visit. And, in this case, the person took 6 weeks.

But this was perfectly okay because he had it in his leave balance.

Mr. WHITE. Suppose he does not have it in his leave balance?

Can he be advanced that, or would that be a good compromise to juggle out your time, so that in the event he does leave the service, he has to owe it back to the Government but if he does not leave the service, he can pay it back in time.

Mr. JACOBSON. Certainly, under the present law, we may not grant leave to exceed the balance you already have available and the amount you can earn through the current leave year.

So, for that person who has no balance available, then he can only get what he earns in the current year; if he wants to get more, yes, we have to have a change in the law to permit us to do it.

Now, my own feeling is that such a change is not necessarily needed or desirable. It's very unusual for an employee not to develop some balance.

They like to keep a balance. They should. We feel that they ought to. That is the reason for that provision.

The only time this usually would occur would be where somebody was a very new employee, and, therefore, had not had an opportunity to build up any balance whatsoever in his leave account.

We don't see why this kind of an employee can't wait a little while before he takes a very extended vacation on full pay.

Now, if he wants to take a very extended vacation, even in the first year of employment, it may be that we will be willing to let him go on leave without pay. I don't really see why there is an obligation to a relatively new employee to provide him with a very extended vacation with pay, full pay, in the first, say, 3 or 4 or 5 years of employment.

Now, actually within 3 or 4 years, you can easily build up an extra 10 days in your leave balance. It's not that hard. And you will have it available for your use.

Mr. WHITE. But you don't enjoy it as much later as you do when you are younger.

Mr. JACOBSON. That may well be.

Mr. WHITE. Most of your younger employees are just coming out of school and they are still very travel-minded.

Mr. JACOBSON. Yes, we have them, and they ought to travel, and sometimes they will say, "well, I have just got to take a couple of months." If you value that employee highly enough, you will say,

OK, we will give you leave without pay for the balance beyond your leave.

But I just don't think it's reasonable as an employee to expect a 6-week vacation the second year of employment, on full pay.

I don't believe we are being abusive of people, if we will say, "no, we are sorry."

Mr. WHITE. Wouldn't you attract more people if they had that opportunity, especially when they are single?

Mr. JACOBSON. I would say our ability to attract young people to the Federal service is excellent. We have received a large number of applicants in response to our examinations.

We wish we had jobs for more of them. Certainly leave privileges, compared to what they can get with other employers, are very generous, and we think we have nothing to apologize for to a prospective employee in telling him about our leave system.

We have a very, very generous system, sir.

Mr. WHITE. Thank you, Mr. Chairman.

Mr. HANLEY. Mr. Jacobson, if this bill were to be amended to apply only to scheduled leave which could not be taken because of the pressure of public business, what would the Commission's attitude be toward that?

Would it support such an amendment to the bill?

Mr. JACOBSON. I think I would have to consult with the Commission on that, Mr. Chairman.

Mr. HANLEY. All right.

Mr. JACOBSON. Because this position I have been enunciating here is the Commission's position. I would be glad to take that back as a consideration.

Mr. HANLEY. Personally, does it appear to be more palatable?

Mr. JACOBSON. I have difficulty with it only because—and this is a top-of-the-head type of reaction—I can use the term scheduled leave and you can use the same term, and, although we think we mean the same thing, we may not be. It's a difficult term.

It does not really mean very much. If I say to my boss—I feel like taking 3 days off next week—is that scheduled leave?

Well, I don't know. Or if I say to the six or 10 supervisors who work for me, let's schedule our leave over the year so we are not all gone at the same time.

So, I draw up a schedule and that would be it. But the difference is not such as between black and white. It is so gray that I find it very difficult to believe that we could administer such a thing very effectively.

Mr. BRASCO. Would the Chairman yield?

Mr. HANLEY. Yes.

Mr. BRASCO. Suppose we said scheduled and approved. What I am talking about, and I think what the chairman is talking about, is the case that you enunciated yourself. It just seems to me, Mr. Jacobson, and during the time that I have been a member of this committee, there is a definite pull between labor and management, quite frankly, and I am sure everyone is aware of it. Both are concerned about their basic interests. It just seems to me that this is an opportunity to take away one source of irritation, particularly in the specific case that you mentioned.

In your experience, would you say that this business of the loss of annual leave is more prominent, say, among rank and file employees, than among supervisory personnel?

Mr. JACOBSON. Again, I wish I had statistical evidence. I do not. My first impression is that the loss of leave is more frequent among supervisory and managerial personnel and professional personnel, than among the rank and file.

Now, it is hard to draw a line and I do not have statistics to prove it. It is strictly an impressionistic answer.

Mr. BRASCO. You mean they are willing to give it up?

Mr. JACOBSON. It is no great sweat. If you want to talk personally, I have lost leave and it does not bother me, does not agonize me at all.

Mr. BRASCO. When I talk about supervisory personnel, obviously, when you get to a certain level of management, you take, for instance, in the labor movement, the President is more pressed for time than anyone else.

Mr. JACOBSON. You are talking about the first line supervisor?

Mr. BRASCO. Yes. And he is working—

Mr. JACOBSON. The foreman?

Mr. BRASCO. You would say that applied there, too?

Mr. JACOBSON. I am not speaking for all foremen and supervisors, but I would say that probably on the whole more leave is lost by supervisory and management personnel. I was not thinking of myself. I was thinking of those first-line supervisors who have a great dedication to their job, and who maybe feel more associated with management and therefore tend to not be too concerned about a little bit of loss, and give it up.

Now, that does not mean some rank and file employees do not lose leave. I do not mean to imply that. I do not mean to imply that supervisors are more dedicated to their jobs than our rank and file employees, because obviously that would not be true. But impressionistically, without any statistics, that is my impression.

Mr. BRASCO. Thank you.

Mr. HANLEY. Mr. Wilson?

Mr. WILSON. How serious, Mr. Jacobson, is this problem that we are discussing this morning? Is this something that involves a large number of people, to your knowledge?

Mr. JACOBSON. One of the reasons we have taken the position we have stated is that we do not really think it is a serious problem. We have had no mass of grievances or complaints on this score.

There are problems. There are problems with any large system where you are dealing with 2½ million or more employees. So I would say, Mr. Wilson, that our general impression is that it is not too serious a problem and, therefore, we would prefer to stay with the 30-day limit except in the case of administrative error. Even then, I might say, this is a very infrequent problem; but there is a true inequity where management was responsible for making the error and, therefore, should make it up to the employee.

Mr. WILSON. Apparently one of the Federal columnists discussed this matter in his column, and he has used the expression, that you either use it or lose it. Has this caused a lot of people to take year-end leaves? Has this been a serious problem?

Mr. JACKSON. Let me say, the problem that that column addresses itself to, and I believe it is the same one that I have seen, is not quite the same thing. It is related. That is the problem of people not being available for work because of the use-or-lose-it provision, and because the supervisors generally let people go to use up their leave.

Now, I feel, and again, this is without statistics, I cannot prove anything, that it is a grossly exaggerated statement of the problem.

I do not think one-third of the Federal work force is off between December 15 and January 10, or whatever date is used.

Mr. WILSON. December 15 and January 7.

Mr. JACOBSON. I do not think that is the case. It is not the case in our organization. I do not believe it is the case generally.

There is heavy leave usage in December. There is no question about it. Some of this occurs because of the nature of the service that a particular Government agency may perform, and it is such that it is better to let people take and schedule leave in December. Let me give you two or three little examples, and God knows how many times these could be multiplied.

The Bureau of Labor Statistics makes wage surveys, also the Department of Defense, generally under our direction. They cannot get into industrial plants to make wage surveys or other economic surveys during the month of December. Why, because that is a bad month to go any place. Why, because the concerns are either too busy or their people are on vacation or something. We know that we cannot get in, so we schedule very few wage surveys in December. And those we schedule are always in the first 2 weeks. That is just one little example.

Let's take banks, and savings and loan associations. You do not audit banks at year-end—I assume they do not. I think they tend to concentrate their audits in the first 3 quarters. The last quarter of the year they schedule leave usage.

This is a phenomena of society as a whole. The wheels of economy start grinding somewhat slower between December 15 and January 7 or 10.

Now, in some cases we have heavy demands, for example, we have more planes flying in December, more flights because of people traveling during this month. We have our air-traffic controllers on the job. Those places are manned. We have our weather men. They are on the job. But maybe in the forest service, where you cannot move around in the snow, those people will not get vacations during the summer months at all. They will take their vacations in the winter months.

You see, all of this ties into the question of leave usage and patterns of distribution around the year. So, although the point made about heavy leave usage in December is true, the point about the degree to which this impedes the wheels of Government is highly questionable.

I know I tend—just personally, again—not to take leave around that period, because I find it gets to be a pretty busy time. Congress is frequently quite active, and we have a lot of things to do. I have no difficulty finding people in other Government agencies to work with, so I just do not believe that the wheels stop.

Mr. WILSON. I do not think there is any question but that, from the 15th of December until after the first week in January, things slow down. Not just in the Government, but all over.

Mr. Chairman, I am sure that when our friends from the employee organization testify, they might well convince me otherwise, but I just feel right now that the Government is quite generous on leave and vacation time, and I would suspect that we are probably far ahead of private industry in this respect.

I am willing to have my mind changed as we hear other witnesses. I do not recognize this as a particularly serious problem at the present time.

Mr. HANLEY. Well, in that vein, I think we all look forward to the testimony that will be offered shortly. This will be from people who look upon this legislation from a different view.

I realize the clock says 5 minutes to 11 and time is getting short.

Mr. White?

Mr. WHITE. I just have a few quick ones.

Mr. HANLEY. Then the floor is yours, Mr. White, but on the basis of what has been said here during the course of the last few minutes, do you think it would be in order if we moved in the direction of legislation which would suggest a national holiday from work month, December 15 to January 15? Would that be in order?

Mr. JACOBSON. I would feel that the people who are trying to get their mail delivered would not particularly enjoy that.

Mr. HANLEY. Perhaps there are some exceptions.

Mr. JACOBSON. What I was trying to emphasize is that it is very different in different departments, depending on what they are required to do.

Mr. HANLEY. Mr. White.

Mr. WHITE. Thank you, Mr. Chairman. For the record, what does the military do about accumulations of leave? Do they accumulate any leave at all?

Mr. JACOBSON. Do you know, Mr. Carney?

Mr. CARNEY. I do not know how they would handle excess leave, but I think they have a 30-day leave-earning system.

Mr. WHITE. Thirty days accumulation, carryover?

Mr. CARNEY. I am not sure of the details, but they do earn a vacation leave and there is a provision for paying excess leave. I do not know what the cutoff is.

Mr. WHITE. I think I have about 60 days coming to me.

Mr. JACOBSON. If you like, we could provide that information to you. I just do not know it.

Mr. WHITE. All right. The second question: when a man, like in the Border Patrol, works overtime, as I recall, he does not get overtime pay.

Now, the question is: Is he paid more per month because he works, say, on a Saturday, when he should have been off? And if he does not get paid extra, then what about his accumulation of extra time he gave the Government?

Mr. JACOBSON. Well, in the first place, I am somewhat surprised that you indicate that he does not get overtime pay.

Mr. WHITE. Maybe he does. Some employees do not get overtime.

Mr. JACOBSON. There is a provision in which employees may get compensatory time in certain circumstances. That is, they get time off for overtime worked, which is in effect like granting them additional

leave. It is compensatory time off. But most employees who work overtime, as far as I know, get overtime pay.

Mr. WHITE. Would you provide that for the record so that we could have a clear answer to that.

Mr. JACOBSON. There is a rule about compensatory which I should try to spell out for you rather than deal with it off the top of my head.

Mr. WHITE. Thank you very much, Mr. Chairman.

Mr. HANLEY. Thank you, Mr. White.

Mr. Jacobson, we do have several other questions here which the committee will submit to you in writing, looking forward to your response so that in turn this can be made a matter of the hearing record. I regret that we have to move on and, if any of the other members have questions, I suggest that they be offered in writing?

Mr. JACOBSON. Mr. Hanley, I was going to say that we would be glad to respond to any of your questions in writing, and I will pick up on the suggestion that you and Mr. Brasco have made, about the possibility of how we would consider this rather limited situation, and in responding to your questions we will include some response to those matters.

Mr. HANLEY. Fine. Thank you very much.

(The following letter and attachments were received for inclusion in the record.)

U.S. CIVIL SERVICE COMMISSION,
BUREAU OF POLICIES AND STANDARDS,
Washington, D.C., March 8, 1972.

HON. JAMES M. HANLEY,

Chairman, Subcommittee on Employee Benefits, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: At the time of my appearance on February 9, 1972, before your Subcommittee at hearings on H.R. 12602, you presented several questions to be answered by the Commission. Those questions and answers appear on attachments to this letter.

You also asked whether the Commission might be willing to modify its opposition to that provision of the bill which would restore annual leave lost because of the exigencies of the public business. I indicated at the time that I would review this matter with the Commission to see if a modification of its position might be feasible. The problem is currently under consideration, and we will inform you as soon as a decision is made.

Sincerely yours,

RAYMOND JACOBSON,
Director, Bureau of Policies and Standards.

Enclosures.

Question. On a different subject—the Civil Service Commission was to send a report last year on the use of sick leave after legislation was passed allowing an employee to use unused sick leave in his retirement computation. The report was never sent. Are you aware of the results of the study? Can we expect to receive a copy in the near future?

Answer. A study was initiated by the Commission in response to a request from the Senate Post Office and Civil Service Committee, to evaluate the impact on the use of sick leave of P.L. 91-93's provision for crediting unused sick leave as service time in the calculation of retirement annuity. The period selected for survey was the 1970 leave year. In addition to collecting the data needed to report to the Congress, the survey was designed to collect much more comprehensive usage information for our own program management needs.

The delay is attributable primarily to the complexity of the total survey and the need to verify the accuracy of the data submitted by agencies. Based on a very recent assessment of the situation, we plan to submit the requested report by the end of April 1972.

A copy of the report in question will be furnished to your Subcommittee.

Question. Would the Commission construe this bill as also applying to an employee who has been removed from duty and whose removal was later adjudged to be unwarranted or unjustified? If not, would the Commission object to adding such a provision to the bill?

(NOTE: Currently, if an employee's removal is judged to be unwarranted—he receives all back pay and benefits which would normally have accrued to him EXCEPT annual leave which is limited to 30 days.)

Answer. We do not believe the bill as presently written, or even amended as proposed by the Commission, would apply to such an employee. Whether or not we would object to adding such a provision to the bill is a policy matter that must be decided by the Commissioners themselves. We will submit the matter to the Commission for consideration, and will notify you when a decision is reached.

Question. On page 7, you state that any modification of the carryover limit would result in an expansion of a leave benefit that is already generous by comparison with private industry. What is the present practice of private industry?

Answer. Attached is a copy of the news release issued recently by the U.S. Department of Labor, comparing pay supplements in private industry with those in the Federal Government. Relative leave benefits are much higher in the latter case.

The following is an extract from a 1965 report of The (National Industrial) Conference Board, reference administrative practices in connection with vacation programs:

"Although 30% of the insurance companies and 20% of the utilities allow employees to accumulate vacation time from one year to the next, none of the banks and few manufacturers do so. The basic reason, of course, is that from many companies' viewpoints a vacation should be used, at least in part, for a period of rest and relaxation during the current work year. Furthermore, with the increased length of vacations today, there is less need to accumulate time for a special long vacation."

The following excerpts from the "Personnel Policies Forum" for August 1969 furnish information relative to the time granted by private industry for vacation purposes:

"This survey, first in the 1969 series, covers fringe benefit practices of companies, both union and nonunion, for three basic groups of employees—production, office-clerical, and managerial. The data obtained provide a rare opportunity to examine the differences in company practices for these three groups of employees.

"Data was obtained from the more than 200 executives participating in the *Personnel Policies Forum*. The firms they represent were divided about 60-40 between larger companies (10000 or more employees) and smaller companies. Employees of 57 percent of the companies are represented by unions; 47 percent of the companies have only their production workers represented, while 10 percent have both production and office-clerical employees represented by unions.

"*Vacations*. Managerial employees may eventually qualify for at least a three-week vacation at virtually all of the companies, with the percentage falling off to 96 percent for office-clericals and 90 percent for production workers. About three fourths of the companies give a four-week vacation (77 percent for managers, 75 percent for office-clericals, and 70 percent for production workers).

"Less than a fifth of the companies give a five-week vacation; only one in twenty gives a sixth week. These longer vacations for the most part are offered by the larger companies.

"Office-clerical and managerial employees have more liberal length-of-service requirements for given vacation periods than production workers. Nearly half (48 percent) of the companies give office-clerical and managerial workers one week's vacation after the first three to 10 months' service, while only 22 percent of the companies give production workers a one-week vacation during this period.

"Office-clerical employees are given a two-week vacation after one year of service at 77 percent of the companies; managerial employees get two weeks after one year's service at 74 percent of the firms; but production workers receive two weeks after one year at only 37 percent of the companies.

"The most common service requirement for a three-week vacation is 10 years, with about half of the companies establishing this eligibility requirement for production, office-clerical, and managerial employees. The next most common

service requirement for a three-week vacation is about equally divided between five and 15 years, although managerial employees are more likely to have a five-year requirement than production of office-clerical workers.

"Members of management also are given a four-week vacation earlier than other employees, but the majority of companies require at least 15 to 20 years of service for a four-week vacation. Eligibility for the four-week vacation ranges from as early as six months for the managerial staff to as late as 25 years for all personnel.

"When it comes to five-week vacations, there's little difference in the treatment of production, office-clerical, and managerial employees. Large companies require 20 years of service for eligibility, while the small companies require a minimum of 22 years for the five-week vacation."

[U.S. Department of Labor News Release]

PAY SUPPLEMENTS IN PRIVATE INDUSTRY AND FEDERAL GOVERNMENT COMPARED

Employer expenditures for pay supplements amounted to 26.6 percent of basic wages and salaries in private industry and 27.8 percent in the Federal Government during 1970, the U.S. Labor Department's Bureau of Labor Statistics reported today. In 1968, when this biennial survey was last made, the employer expenditure percentages were 25.1 in private industry and 24.3 in Federal Government.

The difference in 1970 between Federal and private industry supplements stemmed from higher relative expenditures by the Federal Government for paid leave—to which government allocated 11.6 percent of basic wages and salaries compared with 8.8 percent in the private sector—and for retirement, for which government devoted 10.0 percent of basic pay compared with 9.1 percent in industry.

Industry exceeded the Federal Government in relative expenditures for health and insurance programs, unemployment programs, nonproduction bonuses, and savings and thrift plans.

Between 1968 and 1970, pay supplements relative to basic wages rose 1.5 percentage points in industry, compared with 3.5 percentage points in the Federal Government. The rise in the private sector was centered in two programs—health and insurance, up 1 percentage point, and paid leave, up 0.4 of a point. In the Federal Government, almost the entire increase reflected a two-way boost in payments for retirement programs. First, the Government's payment into the retirement system was raised from 6.5 to 7.0 percent of base salary for each employee, to help finance previous approved improvements in plan provisions. Second, the government began to make amortization payments for newly created liabilities resulting from pay increases and new benefit liberalizations and to make interest payments on past service liabilities.

The following table compares relative expenditures for supplements to basic wages and salaries in private industry with those in the Federal Government. The data for private industry relate to establishments that met the industry and employment size criteria (described in footnote one of the table) for inclusion in the Bureau of Labor Statistics' Survey of Professional, Administrative, Technical, and Clerical Pay, which is used in the official comparisons of pay in private industry with pay in the Federal Government. The comparison base, "basic wages and salaries," is equivalent to an annual salary, excluding all irregular payments, such as pay for overtime, weekend, and holiday work as well as premium pay for shift work.

	Expenditures as a percent of basic wages and salaries	
	Private industry, ¹ January- December 1970	Federal Government, ² July 1970- June 1971
Total, all supplements except pay for overtime, weekend, and holiday work, and premium pay for shift work	26.6	27.8
Pay for leave time (except sick leave)	8.8	11.6
Vacations and holidays	8.5	11.0
Payments to funds	(³)	(³)
Payments to workers	8.5	11.0
Vacations	5.3	8.1
Holidays	3.2	2.9
Civic and personal leave	.3	0.6
Health and Insurance programs ⁴	6.3	5.6
Workmen's compensation	.8	0.5
Sick leave	1.1	3.3
Life, accident, and health insurance	4.4	1.8
Retirement programs	9.1	10.0
Social security and railroad retirement	4.2	0.2
Private pension and retirement plans	4.9	9.8
Unemployment programs	1.1	0.5
Legally required programs	.8	0.4
Payments to employees	.1	0.1
Payments to funds	.1	0.1
Nonproduction bonuses (including awards)	.9	(³)
Savings and thrift plans	.4	(³)

¹ Data relate to establishments in the United States, except Alaska and Hawaii, having the indicated minimum employment size in the following industries: Manufacturing (250); retail trade (250); transportation, communication, electric-gas, and sanitary services (100); wholesale trade (100); engineering and architectural services (100); commercial research and development laboratories (100); finance, insurance, and real estate (50).

² Data provided by the Civil Service Commission and Office of Management and Budget.

³ Less than 0.05 percent.

⁴ Includes items in addition to those shown separately.

⁵ No such program in the Federal Government.

Note: Because of rounding sums of individual items may not equal totals.

Question. On pages 4 and 5, you explain your proposal for restoration of annual leave lost through administrative error, dating back to July 1, 1960. What procedures will the Civil Service Commission use to determine those employees eligible for this relief? Do you have a file on this subject?

Answer. No, we do not have a file on this subject, nor would the agencies involved normally have such files. Action in this matter would probably follow that for P.L. 90-616, which authorized waiver of overpayments of pay, where we relied on newspaper publicity and word of mouth to alert those employees no longer on the rolls to their potential benefit. Such employees would be authorized to file claims within three years from the date the law was enacted. For those employees currently on the rolls, agencies would be encouraged to publish informational notices to seek out those employees who may be eligible for recredit of annual leave. Those who have experienced loss of leave through administrative errors will be aware of their losses.—Any wholesale review of records would be administratively infeasible, and involve enormous cost.

Question. With regard to leave benefits, how does the military system compare with that for Federal civilian employees?

LEAVE BENEFITS

<i>Federal civilians</i>	<i>Military personnel</i>
Sick leave—13 days per year, with no limit on accumulation.	No special sick leave system, but automatic coverage for periods of illness.
Annual leave—13, 20, or 26 days per year, based on years of creditable service.	2½ days per month—30 per year.
Maximum accumulation—30 days (except 45 for service outside United States).	Maximum accumulation—60 days (except 90 days for service with hostile fire pay, with requirement for use of excess within one year after return to States).
Forfeiture of leave in excess of ceiling, not used by end of leave year (essentially, calendar year).	Forfeiture of leave in excess of ceiling, not used by end of fiscal year.
Leave charge—hourly basis.	Leave charge—calendar day basis.
Advanced leave—limited to potential earnings during remainder of leave year.	Advanced leave—discretionary.
Lump-sum payment—limited to ceiling.	Lump-sum payment—limited to ceiling.

Question. How is overtime work compensated?

Answer. For most employees, if the basic pay is at a rate which does not exceed the minimum rate of basic pay for GS-10 (now \$12,151), the overtime hourly rate of pay is an amount equal to one and one-half times the hourly rate of basic pay of the employee. For an employee whose basic pay is at a rate which exceeds the minimum rate of basic pay for GS-10, the overtime hourly rate of pay is an amount equal to one and one-half times the hourly rate of the minimum rate of basic pay for GS-10.

Question. When is compensatory time given to an employee?

Answer. The head of an agency may (1) on request of an employee, grant the employee compensatory time off from his scheduled tour of duty instead of payment for an equal amount of time spent in regular or occasional overtime work; and (2) provide that an employee whose rate of basic pay is in excess of the maximum rate of basic pay for GS-10 shall be granted compensatory time off from his scheduled tour of duty equal to the amount of time spent in irregular or occasional overtime work instead of being paid for that work.

Question. In connection with the President's Economic Stabilization Program, has the Department of Agriculture been authorized additional personnel slots? How many? Where?

Answer. The Department of Agriculture was authorized no additional personnel for this program, nor were additional funds furnished to that agency for this purpose. The Secretary of Agriculture, a member of the Cost-of-Living Council, provided assistance to the Economic Stabilization Program to the extent he deemed possible within the resources available in his Department. He established within Agriculture a Wage Price Unit to help respond to the needs of the Office of Emergency Preparedness and of the public in general. To provide nationwide assistance, he made available the far-flung network of the ASCS and its "County Offices," as local information points for resolution of questions dealing primarily with commodity pricing matters.

Question. In 1968, Congress also asked for a report on agency practices regarding military leave due at the beginning of the 91st Congress. To my knowledge, this report has not been received. Has this study been completed and when can we expect to receive the report?

In 1968, the Congress passed P.L. 90-588, which provides additional leave of absence for Federal employees in connection with attending funerals and while on duty with the Armed Forces. During discussion of this Act it was found that Federal agencies generally do not exercise the authority to grant as much as 15 days paid leave for Summer Camp or other Reserve or General training. Do you know whether this situation still exists today? And, another question along the same lines, is whether the Civil Service Commission has investigated the need for

revising agency procedures to permit employees more paid leave for military training?

Answer. The Civil Service Commission did not conduct the study with regard to military leave, requested by the Congress at the time hearings were being held on P.L. 90-588, and submitted a report thereon July 1, 1969. Apparently, however, the report was sent only to the Senate Committee on Post Office and Civil Service. Attached hereto is a duplicate of that report, which represents the latest overall information the Commission has obtained on this subject.

Discussions of the matters cited in the above questions under (2) and answers thereto, are contained in the report. (See pages 5, 7, 9, 12, and 13.)

MILITARY LEAVE FOR RESERVISTS AND NATIONAL GUARDSMEN—JUNE 1969

A REPORT PREPARED BY THE U.S. CIVIL SERVICE COMMISSION, BUREAU OF POLICIES AND STANDARDS

Introduction

The Reserve components of the Armed Forces and the National Guard play an essential role in the security of this country. In recognition of this, the Congress enacted legislation [Public Law 80-153] granting military leave with pay to Federal employees who as either reservists or National Guardsmen are ordered by competent authority to serve on active duty or to engage in training activities. The legislation placed some restrictions on employee entitlement to military leave. [E.g., the employee must be serving in a permanent or temporary-indefinite position; or if the employee is serving as a substitute in the postal field service he must have worked not less than 1,040 hours during the preceding calendar year.] It also stipulated that no more than 15 calendar days of military leave with pay could be granted in any calendar year. For substitutes in the postal field service, the maximum amount of paid military leave allowable is 80 hours per calendar year.

This authorization for military leave with pay was augmented by Public Law 90-588 enacted on October 17, 1968. That law provided for, among other things, the authorization of up to 22 days' paid leave when a Federal employee in the Reserves or National Guard is activated for either Federal or State service to enforce the law. In reporting on this legislation the Senate Committee on Post Office and Civil Service questioned the sufficiency of the provision in the earlier legislation granting up to 15 days' military leave with pay.

The committee indicated it had reports that Federal agencies generally do not exercise the authority to grant as much as 15 days' paid leave for summer camp or other reserve or guard training; that recently some summer training programs have been extended to 3 weeks; and that employees who regularly work on Saturday or Sunday are now required to take annual leave to attend guard or reserve drills or training. The Committee asked the Civil Service Commission to investigate the need for revising agency procedures on granting employees paid leave for military training. It also asked that the Commission report to the Committee on present agency practices and the need for legislation or additional regulatory authority on this subject.

This study is submitted in response to that request.

Scope of the study

The survey covered the practices for granting military leave in all departments and independent establishments. It also covered actual experience in 1968 of approximately 5,250 active reservists or National Guardsmen employed in some 113 installations under the 11 largest departments or agencies. These installations, which are listed in appendix D, were selected by size and geographic area for the purpose of obtaining a representative sample.

Active reservists and National Guardsmen were asked to complete questionnaires in which each identified (1) his military component, (2) his military classification, (3) the number of calendar days of military leave that he took in 1968, and (4) the number of hours of regularly scheduled worktime that he missed because of military duty.

This last category was broken down by type of absence (i.e., military leave, annual leave, leave without pay, and other leave) and by reason for absence (i.e., military weekend or evening drill, military training, civil disorders, and other military purposes). The questionnaire also provided space for comment upon other matters related to the use of leave for military purposes.

Heads of departments and independent establishments were asked to report on the use of military leave and on the problems that have arisen therefrom,

within their organizations. More specifically, they were asked to report on instances—

- (1) where permanent or temporary-indefinite employees were refused part or all of their 15 calendar days of military leave,
- (2) where employees used some, but less than 15 calendar days of military leave,
- (3) where employees were required to spend more than 15 calendar days a year in military training, and
- (4) where the weekend military training duties of employees conflicted with their regularly scheduled civilian service.

Because these last two areas were mentioned as potential problems in the Senate Committee's report, agency heads were asked to indicate how these problems are being handled within their agencies. They were also asked to report on any other dissatisfactions with the present system that may have been expressed by management or employees. Finally, agency comments and suggestions were solicited on improving the military leave system.

Because a meaningful evaluation of the present system must be made in terms of the needs and requirements of the Reserve components, the Department of Defense was consulted on its plans to either increase or decrease the length of military training exercises.

Principal findings

Federal agencies *have* been exercising their authority under law to grant military leave with pay, up to the maximum amount allowable, to employees qualifying for such leave.

There is no significant trend towards the extension of the required summer training exercise from 2 weeks to 3 weeks.

Military weekend or evening drill presents a problem to those employees whose scheduled workweek regularly includes Saturday and/or Sunday as well as employees who work rotating shifts. Agencies have, whenever feasible, taken administrative action to alleviate the hardships suffered by the individual employee.

A second problem area exists because military leave is granted on a calendar year basis while reserve training schedules are established on a fiscal year basis. It is, thus, possible for a reservist to receive orders for two "summer training" periods within one calendar year and none during the succeeding year. The extent of the problem could not be fully determined, but the indications were that it was not of major proportions.

Another source of employee dissatisfaction that was noted concerned the previous lack of provision for military leave to cover special duty required to enforce the law (civil disorders). The problem, however, has been solved by the enactment of Public Law 90-588.

Granting military leave

This study clearly shows that Federal agencies have been responsive to the intent of the Congress in the matter of granting military leave to employees. None of the 50 odd departments and agencies responding reported any instances during 1968 in which an employee's legitimate request for military leave had been denied. Only three such instances were reported for previous years. One case concerned a teacher working in the Canal Zone whose request for military leave during the school year had been denied because a substitute teacher could not be found. The employee, however, was able to arrange to take his military training during the summer period when school was not in session. Details on the other two cases were not available.

Further evidence that agencies have been granting military leave to the maximum extent possible was obtained from the employee questionnaires. Of the 4,775 reservists and National Guardsmen who answered the question on military leave taken (more than 400 did not respond to this question), 2,518 reported taking the full amount of time allowable, 2,060 reported taking 12-14 days of military leave, and only 197 reported using less than 12 days of military leave. This averages out to 13.8 days of military leave per employee for 1968.

The questionnaires showed that 77 percent of all time needed for military duty was devoted to summer encampment training periods. Military weekend or evening drills accounted for an additional 15 percent of the time charges. The remaining 8 percent was divided between duty to enforce the law (following civil disorders) and other military duty (that is, duty not properly falling within the three major categories cited).

Since recent legislation provides for additional military leave for duty to enforce the law (Public Law 90-588), and since "other military duty" accounts for only a minor portion of the time charged, the remainder of this report will be devoted to a discussion of whether 15 days of military leave is sufficient to enable a reservist or National Guardsman to meet his obligations for summer training and weekend or evening drill.

Summer encampment training periods

Most members of Reserve and National Guard units are ordered to 2 weeks of active duty (exclusive of travel time) during each year. Generally, this involves a 14- or 15-day period that begins on a Sunday (or Saturday) and terminates on the second Saturday following. In accordance with decisions of the Comptroller General, military leave is charged for intervening scheduled nonworkdays but not for scheduled nonworkdays at the beginning or end of a period of active duty. Time taken on a workday to travel to the place where the training is to begin is not chargeable to military leave unless the training orders encompass the period of travel time required. Thus, in most instances, the employee would be charged with 12 days of military leave for the 2-week period of active duty.

Military leave of absence with pay is limited to a maximum of 15 calendar days during each calendar year. An employee serving a 2-week training period would be paid for the 10 workdays that he was on active duty. If, however, he were absent on military leave on an overtime day on which he was regularly scheduled to work, the employee would be entitled to overtime compensation for that day (or days). Similarly, if the employee's tour of duty permitted payment of night differential pay, he would be entitled to night differential pay during the period he was on active duty. Thus, it appears that the provisions of the existing laws and regulations are adequate for the needs of reservists and National Guardsmen who are required to serve only a 2-week tour of active duty.

Some reservists and National Guardsmen, however, are required to serve on "advance" or "rear" parties, additional tours for special training, etc. Generally, the employee would have 3 days of military leave (exclusive of the 12 days discussed in an earlier paragraph) to devote to these activities. Any additional time required would have to be charged to either annual leave or leave without pay.

The Department of Defense was consulted concerning possible plans, if any, to either increase or decrease the length of active duty for military training. The Department advised that at present there are no such plans under consideration and that the 2-week training period will continue to be the norm for the foreseeable future. The Department was of the opinion that in most cases active duty in excess of the 15 calendar days now provided is performed on a voluntary basis. The Department also noted that involuntary active duty beyond this period is usually limited to duty to provide military aid in law enforcement now covered by Public Law 90-588 granting 22 additional workdays of military leave for this purpose.

Of the reservists and National Guardsmen surveyed, the 2,257 who indicated that they had used less than 15 days' military leave during 1968 reported using 6,040 hours of annual leave and 1,598 hours of leave without pay for military training purposes. This averages out to 3.4 hours per employee. Since these employees had not used the maximum amount of military leave allowable, the annual leave and leave without pay would probably have been used for purposes not properly chargeable to military leave, e.g., travel time not included on the military orders.

The 2,518 employees who reported using the maximum amount of military leave allowable also reported using 26,993 hours of annual leave and 5,790 hours of leave without pay for military training purposes. This averages out to 13.0 hours per employee. This group further reported an average charge of 3.1 hours of military leave per employee for duty in connection with law enforcement. Had Public Law 90-588 been in effect during all of 1968, the military leave actually used for law enforcement duties would have been available for military training. This would have reduced the average charge to annual leave and leave without pay (for military training purposes) to about 10 hours per employee.

In view of the relatively small charges of annual leave and leave without pay (for military purposes) reported by the employees, and the position of the Department of Defense that in most cases active duty in excess of 15 calendar days is voluntary, it appears that the existing laws and regulations on military leave

adequately meet the needs of the majority of the reservists and National Guardsmen.

Military weekend and evening drill

Meeting the obligation for attendance at weekend and evening drills presents a problem to some reservists and National Guardsmen. Generally, those affected either have a scheduled workweek that regularly includes Saturday and/or Sunday, or work evening or rotating shifts. There were 932 employees (or 17.8 percent of the sample population) reporting that weekend and/or evening drills interfered with their regular work schedules.

Although the instructions indicated that only regularly scheduled overtime was to be counted as part of the employee's regular work schedule, it was apparent from the comments on the questionnaires that many employees were including "nonregularly scheduled" overtime in this category. In most cases, however, the amount of such overtime included was not stated explicitly. Consequently, it is believed that there is less actual conflict between military weekend or evening drills and regularly scheduled civilian service than the survey data would seem to indicate.

Not surprisingly, the largest group reporting a conflict (279 reservists or National Guardsmen) shows employment with the Post Office Department. Because moving the mail is a 24-hour, 7-day week operation, many Post Office employees are regularly assigned to Saturday, Sunday, and evening shifts. The need for significant numbers of personnel to work weekend and evening shifts also exists at shipyards, air bases and civilian airport control towers (or control centers), among other places. Of the group reporting a conflict, 160 show employment with the Department of the Air Force, 138 with the Department of the Navy, and 50 with the Federal Aviation Agency.

All of the departments and agencies reporting show an awareness of the problems posed by weekend and evening drills and are sympathetic to the plight of the employees concerned. It is apparent from the comments received that agency officials are making maximum efforts to rearrange work schedules to accommodate the employees affected. This has not always been possible, however, and when mutually acceptable arrangements could not be made, the employee generally has been granted military leave, annual leave or leave without pay, as appropriate.

The Department of Transportation approached this problem differently. It reports that where conflicts exist it is common practice for the employee and his supervisor to attempt to arrange with the military unit for the employee to obtain equivalent training during his regular days off. If this proves unsuccessful, an attempt is then made to rearrange the employee's work schedule. Should the latter also prove unsuccessful, the employee is then granted leave.

Many of the employees' comments spoke to the matter of weekend and evening drills. A large number acknowledged agency attempts to rearrange work schedules and, in fact, commended agency officials on their efforts to resolve conflicts between civilian work and military training schedules. Some employees, however, expressed dissatisfaction with rearranging work schedules because they then "worked" (either in their civilian capacity or in military training) for 12 or more days without "a day off". These employees suggested that additional military leave be granted to cover weekend or evening drills.

Providing additional military leave to cover weekend or evening drills would be very costly to the Government. It would increase the paid absence from their civilian jobs for employees experiencing conflicts and give them undue monetary advantage over their peers who although they are reservists or National Guardsmen do not experience such conflicts.

Agency and employee comments and suggestions on the military leave system

A majority of the agencies and the employees surveyed appeared to be satisfied with the present system. However, the "complaints" most frequently mentioned by employee were: (1) military leave charges should be made for workdays not calendar days, and (2) military leave should be granted on a fiscal year, not a calendar year basis.

Many agencies joined in the suggestion that military leave be granted on a fiscal year basis. Agencies, in addition, suggested: (1) that the military components give more advance notice of training assignments, (2) that the military attempt to schedule the 2-week training assignments during other than the peak vacation periods, and (3) that the law be amended to permit military leave for permanent part-time employees.

Calendar vs. fiscal year basis

The controversy of calendar vs. fiscal year as the basis for granting military leave is not new. Prior to 1960, military leave was granted on a calendar year basis. The Reserve Officers Personnel Act of June 30, 1960 (Public Law 86-559) substituted "fiscal year" for "calendar year" as the basis for computing military leave. The intent of this legislation was "to permit a greater degree of training opportunity since the Armed Forces administer their training duty programs on a fiscal year basis."

Experience showed, however, that this change was not in the best interests of the reservists and National Guardsmen. Numerous instances occurred where a reservist was scheduled for two periods of active duty for training in one fiscal year, that is, in July or August of one year and in June of the following year. Viewing this inequity with concern, the Congress subsequently enacted Public Law 87-378 (dated October 4, 1961) which changed the military leave system back to a calendar year basis.

Although inequities still exist, it appears that the "calendar year" is superior to the "fiscal year" as a basis for the military leave system. It also appears that some of the existing inequities could be eliminated through administrative action by the military components.

Workday vs. calendar days as the basis

The suggestion that military leave be charged on a workday rather than a calendar day basis is, in effect, a request for additional military leave. It has been shown, in previous sections of this report, that 15 days of military leave is sufficient to meet the "normal" requirements of the Reserves or National Guard. Any increase in the amount of military leave with pay would result in increased cost to the Government. It is also believed that any increase in the amount of military leave with pay would result in an increase in the performance of active duty on a voluntary basis. The Department of Defense notes that "additional military leave with full pay to perform active duty on a voluntary basis would likely encounter increased objection by management officials. While such officials would not object to granting annual leave or leave without pay for such voluntary active duty, increased military leave would result in increased paid absence from their civilian jobs."

As has been previously shown, military leave provides pay for all periods of regularly scheduled overtime and holiday work as well as basic compensation for that period of absence. Thus, the charging of military leave on a calendar basis (which includes days outside the employee's basic workweek) is consistent with the Government's pay policy on military leave. This study did not reveal any proper basis for revising these policies at this time.

Leave for part-time employees

The Comptroller General has ruled that part-time personnel are not entitled to military leave [35 Comp. Gen. 531]. Since the survey was not directed to this group, the extent of the problem (if, in fact, one exists) is not known. However, should it become apparent at some future time that this is a problem area, the matter will be studied further.

National guard technicians

One large group of Federal employees—National Guard Technicians—was not included in the survey because they were not Federal employees during the period surveyed. These employees, numbering more than 40,000, were brought into the Federal service by act of Congress on January 1, 1969.

There have since been reports that some National Guard Technicians have been required to spend more than 15 days on active duty for training purposes, and that this was causing some hardship. The Department of Defense has been looking into the problem. Also, legislation has been introduced in the House of Representatives, H.R. 10311, which would provide additional leave to certain technician groups.

Conclusions

1. The 15 calendar days of military leave allowable adequately met the needs of the vast majority of reservists and National Guardsmen in 1968.
2. The study failed to indicate any significant trend towards extending the 2-week summer training exercise. According to the Department of Defense, most active duty in excess of 15 calendar days is voluntary.

3. Agencies kept problems to a minimum by making full use of their authorities to grant leave and to adjust work schedules.

4. The study did indicate some actual or potential problem areas related to the scheduling of military training by the Reserve components of the Armed Forces and the National Guard.

5. There is no demonstrable need, at this time, for revisions in the military leave law.

APPENDIX A

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., December 3, 1968.

Bulletin No. 630-15.

Subject: Military Leave.

Heads of Departments and Independent Establishments:

Reports required by December 20, 1968

At the recommendation of the Senate Committee on Post Office and Civil Service, the Civil Service Commission is investigating a possible need for changes in granting leave for military training purposes. This study was suggested because of reports that the amount of leave granted under the present system is, in some circumstances, inadequate, and that this situation is causing hardship to a number of employees holding military assignments. In order to determine what changes, if any, should be made, a report on the use of military leave in your organization is requested. The report should include answers to the following questions:

(1) Do you know of any instances where permanent or temporary-indefinite employees in your agency who are members of the National Guard or reserve components of the Armed Forces were refused part or all of their 15 calendar days of military leave?

(2) Do you know of any employees in your agency who take military leave and use less than 15 calendar days?

(3) What problems have come up in your agency in connection with leave for military training?

(a) To your knowledge, are any of your employees required to spend more than 15 calendar days a year in military training? If so, how is this problem handled?

(b) Do you know of any employees in your agency whose weekend military training duties conflict with regularly scheduled work as civilian Federal employees? If so, how is this problem handled?

Inquiries: Policy Development Division, Bureau of Policies and Standards (343-7429, or code 183, extension 7429).

Code: 630, Absence and Leave.

Distribution: Limited.

Bulletin expires: March 31, 1969.

(c) Have any other dissatisfactions with the present system been expressed by management or employee in your organization?

(3) Do you have any suggestions for improving the military leave system? (These may include changes in existing law or Civil Service Commission regulations.) We would also welcome any additional comments you may care to make which you think may be helpful in reviewing the military leave situation.

Reports should be addressed to: Chief, Policy Development Division, Bureau of Policies and Standards, Civil Service Commission, 1900 E Street, N.W., Washington, D.C. 20415.

NICHOLAS J. OGANOVIC,
Executive Director.

U.S. CIVIL SERVICE COMMISSION
MILITARY LEAVE SURVEY

Budget Bureau
Approved 50-S68003

A. AGENCY		code	(cc 1-4)
B. LOCATION		code	(cc 5-6)
C. MILITARY COMPONENT--Circle one: (cc 7) 1. Army Reserve 2. Air Force Reserve 3. Naval Reserve 4. Marine Corps Reserve 5. Coast Guard Reserve 6. Army National Guard 7. Air National Guard		D. CLASSIFICATION Circle one: (cc 8) 1. Commissioned Officer 2. Non-commissioned Officer 3. Enlisted Man	E. NUMBER OF CALENDAR DAYS OF MILITARY LEAVE you took in 1968. (Count non-workdays between the workdays when you were on military leave.) _____ days military leave (cc 9-10)

F. WORKTIME MISSED. In the table below show the number of hours of regularly scheduled worktime you missed for military duty, by types (a through d) and reasons (1 through 4). Do NOT count long periods (two months or more) of active military duty for training. If you are regularly scheduled for overtime or weekend work, DO count this as part of your regular work schedule.

TYPE OF ABSENCE	HOURS OF LEAVE USED, BY REASON			
	Military Weekend or Evening Drill*	Military Training	Civil Disorders	Other Military
a. Military Leave	(cc 11-13)	(cc 14-16)	(cc 17-19)	(cc 20-22)
b. Annual Leave		(cc 23-25)	(cc 26-28)	(cc 29-31)
c. Leave Without Pay		(cc 32-34)	(cc 35-37)	(cc 38-40)
d. Other Leave (Specify: _____)		(cc 42-44)	(cc 45-47)	(cc 48-50)

*Fill the space in this column (No. 1) only if weekend or evening drills interfered with your regular work schedule. If you need to use this column, you will show only one number in it -- that is, the TOTAL hours of all kinds of leave used for weekend or evening drills. In column 1, do not show military and annual leave, LWOP, and other leave separately. That breakdown is used only for columns 2, 3, and 4.

G. If there is something about your use of leave for military purposes that you think is important and which the questionnaire does not give you a chance to tell about, please check here:



and write about it below.

At the request of the Senate Committee on Post Office and Civil Service, the Civil Service Commission is conducting a survey to determine whether the present military leave system is causing hardship to employees holding military assignments. In order to find what improvements should be made, we are asking employees in your installation to fill out a copy of the attached questionnaire.

If you were a *National Guardsman* or U.S. Armed Forces *ready reservist* during 1968, and had annual active duty for training during that year, and if you were a *full-time* employee whose appointment was either *permanent* (career or career-conditional) or *temporary-indefinite*, please fill out this questionnaire carefully and accurately, and mail it to us in the attached envelope.

After you have mailed the questionnaire to us, please fill out the page attached to the back of the questionnaire and return it to your personnel office.

We appreciate your cooperation in giving us this information. Copies of our study of military leave will be sent to the library in your installation as soon as the study is completed.

Note: Send the questionnaire to: United States Civil Service Commission, Bureau of Policies and Standards, Policy Development Division, Employment Policies Section, Washington, D.C. 20415.

APPENDIX C

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C.

Letter to 113 installations included in sample.

DEAR SIR: The Civil Service Commission, at the recommendation of the Senate Committee on Post Office and Civil Service, is investigating a possible need for revisions in the present military leave system. We have sent a bulletin (CSC Bulletin No. 630-15) to heads of departments and agencies requesting information about their employees' use of military leave. A copy of this bulletin is attached for your information.

In addition to the information which the department heads will supply, we need specific and detailed information from employees in your installation who are members of the National Guard or the U.S. Armed Forces Ready Reserves. The enclosed questionnaires are intended to furnish us with this information. We would appreciate your distributing them to ready reservists and National Guardsmen in your installation. Your headquarters office has been notified that we are calling on your organization for assistance and has been furnished information copies of this letter and the accompanying material.

Attached to each questionnaire are instructions, an envelope, and a notice of completion to be returned to your office when the employee has filled out the questionnaire. Please use these notices to make sure that all of your employees who are U.S. Armed Forces ready reservists participate in the survey; if you have a list of employees in the National Guard, please use the slips to check on their participation also. These Notices of Completion are for your convenience to help in getting as much participation as possible, and in checking up. There is no need to preserve them for record purposes and they need not be returned to us.

Thank you very much for your cooperation in this study. If you have any questions or if you need more copies of the questionnaire, please contact the Policy Development Division, 343-7429 (code 183, extension 7429). If you prefer you may also duplicate additional copies yourself.

Sincerely yours,

NICHOLAS J. OGANOVIC,
Executive Director.

Enclosures.

APPENDIX D

INSTALLATIONS EMPLOYING THE RESERVISTS AND NATIONAL GUARDSMEN SURVEYED

Department of Agriculture

Agriculture Research Service, Albany, Calif.
Agriculture Research Service, Washington, D.C.
Agriculture Research Service, Minneapolis, Minn.
Agriculture Research Service, Gulfport, Miss.
Agriculture Research Service, Greenport, N.Y.
Agriculture Research Service, Philadelphia, Pa.
Forest Service, Missoula, Mont.
Forest Service, Ogden, Utah
Soil Conservation Service, Lexington, Ky.
Soil Conservation Service, Amherst, Mass.
Soil Conservation Service, Temple, Tex.

Department of Commerce

Bureau of the Census, Los Angeles, Calif.
Bureau of the Census, Jeffersonville, Ind.
Bureau of the Census, Boston, Mass.
Environmental Science Services Administration, Boulder, Colo.
Environmental Science Services Administration, Rockville, Md.
Coast and Geodetic Survey, Norfolk, Va.
Coast and Geodetic Survey, Seattle, Wash.
Weather Bureau, Kansas City, Mo.
Weather Bureau, Garden City, N.Y.
Weather Bureau, Fort Worth, Tex.
National Weather Records Center, Asheville, N.C.

INSTALLATIONS EMPLOYING THE RESERVISTS AND NATIONAL GUARDSMEN
SURVEYED—Continued

Department of Defense

HQ, Fort Monmouth, N.J.
U.S. Army Engineer Center, Fort Belvoir, Va.
Naval Shipyard, San Francisco Bay, Calif.
Portsmouth Naval Shipyard, N.H.
Naval Shipyard, Portsmouth, Va.
Puget Sound Naval Shipyard, Wash.
HQ, U.S. Air Force, Pentagon
Aeronautical Chart and Information Center, St. Louis, Mo.
Warner Robins Air National Area, Ga.
Wright-Patterson AFB, Ohio
HQ, Oklahoma City Air Materiel Area, Tinker AFB, Okla.
Hill AFB, Coama, Utah

Department of Health, Education, and Welfare

Region I, Boston, Mass.
Region V, Chicago, Ill.
Region VI, Kansas City, Mo.
Public Health Service, NIH, Bethesda, Md.
Public Health Service, DIH, Albuquerque, N. Mex.
Public Health Service Hospital, San Francisco, Calif.
Public Health Service Hospital, New Orleans, La.
Public Health Service Hospital, Seattle, Wash.
Communicable Disease Center, Atlanta, Ga.
HQ, Social Security Administration, Baltimore, Md.
SSA Payment Center, Rego Park, N.Y.

Department of the Interior

Bureau of Commercial Fisheries, Region III, Gloucester, Mass.
Bureau of Sport Fisheries and Wildlife, Region IV, Atlanta, Ga.
Bureau of Indian Affairs, Navajo Area Office, Ariz.
Bureau of Indian Affairs, Aberdeen Area, S. Dak.
Bureau of Indian Affairs, Chilaccho School, Okla.
National Park Service, Washington, D.C.
National Park Service Regional Office, Richmond, Va.
Fire Island National Seashore and New York City National Park Service Group, New York, N.Y.
Geological Survey, Menlo Park, Calif.
Federal Water Pollution Control Administration, Cincinnati, Ohio.
Bonneville Power Administration, Portland, Oreg.

Post Office Department

U.S. Post Office, Los Angeles, Calif.
U.S. Post Office, Denver, Colo.
U.S. Post Office, Washington, D.C.
U.S. Post Office, Atlanta, Ga.
U.S. Post Office, Chicago, Ill.
U.S. Post Office, Boston, Mass.

U.S. Post Office, St. Louis, Mo.
U.S. Post Office, New York, N.Y.
U.S. Post Office, Philadelphia, Pa.
U.S. Post Office, Houston, Tex.
U.S. Post Office, Seattle, Wash.

Department of State

Headquarters, Washington, D.C.
International Boundary and Water Commission, El Paso, Tex.

Department of Transportation

Federal Aviation Administration, Washington, D.C.
FAA, Eastern Region, Jamaica, N.Y.
FAA, Southern Region, Atlanta, Ga.
FAA, Central Region, Kansas City, Mo.
FAA, Western Region, Los Angeles, Calif.
FAA, Boston Area Office, Burlington, Mass.
FAA, Chicago Area Office, Des Plaines, Ill.
FAA, Denver Area Office, Aurora, Colo.
FAA, Aeronautical Center, Oklahoma City, Okla.
Federal Highways Administration, Portland, Oreg.
Bureau of Public Roads, Baltimore, Md.

Department of the Treasury

Internal Revenue Service, Washington, D.C.
IRS Regional Office, Atlanta, Ga.
IRS Regional Office, New York, N.Y.
IRS District Office, Los Angeles, Calif.
IRS District Office, Chicago, Ill.
IRS District Office, Philadelphia, Pa.
IRS District Office, Seattle, Wash.
IRS Service Center, Andover, Mass.
IRS Service Center, Kansas City, Mo.
IRS Service Center, Austin, Tex.
IRS Service Center, Ogden, Utah

General Services Administration

Region 1, Boston, Mass.
Region 2, New York, N.Y.
Region 3, Washington, D.C.
Region 4, Atlanta, Ga.
Region 5, Chicago, Ill.
Region 6, Kansas City, Mo.
Region 7, Fort Worth, Tex.
Region 8, Denver, Colo.
Region 9, San Francisco, Calif.
Region 10, Auburn, Wash.
GSA, Baltimore, Md.

Veterans Administration

VA, Washington, D.C.
VA Center, Los Angeles, Calif.
VA Center, Philadelphia, Pa.
VA Hospital, Little Rock, Ark.
VA Hospital, Denver, Colo.
VA Hospital, Hines, Ill.
VA Hospital, Boston, Mass.
VA Hospital, Minneapolis, Minn.
VA Hospital, New York, N.Y.
VA Hospital, Memphis, Tenn.
VA Hospital, Seattle, Wash.

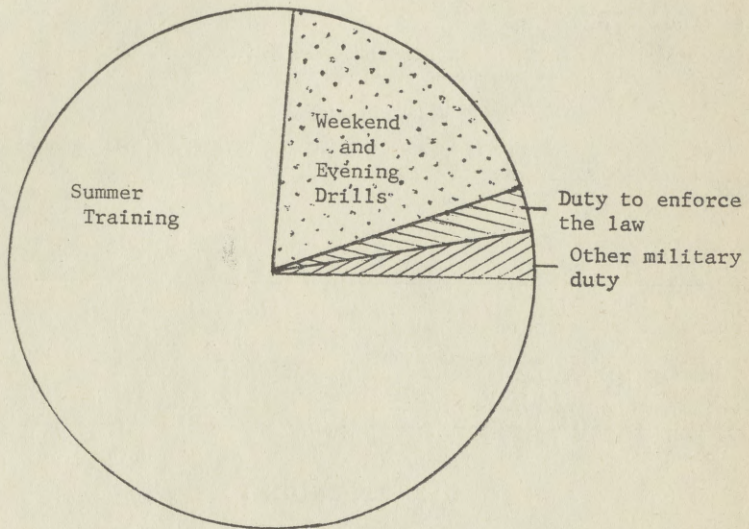
APPENDIX E

IDENTIFICATION OF SAMPLE POPULATION BY RESERVE COMPONENT AND MILITARY CLASSIFICATION

Army Reserve.....	1, 658
Commissioned officers.....	563
Noncommissioned officers.....	483
Enlisted men.....	596
Classification not shown.....	16
Air Force Reserve.....	828
Commissioned officers.....	293
Noncommissioned officers.....	422
Enlisted men.....	103
Classification not shown.....	10
Naval Reserve.....	932
Commissioned officers.....	248
Noncommissioned officers.....	305
Enlisted men.....	358
Classification not shown.....	21
Marine Corps Reserve.....	154
Commissioned officers.....	27
Noncommissioned officers.....	70
Enlisted men.....	56
Classification not shown.....	1
Coast Guard Reserve.....	93
Commissioned officers.....	30
Noncommissioned officers.....	22
Enlisted men.....	41
Army National Guard.....	1, 166
Commissioned officers.....	188
Noncommissioned officers.....	435
Enlisted men.....	530
Classification not shown.....	13
Air National Guard.....	346
Commissioned officers.....	113
Noncommissioned officers.....	172
Enlisted men.....	58
Classification not shown.....	3
Military Component Not Shown.....	73
Commissioned officers.....	4
Noncommissioned officers.....	11
Enlisted men.....	7
Classification not shown.....	51
Total sample.....	5, 250

APPENDIX F

MILITARY LEAVE BY PURPOSE



-  - Summer Encampment Training (77%)
 - Military Weekend and Evening Drills (15%)
 - Duty to Enforce the Law (Civil Disorders) (4%)
 - Other Military Duty (4%)

APPENDIX G

MILITARY LEAVE TAKEN IN 1968

(1) Days	(2) Number of employees	(3) Calendar days of military leave taken [(1)×(2)]
1-11 days.....	197	1,728
12 days.....	1,031	12,372
13 days.....	203	2,639
14 days.....	826	11,564
15 days.....	1,854	27,810
15 days plus ¹	664	9,960
Total.....	4,775	66,073
No response or improper response to question.....	² 475	
Total.....	³ 5,250	

¹ This group indicated that they needed more than 15 calendar days for military training purposes. They were granted the maximum time allowable.

² Not included in average.

³ Sample population.

Note: Average military leave used in 1968—13.8 calendar days per employee.

Calendar days of military leave	Number of employees	Percent of sample population
Used less than 15 days.....	2,257	47.3
Used 15 days.....	1,854	38.8
Needed more than 15 days.....	664	13.9
Subtotal.....	4,775	100.0
Did not respond or improper response.....	¹ 475	
Total.....	5,250	

¹ Not included in computations.

APPENDIX H

USE OF ANNUAL LEAVE AND LEAVE WITHOUT PAY FOR MILITARY TRAINING

	Number of calendar days of military leave used	
	Less than 15 days	15 days
Number of employees.....	2,257	2,518
Hours of annual leave used for military purposes.....	6,040	26,993
Average annual leave used.....	¹ 2.7	¹ 10.7
Hours of leave without pay used for military purposes.....	1,598	5,790
Average LWOP used.....	¹ 1.7	¹ 2.3
Hours of AL and LWOP.....	7,638	32,783
Used for military purposes.....	¹ 3.4	¹ 13.0

¹ Hours per employee.

APPENDIX I

CONFLICTS REPORTED BETWEEN MILITARY WEEKEND OR EVENING DRILL AND CIVILIAN SERVICE

Department or agency:	Number of employees experiencing conflicts
Department of Agriculture.....	28
Department of Commerce.....	21
Department of Defense.....	328
Department of Health, Education and Welfare.....	77
Department of the Interior.....	9
Post Office Department.....	279
Department of State.....	
Department of Transportation (all are employees of FAA).....	50
Department of the Treasury (all are employees of IRS).....	32
General Services Administration.....	9
Veterans' Administration.....	10
Employing agency not shown.....	89
Total.....	932

932 represents 17.8 percent of the sample population.

Mr. HANLEY. Our next witness is Mr. Clyde M. Webber.

Mr. Webber, it is a pleasure to welcome you to the committee this morning, and for the purpose of the record, if you would introduce your associates.

STATEMENT OF CLYDE M. WEBBER, EXECUTIVE VICE PRESIDENT,
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, ACCOMPANIED BY CARL SADLER, LEGISLATIVE REPRESENTATIVE,
AND JAMES LYNCH, ASSISTANT LEGISLATIVE REPRESENTATIVE

Mr. WEBBER. My associates, on my left is Carl Sadler, director of legislation for the American Federation of Government Employees, and on my right is Mr. Jim Lynch, his assistant.

I am pleased to be here. Mr. Griner, of course, would be here, if he were in town, but he is out of the city, and he has asked me to testify in his place.

On behalf of the 650,000 employees of the Federal Government, whom the American Federation of Government Employees represents, in exclusive recognition units throughout this country and abroad, I wish to express my appreciation to you, Chairman Hanley, for this opportunity to appear in behalf of H.R. 12602 which you and Representative Matsunaga sponsored.

We are indeed grateful to you two gentlemen for introducing this bill which we feel will benefit both management and the employees of the Federal Government with minimal cost to the Government.

The first provision of H.R. 12602 removes the 30-day limitation on the amount of unused annual leave for which an employee, separated from service, may receive in a lump-sum payment.

Such a measure, we feel, would be a great boon to management with regard to efficiency and of equity to the employee. At present, a Federal employee may carry over from one year to the next only 30 days of annual leave.

I think you will find that many Government employees reaching retirement age are indeed carrying over from year to year this maximum amount of annual leave and also are accruing leave at a rate of 26 days per year. In these circumstances they must use the full 26 days each year or lose it.

Suppose such an employee is retiring near the end of a given year—there is a considerable amount of annual leave which he feels pressured to take before he leaves. I don't think it would be uncommon that the taking of large quantities of leave near the time of one's separation would impose considerable burdens both on management and the successor. Think of the loose ends left untied and corners cut in training the successor because of the lack of work hours.

Alternatively, suppose management feels pressured for the reasons cited, not to give the annual leave to the employee. The employee then would be denied the full use of leave in the year immediately preceding retirement.

H.R. 12602 would alleviate this situation and other similar ones by allowing the lump-sum payment for annual leave to exceed the 30-day limit which now exists.

Second, the bill removes the restriction on the usage of annual leave during the first 90 days of employment. I do not think that allowing an employee to use accrued annual leave during these first days on the job imposes any inconvenience to management.

As a matter of fact, this prohibition often causes great hardship on the new employee. Many new employees are also new arrivals to the municipality or State in which their job is located. Such a move frequently entails the finding of living quarters, obtaining appropriate driver's licenses and automobile tags, having automobiles inspected, and making insurance and banking arrangements, et cetera. Not being able to take annual leave makes these tasks difficult and even impossible in cases where the bank, insurance agent, or motor vehicle department maintains the same hours as the employee's office. In cases involving his automobile tags and driver's license the new employee is placed in a position of acting illegally if he is unable to meet the time requirement set by his local government—often within 30 to 60 days of arrival—for obtaining these items.

Taking into consideration the position into which the employee is placed by not being able to use his accrued annual leave, the minor inconvenience caused his employer hardly justifies the present restriction. I think this second provision in H.R. 12602 is long overdue.

As an aside, I would like to say that I think all of us recognize that during the first year of employment, the person is accruing leave only at the rate of 13 days per year, or 4 hours per pay period. During this initial period on the payroll, he has the alternative of taking leave without pay in order to accomplish these very necessary things, such as banking arrangements, insurance, titling his car, tags, all these kinds of things which take money out of his pocket to do this, while at the same time he has leave which will be credited to him at the end of the 90-day period, that is not available to him during the period he needs it so desperately.

The third provision of this bill would prevent the loss of annual leave because of the exigencies of public business, administrative error, or sickness of the employee. AFGE has long sought such statutory relief. Permit me to read Resolution No. 712 approved at our 22d national convention in August of 1970:

Whereas Federal employees are presently restricted from accruing over 30 days' annual leave in the continental United States and 45 days of annual leave in overseas areas, and

Whereas annual leave in excess of the maximum accrual is forfeited if not used during the leave year, and

Whereas exigencies of the service frequently preclude an employee from using his excess annual leave during the leave year; thus many employees, through no fault of their own are required to forfeit earned leave without compensation, and

Whereas fairness and equity appear to dictate that employees should be compensated for earned annual leave lost for the convenience of the Government and through no fault of the employee: Therefore be it

Resolved, That employees be compensated for all earned annual leave they are required to forfeit to be paid lump-sum payment at the end of the leave year.

We are happy to accept the allowance of accumulation of leave not used through no fault of the employee as a substitute for the lump-sum payment called for in the resolution.

As I said before, the cost involved in these measures would be minimal and entirely justified. Nothing extra is being given to employees. It simply makes it more convenient for them and for management to have what was already theirs.

I would like to propose two additions to this bill. One would involve administrative leave on election day. At present the administrative leave allowed at such a time varies from location to location. We should like to see it standardized as this seems to be the only equitable way to do it. Language should be incorporated which would allow Federal employees who are not eligible for the absentee ballot 4 hours to dispense their voting duties.

Another situation we would like to see remedied statutorily is one involving administratively granted official holidays—such as days of national mourning and Inauguration Day.

Presently Federal employees released from duty on these days are those who work in counties adjoining the municipality affected. In the case of Inauguration Day, it is, of course, the District of Columbia. We believe that in fairness this should be changed so that all Federal employees working in the Standard Metropolitan Statistical Area receive such days as holidays. I think that such an extension is a realistic one considering the fact that close ties to a municipality exist with all counties within the metropolitan area and are not peculiar only to the counties contiguous to the core city.

In the case of Inauguration Day, we suggest that section 6103 of title 5 be amended by adding at the end of the first sentence the following phrase:

and such other counties and localities as are included in the Standard Metropolitan Statistical Area, as currently defined by the Office of Management and Budget.

The practical effect of this change would be the counties of Loudoun and Prince William in Virginia would be added to the present geographic area already stipulated in section 6103(c). The inclusion of these counties would also provide equity to the Federal employees serving at Dulles Airport and the Air Route Traffic Control Center at Leesburg, Va.

In the event your subcommittee accepted this definition, section 6103 (c) would read in total as follows:

(c) January 20 of each fourth year after 1965, Inauguration Day, is a legal public holiday for the purpose of the statutes relating to pay and leave of employees as defined by section 2105 of this title and individuals employed by the government of the District of Columbia employed in the District of Columbia, Montgomery and Prince Georges Counties in Maryland, Arlington and Fairfax Counties in Virginia and the cities of Alexandria and Falls Church in Virginia and such other counties and localities as are included in the Standard Metropolitan Statistical Area, as currently defined by the Office of Management and Budget. When January 20 of any fourth year after 1965 falls on Sunday, the next succeeding day selected for the public observance of the inauguration of the President is a legal public holiday for the purpose of this subsection.

An attendant issue concerning Inauguration Day and national days of mourning is the need to provide subsequent compensatory time off for Federal and District of Columbia employees who actually worked. Under present practices, these employees are given no recognition for their performance of duty, despite the fact that the absence of other employees who are excused places extraordinary burdens on

them to protect Federal and District of Columbia property and maintain essential communication and maintenance service.

In closing, let me reiterate our gratitude to you, Mr. Hanley, and to Mr. Matsunaga for sponsoring H.R. 12602 and to the subcommittee for allowing us to appear here today in endorsement of this bill.

Mr. HANLEY. Thank you very much, Mr. Webber, for your very excellent testimony.

May I ask, are employees in Loudoun and Prince William Counties now given leave for Inauguration Day?

Mr. WEBBER. No. We have a large number of complaints. Each Inauguration Day, the people at Dulles are not included and there are also people at the other installations. Just the people in the close Washington, D.C., area, and contiguous, Arlington, Rockville, and such as this, are included. If there is a green space in between, they don't get it.

Mr. HANLEY. You have reflected on some other holidays or situations where it might have been appropriate for leave to have been extended, and if my memory serves me correctly, in the last couple of years we have run into some rather awkward situations that were supposed to have been disposed of administratively; is that right?

Mr. WEBBER. We had, I think, first, the national day of mourning for President Eisenhower, when he passed on, and certain employees and agencies were let off on administrative leave.

Certain others were required to work. The people who were required to work were not granted compensatory time to take an equal amount of time off some other day.

Mr. HANLEY. You are suggesting that this be provided through statutory as opposed to the present?

Mr. WEBBER. The thing has not worked out administratively, Mr. Chairman.

We would certainly recommend that it be by statute rather than as flexible as some of the things that are administered at this time.

Mr. HANLEY. Certainly in recognition of the awkward position we found ourselves in, in the past in this regard, it seems appropriate that some consideration be given your suggestion.

In connection with leave for election day, can you cite any major examples now where administrative leave is not adequate?

Mr. WEBBER. Well, we receive a sizable number of complaints every election about people being required to work and standing in long lines after work because they are not able to get off through the day. I am sure that all of us recognize that in large cities where there are large precincts and most of the people have to vote after work, unless they are able to get off during the day, many times in bad weather, in snow or rain, people stand in long lines for hours and hours in order to exercise their right to vote, and the agency rules provide where the polls are open a certain number of hours outside of the duty hours of the employees that they not be granted administrative leave. If the polls are not open the number of specified hours outside of their duty hours, they may be granted a certain amount of administrative leave. And it varies from agency to agency and from locality to locality.

So certainly Federal employees are troubled the same way as other employees who are not granted time off to vote, and if the lines are long and the weather is bad, of course, there is not as heavy a vote

as there would be if the people were able to get off through the day and get in a line when the line is not so long.

Mr. HANLEY. In the course of Mr. Jacobson's testimony, he offered a statistic which suggested that on a national average, we are talking here about one-third of a day per year.

Mr. WEBBER. I took note of that.

Mr. HANLEY. Would you agree with that statistic?

Mr. WEBBER. That may very well be the statistic which he has, and it may be a correct one, but I would also call your attention to the fact that with a work force of 3 million employees, this represents a million man-days, a million people who might have given up 1 day's leave, or in some instances, a lesser number have had to forfeit 2, 3, 4, 5 days, depending upon their particular circumstances. So it may be insignificant from the standpoint of money, which I would think all of us would agree, when you begin to talk in terms of 3 hours, or $2\frac{3}{4}$ hours against 2,080 hours, which is the normal work year. It is an insignificant amount of money that is involved.

But from the standpoint of personal inconvenience, there are more than a million man-days of leave involved here, and particularly in the lower grades, employees do not have the authority to arrange their leave for their own convenience, and when they are simply denied leave there is no recourse for them.

I can think of instances where the Government literally closes down their operation for their own convenience. There is a place out in California, in Barstow, a marine depot, and every year they just close down for a week. The people are required to take annual leave, if they have an annual leave balance, and if they have no balance, they find other work for them to do.

There is another one in Georgia, the same kind of an operation. But when you begin to talk about a 13-day accrual of leave, and management requires you to take 5 days off at whatever time of the year they want you to take it off, so that they can repair the facilities, or have an annual cleaning, whatever they do, and then you get close to the end of the year and you have a few days of leave that you might want to use, and they tell you that we have an emergency, that we need to keep you on the job, that you do not get your vacation when you want it because of the requirements of your job.

And then if you have a little excess leave balance and you ask for leave, they tell you that you can't get it because they are under heavy workload, and they take leave away from you if your leave balance exceeds 30 days.

I think it is very proper that you give consideration to the fact that when management requires people to stay on their jobs and to forfeit their leave, that arrangements be made to make this leave available to them at a subsequent time.

Mr. HANLEY. Thank you, Mr. Webber.

Mr. BRASCO?

Mr. BRASCO. Mr. Webber, you were in the room when Mr. Hanley and I were talking to Mr. Jacobson, and we made that recommendation with respect to the case that he cited himself, and the one that you are talking about, where the man is asked to stay and work by management at such a time of the year where he can't get those 2 days or 3 days or what have you, that they should be carried over.

I think you agree that that would take care of that particular problem, would you not?

Mr. WEBBER. That is true, and it would cost no extra money.

Mr. BRASCO. Right. Let me ask you this about the time off for voting.

You are suggesting that the employees be given 4 hours. How do you envision that would work? I mean, would management then have the ability to stagger, say, the work force on that particular election day so that everybody is not off at once, so you don't have a problem, say, of having a facility empty, where everybody goes out to vote at the same time?

Mr. WEBBER. Well, I have worked for the Government for many years, and I know of no time when the management has not exercised its rights, its authority, as management, to grant leave, whether it is administrative leave or whether it is annual leave. They tell us, they tell the workers. The worker makes application, management approves or disapproves. And if the workers were granted 4 hours off, certainly the worker would have to make application for the leave. He would also have to vote in order to obtain the leave.

If the management found it inconvenient to let him off in the morning hours, to maintain a force in the morning hours, and let off part in the morning or part in the afternoon—

Mr. BRASCO. So that would be an in-house type of situation, where they would work out the staggering or the scheduling at the time that people have to go and vote.

Thank you. I have no further questions.

Mr. HANLEY. Thank you, Mr. Brasco. Mr. Wilson?

Mr. WILSON. Thank you, Mr. Chairman.

Mr. Webber, in connection with the request that you are making for 4 hours' leave on election day, which is not included in your testimony, are you citing that as a serious problem?

Mr. WEBBER. We are suggesting that legislation be considered to take care of this problem.

Mr. WILSON. Again, I personally would like to have 100-percent voter turnout by Federal employees, but do we know of any large numbers that are denied the right to vote or the opportunity to vote because of not having this four hours' leave guaranteed to them?

Mr. WEBBER. Well, as I pointed out earlier, it is a problem. The big problem is in cities, urban areas, where there are large numbers of people in a precinct. Most of the people work who vote. And they must wait in long lines to vote. It discourages people to have to be in the lines at those particular hours, where, if it were more convenient and the people did not have to put in 3, 4, 5 hours in a line in order to get to vote—

Mr. WILSON. Is that a fact, that length of time?

Mr. WEBBER. I could take you here in election day in the surrounding areas where some of these precincts of 1,500, 2,000 people to vote in a particular precinct, and the lines are very, very long, the lines are very, very long.

I came from Colorado, and the lines are very, very long. The polls close at 7 o'clock in Colorado. Sometimes the people in the lines do not vote until 10 or 11 o'clock. Election officials come out and give people tags indicating that they were standing in line at the closing hour of

the polls, and then they stay in line for 2 or 3 hours more in order to get an opportunity to vote.

Mr. WILSON. You state that those people who are approaching retirement with several years of service are often forced to take frequent vacations to use up their leave.

Is the problem presented here one of not being able to accumulate vacation time?

Mr. WEBBER. Well, the thing is they are permitted to accumulate and earn their vacations. They are allowed to accrue it. But the law, as currently written, prohibits the payment of accrued leave in excess of 30 days.

So if I carry a carryover of 30 days into my last year of employment, and I retire, say, the first day of December, or the first day of November, in November I would probably have something on the order of 24 days accrued leave, had I not used any leave during the year, had they not granted me the right to use this leave, because I am going to leave—or perhaps I have been sick.

A lot of older employees are ill and they are off on sick leave part of the time. When they come back on the job, they may be trying to break in a new man. Management wants the employee to stay on the job and break the new man in, and when the time comes for him to retire, either he has to take the last 3 or 4 weeks of his working time off, or if he stays and fulfills the commitments on the job to train this man, he simply has to forfeit the leave because the Government will not pay in excess of 30 days.

Mr. WILSON. How much leave time do you think a person should be able to accumulate?

Of course, Mr. White presented an extreme case, when he spoke about someone who did not take any leave at all, or any vacation at all during his Government service. What do you feel is a reasonable amount of leave that an employee should be able to accumulate?

Mr. WEBBER. I would say the 60-day limit which we had when I came into the Federal service was one which worked very well. At that time we had a 26-day accumulation of leave from the first day of employment rather than the 13- and 20-day leave system which we have now.

This is a policy that we have at our own office. Our people have a 60-day accumulation of leave. When people retire, we also pay the current leave in our union, so a person could retire with 70 or 80 days leave, and it gives them a little nest egg to get started on another job.

Now, you take 60 days leave, and this amounts to the equivalent of six paydays.

I am sure you know of the tremendous reductions in force which have gone on throughout the Defense Department and 5-percent curtailment that the President has directed in connection with the stabilization program. If you are laid off and you are permitted to have only the 30-day accrual of leave, you can draw the equivalent of three paydays to get you started on some other kind of activity.

Now, it does not seem unreasonable that people should have this and be able, through their own prudence in using their leave, that this should be as much as 3 months pay to help them get started. Or if you are going into retirement, this will probably be the last lump sum of money that you will get your hands on. You are going to have to wait for your first annuity check, and your annuity will be considerably less

than the amount of money you are receiving through your regular paycheck.

Mr. WILSON. If we are talking about a retirement bonus, I would rather see it put on that basis. I think vacation time should be used. That is the purpose of it, to give people a break in their employment.

If what we are talking about, however, is just a bonus on retirement, why, let's establish a bonus and not relate it to vacation time or leave time.

Mr. WEBBER. I would certainly not oppose a bonus.

Mr. WILSON. You think that a long-time employee should have something in addition, a little nest egg, that he can take with him?

Mr. WEBBER. If this is the only alternative that you have at this time, the only alternative that they have at this time, on retirement, if they are going to have a little reserve to take with them, or in the case of a layoff or anything of this nature, this little accumulation of annual leave provides some cash money for them, and certainly the 30 days is a very, very modest amount, a very modest amount.

If Congress provided for sizable payments to people who retire, get them started into retirement, of course, the need for retirees would not be so great.

Not all people are aware of the provisions for retirement; that if you have more than 20 years service, and you are over 50 years of age, you are not eligible to draw severance pay. You have to take your retirement. You take a reduced retirement.

If you are laid off of the job past 50, you are penalized not only from the standpoint of the 2 percent for each year that you are under age 55, but your annuity is based on a computation factor reflecting the actual years in service that you have. If you have only 21 or 22 years of service, your annuity is only about two-thirds of what it would have been had you been able to complete your career in the Federal service.

So, people who are leaving the Federal service because of the RIF's are being hurt very much financially.

People who are over 50 with more than 20 years' service, have the alternative of taking an immediate annuity and getting some income or defer their annuity until they are age 62 and be without income unless they can find other employment.

So in the case of these large reductions in force which we are facing, with the large number of retirements, some of which stem from the reduction in force situation, certainly the people who are being affected would be in a better financial condition if they were able to draw on an accrual of 60 days annual leave which they did not use, in anticipation that an emergency might come.

I agree that annual leave should be for vacation primarily, but it is not only for vacation. It is for such things as funerals. It is for such things as personal business that takes you away from the job a day or two. This is another purpose for leave.

It is not all simply to take extended vacations. It has been my experience in the Government that probably there is as much leave used for personal business of one kind or another, a day or two at a time, as is used in large increments for vacation periods.

Mr. WILSON. I was just wondering, Mr. Chairman, and perhaps Mr. Webber could help me: This 5-percent cutback, where HUD has

been ordered to accomplish a 5-percent cutback, does this apply to all Federal agencies?

Mr. HANLEY. Yes.

It is my understanding that it is a blanket provision to affect 5 percent of the present employment rolls.

Mr. WILSON. How are they doing that?

They always say that it will be accomplished through attrition. Is there a pattern? Who are they eliminating?

Mr. WEBBER. I had a briefing 2 days ago from the HUD because we represent the people here in headquarters and several of the regional offices, and I believe the figures were something on the order of some 800 people's positions were going to be lost here in Washington.

There are some nearly 400 positions to be eliminated in regional offices.

I believe they told me they have some 300-odd positions which are vacant in area offices. They have a budget request for some 750 new positions in area offices.

They talked to me about training programs and transfers to retain people in grade. And I talked to them about the rights that people have under the reduction in force procedures, and the rights that we are able to enforce for them.

I told them we intended to see that these rights were all applied.

It appears that they are trying to do things through some voluntary means, and people might feel that they are required to do certain things, which under the laws and regulations they are not required to do.

I told them we intended to provide our local leaders the proper information about the employees' rights and to see that every employee received all of the rights he was entitled to during this reorganization.

Now, how they are going to come out with a reduction of 5 percent in HUD and still get 750 new jobs in July, I don't know. These things are beyond me.

Mr. WILSON. Well, the people are being lied to about this unemployment situation and are being shown a rosy picture by the President's economists.

On one hand they tell us what is going to happen, there is going to be a reduction of employment, forcing people into unemployment.

And, on the other hand, they tell us that they are fighting to eliminate unemployment.

It is one of the most dishonest and flagrant abuses of misrepresenting the facts to the public that I have ever seen in my life. And I hope one day the American people will wake up to what is being done to them.

Mr. WEBBER. In connection with this particular reduction in force, I inquired about the average grade, as Mr. Shultz in the Office of Management and Budget has issued a circular with regard to the deescalation of grades, and I believe the HUD final figures were something on the order of .15 reduction in their headquarters office, and a little higher figure than that after their reorganization is completed, and what this really means is that for every 6 or 7 people, someone is going to be a grade lower than he was before, and someone is going to be receiving less money in his paycheck. Maybe not in the morning, but if his job classification is changed to a lower grade on a higher

step, it will mean he will not be getting any within grade pay, increases, and, ultimately there will be a reduction in the amount of money which he takes home to support his family.

Mr. WILSON. Thank you, Mr. Chairman.

Mr. HANLEY. On the subject of reductions in force, it was interesting to note in part in Mr. Jacobson's testimony, in response to one of my questions related to the wage and price program, he did state Internal Revenue was being provided with 3,000 additional employees, some of whom were being transferred from other agencies, a percentage of which was going to be new employees.

So there is a bit of an inconsistency here.

Mr. WILSON. There certainly is.

Mr. HANLEY. Mr. Webber, Mr. Sadler, and Mr. Lynch, on behalf of the committee, we appreciate your appearance here this morning, and certainly your testimony is going to prove quite helpful to the deliberations of this committee.

Mr. WEBBER. Thank you.

Mr. HANLEY. Our next witness is Dr. Nathan Wolkomir, president of the National Federation of Federal Employees, and Dr. Wolkomir is accompanied by Mr. George Margolies, staff counsel.

We are delighted to welcome you, gentlemen.

STATEMENT OF DR. NATHAN T. WOLKOMIR, PRESIDENT, NATIONAL FEDERATION OF FEDERAL EMPLOYEES, ACCOMPANIED BY GEORGE MARGOLIES, STAFF COUNSEL

Dr. WOLKOMIR. Thank you very much, Mr. Chairman.

For purpose of expediency, I would like to have my statement as prepared stand for the record.

Mr. HANLEY. We appreciate your thoughtfulness.

Dr. WOLKOMIR. I would like to, however, call your particular attention to some highlights in the testimony for purposes of emphasis.

On page 2, we attempted to exemplify a series of instances that occurred recently in the Department of Agriculture, to indicate the vacillating and arbitrary determination of leave on the part of supervisors.

It was covered by one of our Washington, D.C. reporters who is present in the room, and I can't help but repeat it here.

This is at the bottom of page 2. One of the activities requested certain employees to work overtime. Two employees declined because of certain home responsibilities, namely, they could not secure babysitters for their children in the period of time involved.

As a consequence of their declination to work overtime, they were given reprimands.

Our organization got this matter, and then learned that another employee had rejected the overtime based on her stated need to take her dog to a veterinarian.

This request was granted.

And I think that the obvious capriciousness of these contrasting acts points out the need for the type of legislation that, thanks to you, Mr. Chairman, and to Congressman Matsunaga, your bill will certainly cover.

Naturally, the National Federation of Federal Employees is for the complete provisions of everything you have in the bill.

I would like to add to my prepared statement some of the highlights as to what was discussed today, if I may.

Mr. Jacobson indicated the fact that there would be additional spaces allocated, there would be increases in personnel presumably for IRS.

I believe that in addition to IRS, the Justice Department, the Department of Transportation, and the Veterans' Administration are the prime agencies that will be getting an increase in spaces.

Now, we are talking about spaces here. We are not necessarily talking about bodies. However, in the interim, the unilateral determination by the Office of Management and Budget in the 5 percent cuts that were discussed and the grade deescalation on their part is a clear indication of what has been going on.

People have been transferred from other agencies and we have had already complaints from the agencies, particularly in IRS, who have assumed the responsibilities of the Price and the Wage Control Board, working through IRS.

In turn, their positions have not been filled by any means, and OMB has clearly indicated the fact in writing, in bulletin, by way of instructions to these agencies, that these people in many cases would have their responsibility, the people who are transferred, would have their jobs and their responsibilities transferred to others of lower grade and rank, and consequently, we would thus provide for this austerity in manpower controls.

Now, this has been universal, not only in IRS. There are dozens upon dozens of cases in IRS. This is also happening in VA.

So regardless of what our leave determinations may be, the fact that we have a unilateral control, either from OMB or direct from the Administration, is a clear case of what is happening in terms of accumulation of leaves, the denial of accumulation beyond the 30 days, and thus inevitably a loss of leaves. Increased responsibility calls for increased workloads.

I think we ought to also bear in mind and in prospective how did this 30-day accumulation come to pass.

Then what we have to do is recall that this was Senator Scott Lucas from Illinois, during a period of terrific austerity, after World War II, when the move was to cut down the amount of accumulated annual leave to 30 days.

At that time everybody, as they are today in the administration, was talking about austerity, and when you draw a comparison about what was happening in the private sector and what was their policy on leave at that time as compared to what is happening on leave policy today in the private sector, you can see the contaminating factors of what was brought on due to a particular crisis, due to a particular climate and mood of the time.

That is why we went to a 30-day accumulation of leave instead of leaving it the way it was.

I personally lost almost 2,000 hours of annual leave and over 2,000 hours of sick leave, because when I got out of the service, we didn't have the service accredited time for sick leave.

I think we should bear these considerations in mind. In spite of the, might I say, perverted type of consideration that was given to us earlier in the first testimony, the premise was wrong.

They were arguing from a false premise, and we can't help to eventually lead to a false conclusion.

Congressman White clearly brought out the fact that the premise seems to be that we are operating on a consensus that every Government employee automatically gets 30 days of leave accumulated, and therefore, anything beyond that 30 days is lost.

This is not true, because it takes a good many years for any one individual to accumulate the 30 days.

Consequently, if there is a reduction of force due to some kind of administrative or unilateral control, what happens is that people who have less than 30 days accumulated could also lose time, and I think this should be borne in mind.

We also heard some Bureau of Labor Statistics figures here about costs of payroll and comparisons between the private sector and the Government sector.

We heard such things as a 5.1 percent private consideration for cost of payroll leave as compared to Government in annual leave.

And I think that there, too, we should realize that statistics can lie.

First of all, the private sector statistics that are accumulated are on an actual experience basis. How much, by the hour, did it cost them for their leave figures?

And Mr. Jacobson clearly indicated that he has no statistics.

Now, what are we using as a basis for our computation of 8.1 percent to the Government? Are we using an automatic 30 days accumulation of leave as a cost factor?

Are we using 30 days for all Government employees, or are we using what it was actually costing the Government, dollars and cents, by the individual, and then coming up with an average?

We have no such statistics.

Therefore, how can we draw such a payroll cost factor? That also includes 1.1 versus a 3.3 percent factor.

He also clearly emphasized the fact that this was only used in the pay considerations, with no consideration of the overall fringe benefit cost as compared to the private sector and the Government sector.

Consequently, I don't think that we should allow an isolated figure to prove a particular point because the Commission has a particular stand, to mislead us in our complete consideration.

It is also to be remembered that sick leave can also be lost. Sick leave is not received in any kind of accumulated setup. Today it is only accredited to service time. There is no lump sum payment for any accumulation.

And thank God that last year at least we had this consideration. I know that with the law passed long after I retired, I lost 2,000 hours of sick leave, and some annual leave, too.

The reason I address myself to these particular considerations is because inherently, in the previous testimony, I could not help but set the record straight on how these statistics are being used.

We certainly thank you, Mr. Chairman, and members of this subcommittee for not only permitting us to testify, but also for your kind consideration of the type of legislation which we consider clearly exemplifies the fact that the Government should be a model employer and let's stop comparing apples and oranges.

These we always do as an escape mechanism, and your consideration is appreciated.

I would like to state our deepest appreciation to you.

Mr. Margolies, would you like to add some more, via case studies?

Mr. MARGOLIES. I did want to bring to the attention of the committee one case which came across my desk, which I think highlights the discretionary authority of different supervisors in granting leave and what sort of leave.

We had an instance up in Philadelphia—I believe at the Boeing Plant—in which Federal employees were working alongside of civilian employees—excuse me, private sector employees—who belonged to the United Steelworkers.

The United Steelworkers recently signed a contract in the beginning of December or the end of November, which provided that there would be a week off, a week's vacation around Christmas time.

Well, because this contract was recently signed, it created a dilemma as to what to do with the Federal employees at that time, and they had no work whatsoever to do while the private sector employee was out of work.

The commander—I don't believe it was commander, whatever the rank the person was who headed the operation—said that they would not be given administrative time off but that that week would have to be charged to their annual leave.

Well, here we were in the beginning of December, the middle of December, faced with a situation where, one or many employees had already utilized all of their annual leave, so they were faced with a situation of going on leave without pay, and the other situation where many people had earned their annual leave and did not want to take up that time but to carry over the leave, within the 30-day limit.

So we faced the situation where management did not want to grant them any leave and so we were sort of at loggerheads.

Of course, we were faced with this eventuality in the middle of December.

And, as an alternative, in this case, we had suggested such things as utilizing a period of training which was provided for in contracts to be held during that week, so that they could get paid in that time.

Mr. HANLEY. How was that resolved again?

Mr. MARGOLIES. The contract with the local, our local, provides for a certain training period, which would be paid as administrative time, but usually it is scheduled at different times, and we had asked that it be held at that time so the employees could go in to work and receive pay. If they didn't want to go in to work and take advantage of this time off, they could have it charged to annual leave, but here they were faced with a dilemma which was not of their own making, but because they had worked alongside of members of a private sector union.

I think the answer that should have been granted there was that administrative leave time should have been granted by, I believe, the Department of Navy. But it was not. And I think this is one of the problems we run into, where the discretion is not within—you know, the discretion is solely within management, and very often it is abused, and it was not the employees' own making, whether they wanted to take their annual leave or not.

Dr. WOLKOMIR. Leave is a problem that is not really a decision that eventually winds up in appeal to the Civil Service Commission. It is a grievance. Therefore, it is the agency that hears the grievance, and it is the agency that hears the determinations.

What I am trying to emphasize is the fact that the very arbitrary determinations of the supervisors even at the lowest levels are left to the agency, not to the Commission. So any statistic that the Commission gives us is not based upon factual statistical studies.

Every agency operates differently, and sometimes within the agency the various bureaus and divisions operate differently, right within one agency.

Now, to answer your question, Congressman Wilson, on HUD: We, too, received a briefing prior to the implementation of their instructions. And the actual figures on a reduction of force ran as follows:

Their changes will reduce authorized positions here in Washington, D.C., by 858. However, because the Department has had a no-hiring policy in effect since last August, conforming with the new ceiling will entail a reduction of 695 in the number of employees actually onboard. This would mean that these people would either have to be transferred, but the majority of them definitely are going to be released from the service.

In the 10 regional offices, the reduction in actual employment will be 391. So we are talking now of 1,000 people in HUD for this particular fiscal year.

Now, next year, since HUD is being used as a service test on the part of the administration, in order to set the example for everyone else, there will be another approximate 5 percent cut for the next fiscal year. We are only talking about 1,000 people in one small agency.

Mr. WILSON. This is disturbing, if I may comment, Mr. Chairman. It is true that there are some new jobs that they are giving out. I think what they are doing, they are getting all the Democrats out first. I think this is what is happening, because we have never seen in the history of this country the number of new political jobs that have been created in every agency in Government, in every department of Government, and there seems to be no end to job opportunities on a pretty high level for the people they are bringing in, and yet they are knocking off the career Federal employees. This is happening while the President himself states that he is going to protect the civil service system, he is going to protect the career employee, and he wants them to feel secure under his administration.

The administration started with the Postal Service first, on a high level, and now they are getting into all these other departments and agencies where these cutbacks are taking place, and it is a real rotten situation.

Dr. WOLKOMIR. Mr. Congressman, I cannot help but say amen, because our testimony, on the executive assignment program, which you will be hearing shortly, also on the task force that you are responsible for, we are going to have a few thousand chosen words in this particular area. We know, and we have handled many cases of career employees who are being replaced by this system, direct appointees. We know that through the disguise of reorganization—and this is an old gimmick used in many Government agencies through the years.

They reorganize anytime they want, and through the reorganization, it is amazing to see more and more key career employees being replaced by political appointees.

Also, we have many programs going on in Government today. If I may call to the attention of this particular committee a situation that exists in the Bureau of Indian Affairs today. We are speaking about all kinds of priorities. We are talking about Indian involvement; we are talking about equal opportunity.

In many cases, we are violating every principle in the American system we can possibly conceive in order to make room for favorite sons or administration likes or dislikes, based upon whatever their program may be.

I don't believe this is the proper committee for this particular sort of testimony, but we certainly intend to call it to the attention of the proper people at the proper time.

Mr. WILSON. We are concerned with this whole situation that is taking place. One example I have noticed is the Census Bureau. The Director of the Bureau of the Census, until recently, reported directly to the Secretary of Commerce; now he goes through about two or three political appointees before he can even get to see the Secretary of Commerce.

We are seeing some strange changes take place that are not good for the Government of this country.

Dr. WOLKOMIR. I would also like to call the attention of this committee to the fact that the Bureau of the Census is being used for political reasons, too. There are many studies. At the time that we are speaking about austerity, this is costing us thousands upon thousands of dollars of overtime that is being performed for certain individuals in order to provide the proper information that they need for gerrymandering at the State levels. We are using taxpayers' money for political reasons. I think this should be also revealed.

I don't know how we got involved here in this sort of testimony, but one thing of this nature leads into another.

Mr. HANLEY. Doctor, I just want to comment that the recent BLS statistics show that the Government's annual leave policy is more generous than those of private industry, and I know that these statistics are somewhat contrary to your position. Could you elaborate on that?

Dr. WOLKOMIR. I think it goes back to the basic premise on what are we using as our base. When we speak about fringe benefits, in Government, I think this is the picture we should look at, what is the total cost to the Government? Whether it be annual leave, sick leave, health insurance, life insurance, or what have you. This is the picture we should look at and then compute very carefully what are the fringe benefits in comparison to the private sector.

In none of our statistics does BLS—and may I state that I serve on both the Wage Board Policy Committee for the Federal Coordinated Wage Drive, and on the so-called Pay Council we are supposed to have, created by your bill, almost a year and a half ago. That in an examination of the procedures that are being used by BLS to gather their statistics, there are many factors eliminated in their consideration of fringe benefits given in the private sector.

For example, there are such things as stock dividends given to employees. There are fringe costs through the private sector employer that are not included in our statistics in order to draw comparison.

Now, this is the sort of contamination we get in statistical figures. Time will permit, but we are prepared, when we are ready to testify on these issues, to indicate what these fallacies are in BLS computations.

Today, we, as an organization, are even questioning the type of statistical data that is being publicized and given to the press, because in our opinion the Bureau of Labor Statistics today is also controlled by the administration. The releases don't come out of there until they clear the White House.

Now, I don't think that this is an objective look at BLS statistics upon whom we depend almost completely to give the public the true figures of our conditions. I went into the unemployment situation. Even the manner in which they gather their unemployment figures are not true and not accurate, because they go to the home of residency of the individual who is unemployed, not to the area of employment, in order to gather their statistics. This is a contaminating factor. I could live in suburbia, where the employment happens to be high, and be out of work, so my figure is actually completely contaminated by the fact that I am living in a certain area, and this does not give us true unemployment figures.

This is one example, and we could go into many others, of what is happening today in gathering our statistics.

Mr. WILSON. We are creating a very dangerous situation in this country. No one is supposed to criticize the President on certain subjects, and we are approaching a form of censorship, a form of control in this country that in my opinion is extremely dangerous, and it is something we have to be very watchful of.

Dr. WOLKOMIR. We as unions also have to be very careful. We are supposed to be nonpartisan in our approach to the issues, but by the very nature of things, I think we are being forced into these attitudes.

Mr. WILSON. Excuse me, Mr. Chairman. Dr. Wolkomir and I have been discussing philosophical questions.

Mr. HANLEY. Doctor, I regret very much that we are working with a time problem. I know that if we didn't have this problem, you could continue to make a nice contribution to our deliberations here. Without objection, the entire text of your testimony will become a part of the hearing.

(The complete statement follows:)

PREPARED STATEMENT OF NATHAN T. WOLKOMIR, PRESIDENT, NATIONAL
FEDERATION OF FEDERAL EMPLOYEES

Mr. Chairman and members of the subcommittee, I am Nathan T. Wolkomir, President of the National Federation of Federal Employees. The NFFE is the pioneer Federal union and the largest independent union in the Federal service.

Mr. Chairman, the NFFE strongly supports the provisions and objectives of H.R. 12602, which you have sponsored in association with Congressman Spark Matsunaga. It is our view that, as you and Representative Matsunaga have stated—and we are certain there is general agreement on this by members of the Subcommittee—the changes in leave policy contemplated by this measure are constructive and would entail minimal cost to the Government.

Indeed, I have no doubt that while the provisions of H.R. 12602 are in a definite sense liberalizing in nature, the results to be attained would benefit the Government as an employer no less than it would the employees. The benefits to the Government would flow both from improved morale and productivity and more

efficient administration. Both of these are objectives which we feel commend the Bill for favorable consideration and prompt action no less than the equity to the employees directly concerned.

Mr. Chairman, over the years, the NFFE has frequently observed and acted upon situations in which either through administrative error or other factors wholly beyond the control of the employees, including serious illness, Federal workers have been subjected to loss of annual leave. The inequity is obvious and the situations are persistent and quite widespread. The abrasiveness of such situations upon employee morale is hurtful . . . to the employee and his family . . . to the Government as an employer. Legislation which would provide a solid basis for remedial action—legislation such as the provision of H.R. 12602—therefore is very much in order and, indeed, as the Subcommittee is aware, overdue.

This Committee, we respectfully suggest, should concern itself with some of the many problems that result from arbitrary denials of requests for leave. Such denials of leave requests are becoming increasingly numerous and apparent with the reduction in the work force. It is admittedly difficult to legislate on the matter of discretionary authority of an administrative or supervisory official. However, I believe the Committee would be interested in knowing, for example, about an incident that occurred recently in the Department of Agriculture in Kansas City, Missouri.

The supervisor of one of the activities at that agency requested certain employees to work overtime. Two employees declined because of certain home responsibilities, namely, they could not secure baby sitters for their children during the period of time involved. As a consequence of their declination to work overtime, they were given reprimands.

Our organization interceded in the matter and then learned that another employee had declined the overtime assignment based on her stated need to take her dog to the veterinarian. This request was granted. I think that the obvious capriciousness of these contrasting actions points up dramatically the need for legislative concern on these issues.

The provision of H.R. 12602 which would enable employees to take leave during the first ninety days on the job gives fair, reasonable, and practical recognition of very realistic facts of life. This is especially true in an era of ever-increasing mobility on the part of workers, resulting from policies and practices increasingly utilized by employers. Literally, thousands of Federal employees are hired each year and take up residence in communities distant from those in which they were formerly employed. It is during those first months of employment in new surroundings that some leave is so urgently needed in order to complete arrangements for housing, placing children in school, meeting the new State's driver license requirements, and many others of which we all are acutely aware and cannot be accomplished in evening or early morning hours. We believe that the need for this kind of practical liberalization more than overcomes any possible objections to it. It simply makes good sense.

And the description of "good sense" also can be applied—very much so, in fact—to the third provision of H.R. 12602, namely that which would permit a retiring employee to receive lump-sum payment for more than 30 days leave upon retirement.

Entirely apart from the equity of this provision from the standpoint of the employee—and the equity is unmistakably clear—its benefit to the Government in the form of more efficient and orderly administration should win for it very strong support both in the Congress and on the part of the Executive Branch.

Mr. Chairman, as you of course know, legislation now on the statute books forbids lump-sum payment at time of retirement for more than 30 days' leave. Exempted from the provisions of this legislation alone are employees who accumulated leave before the year 1952.

We all are keenly aware of the rather chaotic administrative situation to which this severely restrictive provision has given rise. Inevitably and understandably, many employees with leave accumulations seek to use them immediately or shortly prior to retirement. However, although on leave the employee is by regulation still filling the position. This has introduced an undesirable degree of administrative inflexibility with adverse effects upon management and agency missions. This inflexibility would be largely overcome, we believe with you Mr. Chairman, by the provision of the Bill providing lump-sum payment for leave accumulated in excess of 30 days.

I would like to add a further general comment on the Federal leave situation which the NFFE feels is pertinent at this point.

It is demonstrable that while leave policies in the private sector have become more liberal and more progressive over the years, in conformity with sound personnel practice and experience, the trend in the Federal service has been, over-all, in the opposite direction, namely, more restrictive and more regressive.

Thus, a significant basic virtue of H.R. 12602, beyond the specific provisions it includes, is that this legislation is a very useful move in a forward direction.

The NFFE has long held the view that the Federal Government should set an example as a model employer. As the members of this Subcommittee are aware, that has not been the case. In most areas, including leave, the Federal Government has lagged behind the more progressive employers in the private sector. Moreover, recently we have witnessed various efforts—some partially successful—to further widen the gap, in the wrong direction.

Mr. Chairman, for all of these reasons, and others which might be adduced, the NFFE strongly supports H.R. 12602. We urge a favorable report on it by the Subcommittee and hope that early action can be secured in the full Committee and in the Congress as a whole.

On behalf of the NFFE, I express again our appreciation to the sponsors of the Bill, and to the members of the Subcommittee for their interest in this legislation.

Mr. HANLEY. Again, our appreciation for your presence and that of your associate, and your contribution has been immeasurable.

Mr. WOLKOMIR. Thank you very much, Mr. Chairman. We shall be honored to respond to any of your questions.

May I compliment your counsel, incidentally. He has been of immeasurable help to all of us.

Mr. HANLEY. Our next witness today is Mr. John A. McCart, operations director of the Government Employees' Council, AFL-CIO.

John, we do have time, despite the fact that we are approaching 12 o'clock. As you know, we can remain until the first quorum call or the 5-minute rule, so if you will be good enough to proceed.

STATEMENT OF JOHN A. McCART, OPERATIONS DIRECTOR, GOVERNMENT EMPLOYEES' COUNCIL, AFL-CIO

Mr. McCart. Thank you, Mr. Chairman.

In view of the time situation, I would appreciate it if my formal statement could appear in the record in text, and I will proceed to summarize the principal points.

Mr. HANLEY. If you will, please.

Mr. McCart. First of all, Mr. Chairman, it is certainly appropriate for us to express our gratitude to you and to Congressman Matsunaga for sponsoring the bill which is under consideration, H.R. 12602, and for arranging hearings on a problem that has been a persistent one and which apparently cannot be solved short of legislative action.

The background you have learned through other witnesses this morning, so I will not outline the factual situation with respect to the entitlement to leave or the accumulation of leave.

Perhaps the best way for us to approach the matter, in the absence of the statistics, is on the basis of examples.

The bill directs itself to situations where individuals are prevented from using their leave because their superiors do not permit them to use it. We have an example appended to our statement which involves a chief engineer on a military transport vessel who in July of one year advised his superiors that it would be necessary for him to use a certain amount of leave by the end of that year in order to avoid forfeiture. Nothing was done. He repeated that request in November of the same year. Nothing was done. He reiterated it in December of

the same year, and nothing was done. The result was that as the end of the leave year approached, he was finally able to use 2 days.

As a result, this individual didn't forfeit 2 or 3 hours. He forfeited 19 days vacation because his agency did not take the steps to remedy the situation.

The second condition that the bill corrects is the situation where a person is prevented from using his leave and forfeits it because of an administrative error on the part of the agency.

Mr. HANLEY. May I interrupt.

Mr. Wilson, do you have any objection to our remaining in session until the second quorum call?

Mr. WILSON. Not a bit.

Mr. McCART. I will certainly do my best to conclude within that time, Mr. Chairman. Thank you very much.

Mr. HANLEY. Thank you.

Mr. McCART. This situation involves an employee of the naval installation whose leave was computed erroneously by his agency, and his agency, after discovering the error, went to the General Accounting Office and asked whether they could credit him with the time involved. The Comptroller General informed the agency that this was impossible.

In this instance the individual didn't lose one-third of a day, he lost more than 16 days' leave because of admitted administrative error on the part of the agency.

The third situation that the bill remedies involves the impossibility of an individual using his annual leave because he becomes ill. You have heard testimony this morning about the employees who conserve a small portion of their leave in order to take care of personal emergency situations at the end of the year.

To illustrate, we have a situation where an employee may have 5 of those days that he is holding and expects to use in December. Meanwhile, he is stricken with a serious illness and is unable to return to work until the following leave year.

He uses his sick leave for this purpose, and as a result he is unable to use the 5 days of annual leave that he planned to use, and therefore forfeits it.

It is argued that this situation is his fault, because he may use those 5 days of annual leave during his illness. We maintain that isn't the purpose of annual leave, and that the purpose of sick leave is to take care of legitimate illness.

This situation also is corrected by the bill.

The reason that we must come to Congress is very simple. It was restated by the Comptroller General in March of 1971, and follows a long series of decisions stretching over many years. I would just like to quote one sentence from that decision:

Our office consistently has held that the above-quoted provision of law—and that is the 30-day provision—

requires the forfeiture of all annual leave at the close of a leave year which is in excess of the maximum permitted by law regardless of the reason for the employee's failure to use such excess leave.

This means that while the Comptroller General may feel perfectly secure in his legal interpretation, that there is no other recourse than to ask Congress to correct these situations.

The two other provisions of the bill which we support would permit employees to receive lump sum payments for leave they carry over from one year in addition to the normal current accumulation, if they were contemplating retirement.

This would be beneficial to the Federal Government as an employer, and it would also be advantageous to the employee. We support that provision.

The other provision involves the use of leave by a new employee during the first 90 days of his employment. The justification for this provision has been presented very ably. Certainly there is no disadvantage involved to the Federal Government, and it would be advantageous to the employees involved. So we support that provision of the bill and support the bill in its entirety, Mr. Chairman, and ask that the subcommittee approve the legislation in the very near future.

Mr. HANLEY. Mr. McCart, without objection, the entire text of your statement will become a part of the minutes of this hearing.

(Complete statement follows:)

PREPARED STATEMENT OF JOHN A. MCCART, OPERATIONS DIRECTOR, GOVERNMENT EMPLOYEES' COUNCIL, AFL-CIO

Mr. Chairman and members of the Subcommittee, Thirty-one AFL-CIO unions comprise the Council. They represent more than 1 million classified, wage grade, and postal workers in Federal service.

We are happy to endorse H.R. 12602 as corrective legislation designed to rectify deficiencies in the existing statute granting annual and sick leave to Federal employees. Several of the conditions outlined in the bill have been in existence for more than two decades.

From time to time, members of the House have introduced bills to remedy these injustices, but none of the measures has advanced beyond that stage. For this reason, the Council is most grateful to you, Chairman Hanley, and to Representative Spark Matsunaga for cosponsoring H.R. 12602, and to you for arranging this hearing.

Our Council is not the type of organization which is geared to sustaining statistical records on problems over a number of years. Thus, we cannot supply the number of Federal workers who have forfeited annual or sick leave in the twenty years since the Comptroller General rendered his first decision on the subject.

The Civil Service Commission and other Federal agencies pursue a general policy allowing employees to use their annual leave each year to avoid its loss. So that in terms of the total Federal work force subject to the leave system, the number denied the use of leave because of conditions beyond their control is probably small. But the individual cases of which we are aware make it clear that Federal employees over a span of years have been penalized by losing annual leave under circumstances which they cannot influence.

When the 1951 amendments to the Annual and Sick Leave Act were being developed by Congress, our unions emphasized the problems encountered by employees who would be compelled to lose leave for unjustified reasons. Unfortunately, the exigencies of the legislation situation did not permit the necessary revision in the language.

How do these situations arise?

Federal employees are entitled by law to 26 days annual leave each year, if they have 15 or more years of service. Those with 3 to 15 years' service earn 20 days of annual leave. And employees who have worked less than 3 years earn 13 days annually.

Those employed in the continental United States may accumulate up to 30 days' annual leave. Employees assigned to overseas posts have a 45 day limitation.

Full time employees are entitled to 13 days sick leave each year, regardless of length of service. Sick leave may be accumulated without limit.

A worker's leave must be approved by his supervisor. In many cases, employees arrange for annual leave in advance. Vacation planning is the most common example.

There are exceptions to these general conditions, but the pattern of leave in Federal Service follows the plan described above.

The problems arise from the 30 days limit on accumulation of annual leave. In other words, an employee may not carry from one leave year to another more than 30 days vacation leave. Nor can he be paid for more than that amount, if he should leave Federal Service.

First, employees can be faced with forfeiture of annual leave because they cannot secure their supervisor's approval to use the necessary hours before the leave year ends.

Attachment 1 to this statement contains excerpts from a grievance presented by the chief engineer of a Military Sea Transportation Service vessel in April 1966. Despite the fact that this employee attempted on several occasions during the last six months of 1965 to obtain approval to use leave, rather than lose it, his requests were denied, and he forfeited more than 19 days vacation time.

Second, there are the cases involving administrative error. The agency for which the person works may fail to make proper calculation of his leave entitlement. If these mistakes are not discovered and corrected before the conclusion of the leave year, the employee suffers the loss. An illustration of this situation is found in Attachment 2.

Third, a Federal employee who is ill and uses sick leave for that purpose may forfeit annual leave in excess of the statutory ceiling. This hazard is particularly serious as the end of the leave year approaches. Attachment 3 supplies an example.

It may be argued that the individual is not required to utilize sick leave, even though he is unable to work because of illness. He may use his remaining annual leave for this purpose and thus avoid forfeiture. In our view, such a procedure perverts the intention of the two types of leave. Annual leave is available for vacations and personal business. Sick leave is provided to assure salary payment when an employee is incapacitated from performing his normal duties. To maintain that he can use annual leave while ill, and thus avoid its loss amounts to using neither annual nor sick leave for the purpose for which they are intended by statute.

The basic problem is that in a series of decisions extending over many years involving loss of annual leave by Federal employees under these circumstances, the Comptroller General has ruled that existing law makes such forfeiture mandatory.

This is the portion of the Annual and Sick Leave Act on which the General Accounting Office has relied in offering its interpretation—Section 6304(a), Title 5, United States Code—

"Except as provided by subsection (b) of this section, annual leave provided by section 6303 of this title, which is not used by an employee, accumulates for use in succeeding years until it totals not more than 30 days at the beginning of the first full biweekly pay period, or corresponding period for an employee who is not paid on the basis of biweekly pay periods, occurring in a year."

The long standing position of the Comptroller General was reiterated in Decision B-171900, dated March 26, 1971, in this language—

"Our office consistently has held that the above-quoted provision of law requires the forfeiture of all annual leave at the close of a leave year which is in excess of the maximum permitted by law regardless of the reason for the employee's failure to use such excess leave."

Two other aspects of leave are dealt with in the pending bill. Unnumbered Section 1 amends the statute providing lump sum payment for unused annual leave at the time an employee leaves Federal Service. Under existing law, an individual who is separated from a Federal job may be paid a lump sum amount for accumulated annual leave not to exceed 30 days or the number of days transferred into the year that worker is separated, whichever is greater. However, the law does not allow payment for the unused annual leave acquired during the year the separation occurs. The bill removes this limitation.

Enactment of the provision would establish the right of employees to payment for the annual leave accrued, but unused, to the time of separation. In addition, it would discontinue the present practice in which employees find it necessary to use all excess leave prior to separation because it cannot be included in the lump sum payment. While an individual uses leave for this reason, he earns additional retirement credit and annual leave. The present arrangement is disadvantageous to both the employee and his agency.

The second proposal repeals a prohibition against employees using annual leave they earn during the first 90 days of employment. This limitation was enacted in 1951. Apparently its principal purpose was to have new employees understand their probationary status. Experience shows that in the first three months of employment a new worker may have legitimate reasons for requesting annual leave in adapting to a new job. Such reasons can include matters related to moving to a new community. In addition, there is no advantage to the agency in depriving new employees of the use of leave for legitimate reasons.

Therefore, the Council supports Subcommittee approval of these two provisions.

There is one amendment the Council believes is appropriate. We recommend that language be added making clear that the bill applies to postal employees. The status of postal workers with respect to coverage under existing employee benefit statutes and their employment in the Postal Service is currently in doubt. We believe that the confusion should be removed by a positive assertion by the Subcommittee that their coverage is definite.

Mr. Chairman, the GEC desires to reiterate its commendation to the Subcommittee for its interest in this meritorious legislation. We urge that you act promptly to report the measure favorably to the full Committee.

ATTACHMENT 1

On 17 July 1965 I requested annual leave to commence at the completion of current voyage, then being made by the USNS KIMBRO. This letter, enclosure (1), noted that request was being made to prevent loss of accumulated leave. As the voyage progressed, and vessel was not returning to the United States, I again reminded COMSTSPAC of my leave request on 16 November 1965, stating that 175 hours would be lost if I did not take leave before 2 January 1966. The same request was made on 15 December 1965, enclosure (3).

I was relieved as Chief Engineer, USNS KIMBRO, in Danang, R.V.N., on 26 December 1965, and arrived in the United States on 28 December. As such, I was able to use 16 hours of accumulated excess leave, forfeiting a total of 159 hours.

As I had initially started my leave request in July of 1965, and complied with all current leave request requirements, I feel that I should not be penalized by the loss of 159 hours of annual leave. If a shortage of engineers existed, where a replacement was not readily available, it should not be reflected by my forfeiture of tediously accumulated leave.

ATTACHMENT 2

The annual leave entitlement of an employee of a naval installation was erroneously determined by his agency to be 20 days per year, rather than 26 days which his years of service warranted. When the correction was made after the conclusion of the leave year, it was discovered that he should have been credited with 11 days in addition to the 30 carried into the new leave year. Despite the fact that the agency acknowledged its mistake in computing his leave, the employee was deprived of the additional days involved in the administrative error. (36 Comp. Gen. 596.)

ATTACHMENT 3

An employee determines that in order to remain within the 30 day annual leave ceiling at the end of the current year he will have to use 5 days. He plans to do so in December. However, in that month he is stricken with a serious illness, and does not recover fully until mid January of the following year. For this legitimate illness he uses sick leave. Because he did not exhaust the 5 days of annual leave before the close of the leave year, it is forfeited. (31 Comp. Gen. 524.)

Mr. HANLEY. May I ask, does your recommendation to include Postal Service imply that you do not feel that the leave policy should be decided by collective bargaining?

Mr. McCART. Not at all, Mr. Chairman. But in view of the events that have occurred in the full committee in the past week with respect to the coverage of the Postal Service under these provisions of various laws affecting Federal employees generally, I think that is our reason for recommending that the bill be extended to the postal employees

in this instance. Doubt has been cast upon the oversight that Congress can maintain, versus the collective-bargaining process. What we are saying here is what was said previously with respect to health benefits, that the bargaining parties have a statutory floor. They should then be able to bargain above that floor.

By no means are we suggesting that leave be excluded from the collective bargaining process.

Mr. HANLEY. Then the reflection is actually upon the rather awkward situation that prevails with regard to the prerogative of Congress versus the prerogative of the U.S. Postal Service?

Mr. McCART. That is correct, Mr. Chairman. It just happened to occur to me, the Civil Service Commission has recommended that at least one portion of the pending legislation be made retroactive. We certainly subscribe to that. Thus, the legislation should apply to the Postal Service, because of the leave inequities experienced by postal employees prior to the establishment of the Postal Service.

Mr. HANLEY. Mr. Wilson?

Mr. WILSON. Thank you very much, Mr. McCart, for being with us. I am sorry that our time got so tight. I appreciate very much your testimony. I am sure you could find more than the three cases you cited here that are examples of where mistakes have been made or employees have been harmed because of the present management procedures.

Mr. McCART. It was simply a matter of time, Mr. Wilson. If we had the time, we could develop a compendium of Comptroller General's opinions which stretch back over 20 years where this has been a very consistent policy of his in interpreting the law in case after case covering these three situations. You are completely correct.

Mr. WILSON. This is important to me, as I indicated at the beginning. I want to know the seriousness of the problem.

Mr. McCART. Mr. Wilson, it may not be serious in terms of the numbers alone. It may not be serious in terms of the Federal Government generally subscribing to the policy of permitting employees to use their leave, but it is serious in terms of the injustice that the employees experience. Over a period of years a large number are affected, and there is just no redress, short of legislation.

Mr. WILSON. We have been known to pass legislation that affected only one or two people in the past. I suppose we could find justification for something like that again.

Thank you, Mr. Chairman.

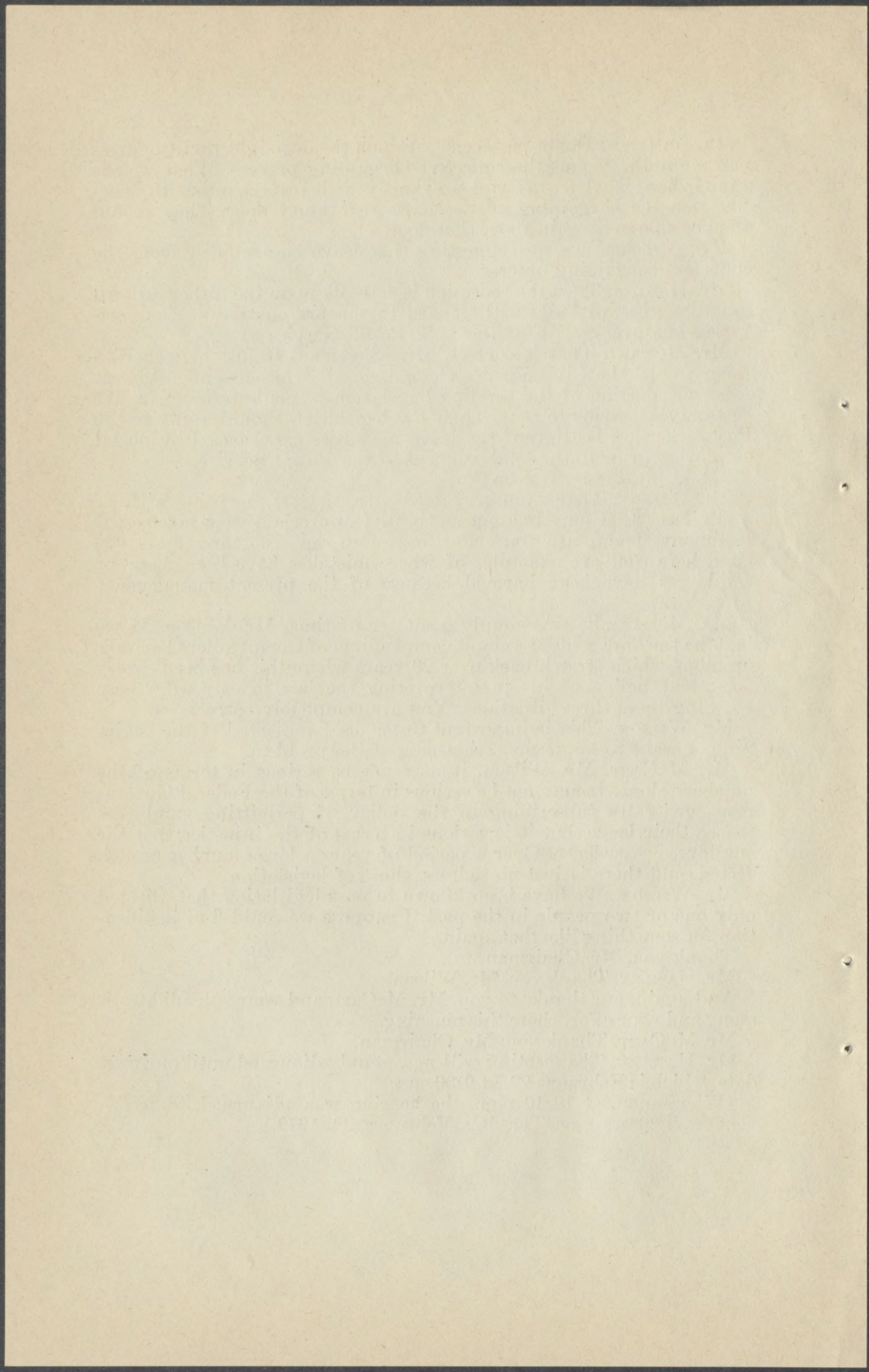
Mr. HANLEY. Thank you, Mr. Wilson.

And again, our thanks to you, Mr. McCart, and your splendid testimony and your efforts here this morning.

Mr. McCART. Thank you, Mr. Chairman.

Mr. HANLEY. The meeting will now stand adjourned until our next date, which is February 22, at 9:30 a.m.

(Whereupon, at 12:10 p.m., the hearing was adjourned, to reconvene at 9:30 a.m., on Tuesday, February 22, 1972.)



IMPROVE ADMINISTRATION OF LEAVE SYSTEM FOR FEDERAL EMPLOYEES

TUESDAY, FEBRUARY 22, 1972

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON EMPLOYEE BENEFITS,
Washington, D.C.

The committee met at 10 a.m., in room 321, Cannon House Office Building, Hon. James M. Hanley (chairman of the subcommittee) presiding.

Mr. HANLEY. Today our subcommittee is holding the second of two scheduled hearings on H.R. 12602, a bill which would liberalize several areas of the leave policy of the Federal Government.

We are indeed fortunate to have as our first witness today, Congressman Spark Matsunaga, of Hawaii, who, incidentally, originally introduced a bill which is contained in the first provision of H.R. 12602. Spark, it is a delight to have you aboard this morning.

STATEMENT OF HON. SPARK M. MATSUNAGA, MEMBER OF CONGRESS FROM HAWAII

Mr. MATSUNAGA. Mr. Chairman and members of the subcommittee, I deeply appreciate this opportunity to testify in support of H.R. 12602, a bill to improve the administration of the Federal leave system. I have the privilege of being a sponsor of this measure, along with the chairman of the subcommittee, my friend and distinguished colleague from New York, Mr. Hanley.

On the first legislative day of the 92d Congress, I introduced H.R. 221, a bill which contains the major provisions of H.R. 12602. It marked the third consecutive Congress in which I introduced similar legislation. Since the introduction of H.R. 221, the chairman and I have worked closely together to develop a viable piece of legislation to benefit Federal employees who, through circumstances beyond their control, are forced to forfeit hours, sometimes days, of annual leave.

Briefly, H.R. 12602 would permit Federal employees to carry over leave earned during the work year beyond the presently allowed ceiling, in some cases where one of the following circumstances existed to prevent the use of the leave: (1) administrative error, (2) sickness of the individual, and (3) the exigencies of the public business. There is also a provision for the liquidation, by lump-sum payments, to an employee leaving Government service, of any annual leave which the employee may have accumulated during the year he is separated.

(61)

I wish to discuss, first, leave which is lost by administrative error. I am sure that almost all Members of Congress have received communications from a constituent who has lost annual leave because of the Federal Government's error, yet finds that the loss is permanent. I refer to a worker who has accumulated somewhere near the 30-day limit of leave which he is permitted to carry over from one leave year to the next. Such a worker is often informed that he has a certain amount of leave hours, when in fact he has accumulated leave time in excess of such amount. Under present law, when the error is later discovered, the employee has no opportunity to use the leave to which, unknown to him, he was entitled. Even the Civil Service Commission, which has expressed reservations over some of the changes proposed in H.R. 12602, recognizes this inequity and endorses its correction.

An unusual case of leave loss, but one which clearly demonstrates the inequity of the present law, was only recently brought to my attention. Whether it could be called administrative error or not, it is clear that the administration was in error.

An air traffic controller who had accumulated almost 30 days' leave was suspended by the Federal Aviation Administration in connection with the controller "sickout" in the spring of 1970. Last fall, after a long battle, he was reinstated with full back pay. During the period of his suspension, which was found to have been unjustified, he had accrued about 50 hours of annual leave.

When he returned to work he was told that by not taking those 50 hours of leave he had lost them. Whether his FAA superior would have approved his leave request during the suspension period is problematical.

Next, let us consider the loss of annual leave because of illness. Under the strict interpretation of the civil service regulations, if an employee is ill he must use all of his sick leave before he takes annual leave in lieu of sick leave. Since sick leave may be accumulated without any limit, a faithful employee who has accumulated the maximum annual leave would prefer to take annual leave before losing it and accumulate sick leave for use during lengthy illnesses. Under existing law he is forced to use his sick leave only and is unable to use his accumulated annual leave, thus losing it.

Surely, Mr. Chairman and members of the subcommittee, this is not an equitable situation. H.R. 12602 would enable the employee to carry forward for future use any annual leave accumulated beyond the allowed maximum because of his inability to use it due to lengthy illness.

I understand that the Civil Service Commission says that no change in the law is necessary to correct this inequity; but I know that the subcommittee is aware of many cases where individuals have suffered from this very problem. And if it is not the intent of the Commission to allow employees to lose annual leave when they become ill for long periods, it should have no objection to making the protection explicit.

The third and final category of uncontrollable circumstance in which H.R. 12602 would protect Federal employees from leave loss is that of "the exigencies of public business." This category does not lend itself to precise definition, but we might best define it in the

words of a Supreme Court justice in a different context: "I know it when I see it."

In my files is the case of one man living at a weather station at the South Pole for many months; clearly, such a man should not be penalized because he could not use his accumulated leave. More common, perhaps, is the situation described in a letter I received recently from a physician who works for the Federal Government. He writes:

As you are probably aware, staffing in some offices is rather lean, but still the job must be accomplished. Many conscientious employees with maximum accumulated leave will, therefore, take several short breaks of one, two, or three days, as work permits, and wind up the year losing many days that they had earned, but through no fault of their own, did not take.

Although the Civil Service Commission admits that some employees are penalized because their jobs do not permit sufficient vacation time, it contends that "the situation can be best taken care of through careful and prudent management."

Mr. Chairman and members of the subcommittee, it is under the present system of "careful and prudent management" that the problems have developed. I could not agree more that employees should be encouraged to use leave, rather than lose it. But when the worker's superior determines that he cannot be spared because of the press of the Government's business, surely the employee should not be penalized.

Another provision of H.R. 12602 which I fully endorse would permit employees to take annual leave during the first 90 days of employment, when such leave is necessary.

The rationalization of our Federal leave policy, which H.R. 12602 proposes to do, would entail negligible cost to the Government. If anything, the benefits from improved employee morale and cooperation would make this bill a money-saving measure.

Mr. Chairman and members of the subcommittee, I believe that H.R. 12602 is a sound piece of legislation, and I urge its swift approval.

Thank you.

Mr. HANLEY. Thank you, Mr. Matsunaga. In behalf of the committee, I want to express our deep appreciation for your splendid testimony. Certainly its content is consistent with your longstanding interest in the inequities within our Federal personnel system and its structure. So, again, our appreciation. Obviously, you have given this measure a great deal of attention and hopefully, working together, we can come up with a long overdue solution of this inequity.

I have no questions, Mr. Matsunaga, and again, our appreciation for your time in appearing here this morning.

Mr. MATSUNAGA. Thank you very much, Mr. Chairman, and I do deem it a great honor that the chairman is a cosponsor of the measure with me.

Mr. HANLEY. It is a pleasure.

Our next witness this morning is Mr. Patrick J. Nilan, legislative director, and Mr. Edward L. Bowley, legislative aide, of the American Postal Workers Union.

Mr. Nilan, and Mr. Bowley, it is a pleasure to welcome you here on behalf of the committee this morning and I am confident that your testimony will be quite interesting.

**STATEMENT OF PATRICK J. NILAN, LEGISLATIVE DIRECTOR,
AMERICAN POSTAL WORKERS UNION, ACCOMPANIED BY ED-
WARD L. BOWLEY, LEGISLATIVE AIDE, AMERICAN POSTAL
WORKERS UNION**

Mr. NILAN. Mr. Chairman and members of the committee, for the record, I am Patrick J. Nilan, legislative director of the American Postal Workers Union (AFL-CIO). I am very pleased to appear before the committee this morning with our legislative aide, Edward L. Bowley. We are grateful for the opportunity to express the views of the American Postal Workers Union on this very important subject involving our membership.

We speak in behalf of more than 400,000 postal employees, for whom we are the exclusive national representative for labor-management relations and collective bargaining with the U.S. Postal Service. Our membership primarily comprises the postal clerks, motor vehicles operators, special delivery messengers, and maintenance employees in post offices in all 50 States, the District of Columbia, Puerto Rico, Virgin Islands, and Guam.

We commend you, Mr. Chairman, both for sponsoring and scheduling these hearings on H.R. 12602. We also commend Representative Matsunaga joining with you in your efforts.

The legislation would prevent the loss of annual leave through administrative error, exigencies of public business, or illness; allow the employee to use annual leave during the first 90 days of employment; and permit a retiring employee to receive lump-sum payment for more than 30 days of leave upon retirement; and should greatly benefit both management and employees.

The Postal Service is somewhat unique in that postal employees are required to use their annual leave within an 11-month period due to the vast influx of mail during December. In addition, there are other heavy mailing periods such as Valentine's Day, Mother's Day, and Easter, which usually restricts the granting of annual leave to employees.

It appears to us that if postal employees know they could receive a lump-sum payment for all accrued annual leave, it should greatly reduce absentee time that costs the employer both in money and efficiency.

Permitting new employees to use earned annual leave during a most difficult time of learning schemes and adjusting to a new job seems only fair and makes good business sense to us. When one makes any type of move to new surroundings, whether in home, jobs, schools, et cetera, it is often difficult and filled with added tension and uncertainty which requires a certain amount of time for meditation. Leniency and understanding is always needed during transitional periods.

The other provision of H.R. 12602 which prevents the loss of annual leave through administrative error, exigencies of public business, or illness is just plain "equity." This is long overdue. No employee should have to suffer due to an employer's error.

Mr. Chairman, the American Postal Workers Union wholeheartedly approves of H.R. 12602. At this point, Mr. Chairman, you are personally aware of the problems we have been facing up here in the last few

weeks with the U.S. Postal Service and their absolute refusal to have postal employees included by the Congress for inclusion in various fringe benefit legislation. Therefore, we ask you and the members of the committee to include language that would insure the inclusion of postal employees in the bill. We believe Public Law 91-375, the Postal Reorganization Act, entitles postal employees to receive improvements in any fringe benefit legislation that applies to all other Federal employees.

If the U.S. Postal Service or the Congress gives us the same rights as other non-Federal employees, that is, the union shop, the right to strike, and the right to political freedom, we assure you, Mr. Chairman, postal employees will no longer ask Congress to include us in liberalization of benefits such as in the legislation in H.R. 12602.

Mr. Chairman, and members of the subcommittee, we appreciate your concern and thank you for inviting us.

Mr. HANLEY. Mr. Nilan, again, on behalf of the committee, we do appreciate your appearance and that of Mr. Bowley's, and your testimony certainly reflects on the inequities contained in the present procedure and hopefully your testimony will be very helpful to us in our deliberation.

May I ask, with reference to your statement on page 2, are you aware that the bill does not do away with the 30-day limit except in three specific cases?

Mr. NILAN. As far as allowing the use of annual leave?

Mr. HANLEY. An employee could not expect to get payment for all accrued leave at retirement. That section was designed to allow lump-sum payment for leave earned over the 30-day limit in the final year of employment.

Mr. NILAN. That is correct.

Mr. HANLEY. That is your understanding?

Mr. NILAN. Yes, sir, that is our understanding. Perhaps our testimony was not quite as clear as it should have been. We feel that one very important point. Mr. Chairman, to our people, is permitting our new employees to use annual leave during the first 90 days of employment. Our postal clerks, for example, have to qualify on very involved schemes within 45 days after employment and oftentimes they are required to work long hours during those first 90 days and they just do not have the time to educate themselves on scheme requirements, and as a result, frequently they are separated during this period.

Mr. HANLEY. If the new clerk does not meet this 45-day criteria, what happens?

Mr. NILAN. Well, if he does not qualify on his scheme assignments, and usually this is through the first 90 days that he takes his examination—he takes a series of them—but if he fails the first one three times in a period of 45 to 60 days he is out. That is why access to, even if it is a few hours or a few days of, leave could be very helpful to him, particularly as he gets up to the examination date.

Mr. HANLEY. Do you have on file any complaints from employees about loss of leave through administrative error, public business, or sickness?

Mr. NILAN. Mr. Chairman, unfortunately, we have been unable to develop that information. We had asked the chairman of our labor-management committee to try to search his records for such infor-

mation, but because of the problems we have had in the last few weeks on health benefits and collective bargaining, we had to set it aside, but we will be happy to provide the committee with specific documentation in these areas.

Mr. HANLEY. These complaints are available and could be helpful to the committee?

Mr. NILAN. Yes, sir.

Mr. HANLEY. Now, we have received comment that leave management by the Postal Service is superior to that of other agencies because of the fact that your busiest season falls prior to the end of the leave year. Would you agree with that contention?

Mr. NILAN. Would you repeat that contention once more, Mr. Chairman?

Mr. HANLEY. We have received comment that leave management by the Postal Service is superior to other agencies because of the fact that your busiest season falls just prior to the end of the leave year. Do you agree? Your situation being somewhat unlike the other agencies, your busiest period being the month of December as opposed to other agencies that tend to take advantage of this provision the last month of the year.

Mr. NILAN. Well, I do not agree with what I understand the comment is. Frankly, our people, like all citizens, would prefer to be able to take some time off during the month of December. They would want to take some time off during the Christmas season. Our leave is compressed into 11 months, whereas the Federal family in general has 12 months to take leave. So I think we are really at a distinct disadvantage.

Mr. Chairman, I do not think we have enough time to get involved in the Postal Service position on being a very liberal employer in the area of granting leave, but that is not our experience. We have through our contract certain leave periods established through the bidding, but we receive constant complaints from our members of when they want to get an extra day here or 2 days here to tie in with a weekend or something similar which management refuses to give to them. When the mail is light, they encourage them to take time off, but they do not encourage them otherwise.

I cannot agree with that statement as I understand it. This is one of the real controversial areas presently in our local negotiations. It is probably one of two or three most controversial areas with the postmasters in negotiating a leave policy. So I do not think they should be commended for their attitude on leave as far the postal workers are concerned.

Mr. HANLEY. The attitudes of the new U.S. Postal Service in this area as opposed to the attitude of its predecessor agency, is there a marked difference?

Mr. NILAN. I see no improvement.

Mr. HANLEY. Is it about the same?

Mr. NILAN. As far as we can tell up to now, although there is no question in our minds that as they make every effort to cut back on the number of employees it is going to result in a more rigid vacation scheduling policy: As a matter of fact, they had to issue a policy interpretation of leave scheduling for the Postal Service just in the last week or 10 days. What was it Mr. Bowley—did you notice that release?

Mr. BOWLEY. No; I did not.

Mr. NILAN. It is a clarification because postmasters were adopting a very rigid position in this bargaining deal on annual leave and the Postal Service apparently had given them the wrong advice—or some language which could be interpreted more than one way. I cannot remember the exact details of it.

Mr. HANLEY. Would you say that the percentage of administrative error with the new system as opposed to the old is pretty much the same?

Mr. NILAN. I am really not in a position to comment on that because we are not close enough to it. I know when I was president of my local in Minneapolis a number of years back we ran into this situation frequently where the mail would start building up usually after Veterans Day, the first part of November, and after you had held off some annual leave that you wanted to use to go hunting with or for other purposes and then management would not let you off; and then you also get into a real bind in getting an employee off between Christmas and New Year's. We had to work this out with the postmaster to accomplish this. I will say this: The Minneapolis postmaster generally was cooperative, but it did create problems.

We talk about the month of December. Usually, granting of extra leave starting around Veterans Day is tough to get because your big advance mailings of parcel post and so on start accumulating the first part of November. So we are really talking about a 10- or 10½-month leave for the Postal Service.

Mr. HANLEY. Well, then, you are saying that the Postal Service really functions at a marked disadvantage as opposed to other agencies in this regard?

Mr. NILAN. Sure.

Mr. HANLEY. Leave is a subject for collective bargaining. Is that true?

Mr. NILAN. Leave is a subject for collective bargaining. I have to say, though, that the way things are going, we are really in a quandry. Frankly, our executive board is coming in the first of the month and we intend to have a very thorough discussion with our general counsel and the attorneys from several other organizations to try to figure out, if we can, just exactly what happened to us under the postal reorganization. We may have some very substantial amendments to propose to the Congress after the board sessions.

The Postal Service position, of course, as I am sure you are familiar with, is that at the present time they apparently feel we are under no laws under the Postal Reorganization Act and possibly even the civil service retirement system. We have tried to get under the provisions of the Federal Health and Safety Act which we thought would cover us, the alcoholic program legislation—under all of these different programs, but the Postal Service apparently figures we are under Public Law 91-375 and that is it, plus what we can accomplish through collective bargaining.

Mr. HANLEY. So, then, you say that leave legislation falls pretty much in the category of the pending health benefits legislation in this regard?

Mr. NILAN. Right. You see, I do not mean to belabor the point, but we are sort of a hybrid animal at the present time. We are supposed to be not strictly a Federal employee but we are not a private sector

employee either. We are in between, and I say that one section, 1005 (f) or whatever the number of it is, that is about the most difficult section of public law to understand that we have. I think Congress must clear up its intent in this particular area. We definitely have one understanding and they have another. But we say again, give us the rights of our brothers and sisters in the private sector, the right to strike, the union shop, the right to political freedom, and then if Congress wants to let us go, why, we will go.

Mr. HANLEY. Now, the matters that you have just reflected upon, were they brought up through the course of your negotiations with the U.S. Postal Service prior to your acceptance of their program?

Mr. NILAN. You mean these rights that I just mentioned?

Mr. HANLEY. Yes.

Mr. NILAN. Well, the Postal Service themselves cannot bargain in these areas. These are provided for in law. Congressman Henderson, as you know, amended the Reorganization Act on the floor of the House in regard to the union shop.

Mr. HANLEY. But my question is, were these subjects? Were they discussed then?

Mr. NILAN. Yes. The proposals were laid on the table. The Postal Service position was that fringe benefits would continue as presently constituted. Frankly, it was my understanding at one time that consideration was being given by the unions to challenge the Postal Service with charges of unfair labor practices involved because of these areas other than wages. There was no meaningful discussion, no give and take. The Postal Service states: "This is our position. We will continue the present leave program. We will continue the present health benefits." My God, we expected them to continue the present program. We did not expect them to try to take these items away. But they made no movement at all in the area of anything. As a matter of fact, even on salary, they made no movement until after we got through the first 4 or 5 months' negotiation—did not offer one penny.

Mr. HANLEY. Back then, were these points argued?

Mr. NILAN. To the extent that—it was a one-sided argument. We proposed changes and they just sat there and said, "No," and so there really was not any meaningful dialog. We made proposals and they kept saying "No."

Mr. HANLEY. Well, it is the intent of this subcommittee and certainly two of the other subcommittees, to move in the direction whereas we would initiate some action which hopefully would clarify the prerogative of Congress in matters related to the U.S. Postal Service so that we do not encounter this particular problem in the problem associated with the pending health benefits legislation, so that each entity knows exactly where it stands and what its prerogatives are. So hopefully this committee can move in that direction and relatively soon.

Well, again, Mr. Nilan, our appreciation for your testimony and your interest in this subject and also you, Mr. Bowley, and your testimony will be most helpful to our efforts.

Mr. NILAN. Thank you very much.

Mr. HANLEY. Our next witness is Mr. James Walters, national representative of the Association of Civilian Technicians. Mr. Walters, on behalf of the committee we welcome you. We appreciate your effort

this morning and for the purposes of the record, if you would introduce your associate.

Mr. WALTERS. Thank you, Mr. Chairman. Mr. John Hunter, who is the executive vice president of the Association of Civilian Technicians.

Mr. Chairman, Mr. Paterno sends his warm regards to the committee. He found it impossible because of other commitments to be here himself today.

STATEMENT OF JAMES J. WALTERS, VICE PRESIDENT, ASSOCIATION OF CIVILIAN TECHNICIANS, INC.; ACCOMPANIED BY JOHN HUNTER, EXECUTIVE VICE PRESIDENT, ASSOCIATION OF CIVILIAN TECHNICIANS, INC.

Mr. WALTERS. Mr. Chairman, and members of the subcommittee, we wish to thank Chairman Hanley and the members of the subcommittee for holding these vital hearings, and for this opportunity to present the views of our association.

We support the above-referenced bill completely, remarking that it is a bill which is long past due, because it has been our experience with employees of the National Guard, that they have lost many hours of annual leave due to requirements of their Federal employment.

If the recent prison riots in New York and other States had taken place in the month of December, rather than earlier in the year, many Federal technicians in the National Guard would have lost annual leave that they had earned in excess of 240 hours because of the present regulations on leave—Federal employees are not allowed to carry more than 240 hours of earned annual leave from one year to the next—and since any individual who is called to active duty to aid the civil authority is called under the provisions of section 331, 332, 333, 3500, or 8500 of title 10, United States Code, or full-time military service for his State, District of Columbia, or the Commonwealth of Puerto Rico, the technician cannot be granted annual leave during such periods of service, because he is “entitled to military leave without loss of, or reduction in pay, or leave to which he otherwise is entitled”—reference: Paragraph 6-35, National Guard Regulation 690-2, Air National Guard Regulation 40-01.

I am sure that all Federal agencies have the same agency regulation that I have just mentioned. This regulation, while trying to protect employees’ leave can, and has caused, the loss of leave by some Federal employees.

The job action by postal employees in March of 1970 could have hurt earned leave of Federal employees who were members of the Reserve Forces, and also the technicians, who are employed by these forces—Army Reserve and National Guard—for much the same reasons mentioned above: if that job action had occurred in December and January, instead of March.

If the proposed bill is passed, our employees would not lose their earned leave through no fault of their own. They would be able to carry their leave from year to year, and be allowed to use it when the work load would permit.

In the National Guard civilian technician program, we also have some problems which are peculiar to our agency. Our Air National

Guard technician program is tied directly to the regular Air Force training and mission programs. We have technicians flying overseas every day to such places as Vietnam, Germany, and other foreign countries. They are in their civilian status some of the time, and in the military status at other times. The strange thing about this situation is that when the technician is in his military status, he is required to be in a leave status from his technician employment. Each Federal employee who belongs to a Reserve unit is allowed 15 days' military leave each year to perform his military Reserve obligation. When this military leave is used up, the Federal employee is required to either use his vacation time—annual leave—or be placed in leave-without-pay status from his normal civilian Federal job.

Our technicians know that 15 days' military leave is not adequate for the purpose of performing military duty. I, myself, have been required to use at least 2 days' vacation time—annual leave—each year that I go to annual field training with my unit, because I am required to go to the active duty post 2 days prior to the arrival of my unit so as to be sure that the post is ready to house and feed the troops. This time is used for Government business, but because I am at camp 17 days instead of 15, I am charged "2 days' vacation time."

Mr. Chairman, this is not an isolated case. This happens to 75 percent of the Army National Guard technicians. I would say that our Air National Guard technicians use 7 to 10 days of their annual leave for Government business in much the same manner and for the same reasons. Sir, this is unfair.

Military leave should be increased to at least 30 days per year. Most of the State employees in this Nation already are granted 30 days' military leave a year. New York State has made it a matter of law—reference: Sections 242 and 243 Military Law of the State of New York.

Sir, if a State in this country will provide proper time for individuals to perform a Federal duty, it would seem to me that our National Government can do no less.

Because of riots, strikes, and other civil and natural disasters, many Federal employees are on active State or Federal service at the end of a year, and they find that they are about to lose vacation time which they have earned. As I mentioned before, Federal employees are not allowed to carry more than 240 hours of earned leave from one year to the next.

If individuals are in active military status, they are not allowed to use their annual leave until they are relieved from such active status. This means that a man with 300 hours of earned leave at the end of the year will lose 60 hours' vacation time because of being patriotic.

Mr. Chairman, this bill will correct this unfair practice. No man should have to pay the Government in order to work for it. After all, time is money. And this time is one of the valuable benefits of being a Federal employee.

It is hard for me to understand how an individual can be made to lose his vacation time because he is on public business, but it happens in the National Guard technician program every day.

Let me now go into the problem of illness.

It has happened in the past that individuals have been able to save sick leave in excess of 1,200 hours. They have done this because they

feel that someday in the future they may have a serious illness, and they would not be able to work. Since they have thought of the future, why then should they be penalized with the loss of earned annual leave at the end of a year? The individual who is sick must use all earned sick leave before he can use any earned annual leave. The individuals who have saved their sick leave and has a prolonged illness, stands the danger of losing annual leave in excess of 240 hours if the sickness runs from one year to the next. This bill would also correct this policy.

Another problem that this bill would correct is the problem of the new employee in the Federal system. This employee is not allowed to use any annual leave during the first 90 days of his Federal employment.

Mr. Chairman, you know that many individuals starting to work for the Federal Government often must change their place of residence, this entails house hunting and all of the problems of moving, et cetera. The time needed to complete the details of buying a house, and taking care of financial matters for the new employee should be made available to the new employee. Allowing the individual to use earned annual leave during the first 90 days of employment would be of benefit to both the new employee and the Federal Government. For the individual, for obvious reasons; and for the Government, because the new employee would be able to devote his full time to Federal business while at work, knowing that his personal problems can be solved without undue pressure to himself or his family.

The employee who is retiring after many years of Federal service should be allowed to receive lump-sum payment for annual leave in excess of 30 days upon his retirement. This would enable the retiring employee to better plan his future, as far as changing location, taking another job, or any other reason, and the Government would better benefit from this because they could hire a replacement for the retiring employee and not have to wait for his position to become vacant. Much Federal business is left undone because management is unable to turn out a full work force due to their being unable to fill positions which are really vacant.

You will note, Mr. Chairman, that this bill would be of minimal cost to the Government, and since the administrative procedures needed to implement this bill are already being followed by management—leave records are already being kept—there would be no additional employees needed to implement this change to the law.

Mr. Chairman, it has been said by some members of the present administration, and it has been reported in the press, that Federal employees are better off now than ever before in history. This may be true; however, when I as a Federal employee, look at private industry employees and see such things as 30-hour workweeks, employer-paid hospitalization and dental plans, employer-owned vacation areas where employees are charged nothing for the use of the facilities, I can only say to the individuals who tell the Federal employees how wonderful things are, that we employees feel as though we are at the bottom of the employment scale. Each Federal employee pays almost \$20 every 2 weeks for his hospitalization. He pays 100 percent of his dental costs. Vacation time means time off; and if you can afford it, you can take your family away.

In the National Guard technician program, the employee cannot even receive overtime pay. If you are required to work overtime in the technician program, you are given compensatory time off. While we feel that the Government should not require individuals to work overtime without paying prevailing overtime compensation—normally time and one-half—we at least feel that individuals should have the opportunity to use their compensatory time as they feel they wish to use it.

Again, regulations forbid an individual to use his or her earned annual leave—vacation time—until all compensatory time is used up. Again, we get to the end of the year when individuals have accrued 60 hours' excess annual leave which must be used by the first pay period of the new year or lost, but the individual also has 60 hours' compensatory time on the books. The compensatory time must be used first. And since the individual will not be able to use his excess annual leave by the time stipulated, he forfeits this vacation time.

Gentlemen, it is strange that employees of the Federal Government are ordered to lose money because they work for the Government. But this in fact is what is done.

What I state here is not an isolated case; it happens to Federal employees every year. It is unfair to the employee. We feel that vacation scheduling is a matter of collective bargaining between the union and management, and we would not want to see anything in the proposed bill which would remove the right of the union to bargain with management as to vacation schedules and time off. And the reason for this, sir, is that the present management system started up this thing that we have now where people are losing leave, and yet does nothing to correct it. We feel that the union can only be responsive to the wishes of their employees when it comes to vacation scheduling, and, therefore, we feel that we should be able to bargain for this.

We do support this bill to protect Federal employees from losing annual leave through no fault of their own. I would say that the Federal Government has a long way to go just to make Federal employees equal to their private sector counterparts, and, Mr. Chairman, you and your committee are to be commended for all that you have done in the past and the present to better the lot of the Federal employee. Please keep up the excellent work that your committee has been doing.

I will be glad to answer any questions that you wish to put to me. Allow me to extend the thanks of the Association of Civilian Technicians for the time you have allowed us here today. Thank you, Mr. Chairman.

Mr. HANLEY. Mr. Walters, on behalf of the committee, we are most appreciative for your fine testimony. Again, it certainly will tend to provide the committee with better insight related to the problem.

If I can refer back to page 1 of your testimony, could you give us some specific examples of how leave is lost due to the circumstances you describe on page 1?

Mr. WALTERS. Yes, sir. When an individual is called up to support the civil government in a matter of riots, strikes, any sort of civil disorders or natural disasters, he is called up under the provisions of paragraphs 6-23 of the National Guard regulations 690-2 and 40-01 of the Air National Guard regulations. In that particular paragraph, it

states that individuals cannot be charged any earned annual leave or lose any money, specifically meaning that they cannot lose any of their normal pay. The Government would pay the difference in pay and that they cannot use their annual leave for this duty. In other words, the Government cannot charge you the annual leave for performing this duty.

As I say, basically, Congress made this law to protect my annual leave so that the Government could not use this leave against me. But what has happened is the fact that at the end of the year, in the Air National Guard program, we have many individuals going to such places as Vietnam, being called up in the National Guard callup a couple of years back where individuals at the end of the year had accrued 240 hours of leave and were called up to the Active Forces—they might have had 300 hours on the books. They could not take that leave because they were called up, and as soon as the first pay period of the next year came in that leave was lost. They could be paid accrued leave up to 240 hours, however.

Mr. HANLEY. You mentioned with regard to military leave that a number of States provide 30 days. I think you said New York State provided 30 days. How many States provide 30 days?

Mr. WALTER. I believe, sir—I cannot give you an accurate figure, but I think it is somewhere in the vicinity of 15.

Mr. HANLEY. About 15?

Mr. WALTERS. About 15, to my knowledge.

Mr. HANLEY. Can you provide that information for us?

Mr. WALTERS. I can get that for you, yes.

Mr. HANLEY. Now, the Civil Service Commission has testified that an employee may use annual leave at any time in lieu of sick leave. Now, in view of your statement on page 4, does the National Guard operate under a different regulation?

Mr. WALTERS. No, sir. My understanding of the annual leave—and I can quote one case of an individual who works for an armory in the city of New York who came down with Bright's disease and he was placed on annual leave—he was placed on sick leave in the beginning and at the end of the year he wanted to come off the sick leave and take the excess annual leave that he had coming. He was turned down for this because of the matter that he was still out on sick leave and had not used it all up. That is a case that I know of.

I understand this can be interpreted one of two ways, but I think basically this bill will clear it up so there will be no misinterpretation.

Mr. HANLEY. Apparently interpretation is a problem then.

Mr. WALTERS. I would say so, Mr. Chairman.

Mr. HANLEY. Mr. White?

Mr. WHITE. Thank you, Mr. Chairman.

You have brought up a number of points that I was not even aware of, so therefore, I am working my way into trying to understand what your testimony has imparted.

What is the total time that a civil service employee can accumulate each year in hours?

Mr. WALTERS. This depends on his status. we are speaking specifically of annual leave, sir?

Mr. WHITE. Yes.

Mr. WALTERS. This depends, A new employee coming on the job starts off accruing 4 hours of annual leave each pay period. There are 26 pay periods in each year. So this goes up to his fifth year of employment. When he hits the fifth year—

Mr. WHITE. That is 104 hours?

Mr. WALTERS. For the first 5 years.

Mr. WHITE. Okay.

Mr. WALTERS. The next thing that happens is that at the end of the fifth year he begins to accrue 6 hours—it is the third year now—it goes to 6 hours per pay period. Then, I believe after 15 years he goes up to 8 hours.

Mr. WHITE. And how many hours can he carry over?

Mr. WALTERS. He is allowed to carry 240 hours as of the first pay period of the new calendar year. In other words, if he has excess of 240 at the first pay period, which is usually about the 8th or 9th of January, he loses anything in excess.

Mr. WHITE. Now, when a man is called to active duty in the National Guard, is he also accumulating annual leave while he is in the National Guard?

Mr. WALTERS. You are talking about active status service?

Mr. WHITE. Yes, sir.

Mr. WALTERS. Yes, he would still be accumulating annual leave.

Mr. WHITE. Even though he is not on the job?

Mr. WALTERS. That is correct, because basically, our Federal technician is on the job but in a different status. He is still doing the same job for the Federal Government.

Mr. WHITE. You are talking only of the National Guard civilian employees?

Mr. WALTERS. In this particular, yes.

Mr. WHITE. But he is accumulating time while he is on the job?

Mr. WALTERS. That is correct.

Mr. WHITE. Civil service?

Mr. WALTERS. That is correct.

Mr. WHITE. Is he also accumulating military time?

Mr. WALTERS. No, sir. He accumulates no leave time in the military.

Mr. WHITE. Mr. Chairman, at this time I am going to reserve the balance of my time because my mind is thinking on some of these things you have just given us and I have to think something out.

Mr. HANLEY. I will certainly come back to Mr. White.

Mr. Mills?

Mr. MILLS. I am sorry I did not get the opportunity to hear Mr. Walters' statement. I would like to read it before I ask any questions, so I will pass, Mr. Chairman.

Mr. HANLEY. All right. Mr. Walters, can you cite the specific regulation which prevents an employee from taking annual leave until all compensatory time is used?

Mr. WALTERS. I would have to get it, sir. I do not have it in front of me so I could not give you the exact paragraphs.

Mr. HANLEY. Would you?

Mr. WALTERS. I will provide that at a later time.

Mr. HANLEY. All right. If you will, provide it for the committee, please.

Would you interpret any part of this bill as interfering with the right to bargain for vacation schedules and that sort of thing?

Mr. WALTERS. No, sir. The way I understand the bill, there is no wording or language in there that seems to me to prevent the union from bargaining for this. We merely make that comment in the event of any amendments that might come we do not support.

Mr. HANLEY. You do not envision that sort of problem resulting from this legislation?

Mr. WALTERS. Not at the present time, sir.

Mr. HANLEY. Do you have on file any complaints from employees who have lost leave because of administrative error?

Mr. WALTERS. I have one case file with me on a man who almost lost compensatory time because of, let's say, injudicious decision by management, but I do have many verbal complaints that I receive over the telephone that usually I am able to solve most of them because we are able to cut it off by the first pay period. But there have been some of my own battalion where a man has lost 30 or 40 hours of annual leave. In fact, one case, a man lost 104 hours because he could not take vacation. Specifically, back in the days of the postal strike when we were up on duty, one man in my particular battalion lost 104 hours that year because he had scheduled his vacation during that March period and he found no other time during the year because of annual general inspections by the National Guard Bureau, the First Army Headquarters, command maintenance type inspection programs—these things—the field training program. All of these things are scheduled and if you do not get your vacation in at the right time you, unfortunately, lose time.

Mr. HUNTER. I believe, Mr. Chairman, in the Air National Guard, a lot of your technicians are a part of flight crews that do make many overseas flights, let's say to Southeast Asia. These men are usually asked to take their military leave time first and then about 10 days at any particular time.

They could run out of their military leave during the month of February or March. Now, they are still required to make these trips. They have to start using their annual leave. So most of these flight crews that do still fly in the Guard on the military airlift command do consume an amount of annual leave, a tremendous amount.

Mr. WALTERS. May I say also, Mr. Chairman, I happen to be in the Army National Guard and Mr. Hunter is in the Air National Guard, so he knows in the Air National Guard the new employee in a flight crew quite often cannot take a vacation during the year because of the problems Mr. Hunter just brought up. He uses his 15 days military leave and then the trips continue and then he goes on to his annual leave, and this poor fellow only has roughly 15 days of annual leave left and he uses 10 to 12 of these days and he has a big total of 3 days coming at the end of the year.

There is another big problem we have with the National Guard program in that the leave year for military leave is calendar. The training year runs from camp tour to camp tour, and then we have a fiscal year, and quite often you find these times overlap where a man can possibly use 2 years' military leave in a matter of 3 months and have to go back on to his annual leave in order to fulfill the Federal function.

Now, this is why we feel that we would like to see in this bill—and in fact, Mr. Paterno, back on August 5, 1966 at the subcommittee hearings on H.R. 16435, strongly urged the subcommittee at that time to extend the military leave to 30 days rather than 15, and we now can see that it is a greater need because we have a greater National Guard Air Force.

Mr. HANLEY. Earlier, you mentioned that frequently you have the occasion to respond to oral complaints from employees. Do you find that your intervention usually results in a decision favorable to the employee?

Mr. WALTERS. I would say 50 percent of the time, and in the other 50 percent we have had to file and go to the second step of grievance procedures in order to rectify it. In the long run, I would say at the end of the case, which may take a matter of 4 to 6 to 8 months depending on how hardheaded the management happens to be in this particular case, we come out with the employee—or with a decision favorable to the employee, but a lot of times it costs us money; it costs the employee time; it costs the Government time to have the hearings set up where the man is not performing the function he was hired to do but sitting in a meeting room trying to prove he has a right to certain things which he should not have the burden to prove he has a right. It should be management's burden to prove he does not have the right, but, unfortunately, it seems the burden of proof comes on the burdened individual.

Mr. HANLEY. About 50 percent of the time you wash this out probably through your initial communication?

Mr. WALTERS. Yes, I would say so.

Mr. HANLEY. What about the grievance system? Do you find that the procedure works reasonably well?

Mr. WALTERS. No, sir.

Mr. HUNTER. I would like to just make a comment on that. We just went through a hearing with the assistant secretary of labor in the State of Georgia, and this particular State had no grievance machinery until August of 1971 and the men who had filed a particular grievance could not even get a hearing because there was no machinery. Therefore, we had to file an unfair labor practice charge and go to a hearing to determine whether the man was grievable or not, and we are awaiting a decision on this now. This does happen in the National Guard.

Mr. WALTERS. I would also bring up another thing that may not be germane to the question sir. That is a case we had in the State of Delaware last year where an individual refused to take—well, actually, it is germane—he refused to go on leave to serve on a firing squad at a burial because he felt it was not part of his Federal function as a Federal employee. He was willing to volunteer but he was ordered so he felt he should not do this.

The man was fired. The regulations provide that—the charge was insubordination—that he could only get 2 days suspension if he was found guilty. I represented the man at the hearing. In fact, I have a copy of the hearing with me. I represented him.

He went in before a hand-picked board of the agency head or the installation head, I should say—the adjutant general. We won the case as far as the finding board which said it was illegal to fire the

man; that he should be put back to work with 2 days' suspension, which we did not agree with but at least the man was back to work. And the man who was implementing the program by law, who first fired the man, turned around and told the board, "I am sorry. The man is fired," and he is in a fired status today. In fact, this case is before the Federal court in Wilmington now.

But these are the things that we are faced with, because of our grievance procedures going to the men who we are grieving against, the adjutant general. He has the final decision whether he is going to uphold the grievance or not. Each State has their own policies and procedures.

Mr. HANLEY. Like Georgia, are there other States that do not have a grievance machinery?

Mr. WALTERS. My experience is that the majority of the States do not.

Mr. HUNTER. I would say, Mr. Hanley, since we became Federal employees, the regulations have been very definitive that they will set them up, but some States have been lagging—some adjutant generals. In fact, we have some adjutant generals that are still trying to get us out from under the Federal control.

Mr. HANLEY. For the committee, can you provide us with some information related to what States do not have this grievance procedure?

Mr. WALTERS. We certainly can. In fact, we have a semiannual business conference here in Washington starting Thursday where we will have all of our State people here, so I could possibly have this stuff to your office by Friday.

Mr. HANLEY. That would be very helpful.

Mr Hogan?

Mr. HOGAN. I have no questions, Mr. Chairman. I apologize for not being here earlier, but the subcommittee on Health Benefits had hearings going on at the same time this morning.

Mr. HANLEY. We certainly appreciate the conflict.

Mr. Mills?

Mr. MILLS. No questions, Mr. Chairman.

Mr. HANLEY. Well again, on behalf of the committee, our appreciation to you, Mr. Walters and Mr. Hunter, for the contribution you have made. Thank you.

Mr. WALTERS. Thank you, Mr. Chairman.

(The material which follows was furnished the subcommittee for inclusion in the record, by Mr. Walters.)

ASSOCIATION OF CIVILIAN TECHNICIANS, INC.,
THE NATIONAL GUARD CIVILIAN EMPLOYEES ASSOCIATION,
Brentwood, N.Y., February 28, 1972.

Ref: H.R. 12602.

HON. JAMES HANLEY,

Chairman, Sub Committee For Employees Benefits, Civil Service and Post Office Committee, House of Representatives, Washington, D.C.

DEAR SIR: Enclosed, please find copy of correspondence from one of our Chapters in Georgia, which exemplifies how management is trying to have Federal Technicians work on Weekends, without having to plan man days or give compensatory time, to accomplish its work load.

As you will note, the individuals are placed on Full Time Training Duty for a short period of time (i.e.: Saturday and Sunday) and the individuals are required to perform their normal civilian jobs. This is hidden from the surface, by the issuance of Full Time Training Duty Orders by the Department of Defense,

State of Georgia (a State Agency). The orders always, by law, be issued with the consent of the Governor of the State, and the INDIVIDUAL concerned. My investigation has shown that the individuals have made known to management that they have withheld their consent from being placed on military status, and as you can see from the written grievance attached.

I feel that this information will help the Sub Committee in its further investigation.

The other information that you have asked me to forward to you will be sent as soon as possible. I know that New York, New Jersey, Ohio, and Texas do allow their State Employees more than 15 Days Military Leave in a year, and I have written to some of the other states, and when I receive answers, as I expect I will, I will send them on to your office.

I have also written to the National Guard Bureau and requested them to provide me with a list of States that have initiated Grievance Procedures and the dates these have been implemented. I will forward that to you, when I receive the reply.

Sincerely,

JAMES J. WALTERS, *Nat Rep, ACT Inc.*

ARMY AVIATION SUPPORT FACILITY,
GEORGIA ARMY NATIONAL GUARD,
Winder, Ga., February 16, 1972.

Subject: Clarification of leave status.

TECHNICIANS,
Army Aviation Support Facility,
Winder, Ga.

Enclosed is copy of letter received as an answer to letter forwarded to Technician Personnel Officer, Subject, Grievance, Army Aviation Technicians, dated 2 February 1972.

JAMES H. STRICKLAND, Jr.,
Major, TC, GaARNG, Commander, Support Facility.

ARMY AVIATION SUPPORT FACILITY,
GEORGIA ARMY NATIONAL GUARD,
Winder, Ga., February 2, 1972.

Subject: Grievance, Army aviation technicians.

TECHNICIAN PERSONNEL OFFICER,
Atlanta, Ga.:

1. I have this date listened to a grievance presented by a group of technicians of the Army Aviation Support Facility. The grievance was presented in accordance with instructions outlined in Technician Information Letter No. 32. There is no impasse between supervisor and employees, however, the grievance cannot be resolved at this level.

2. Example of grievance—During the period 21-24 January 1972, technicians from this facility were called to active duty for purpose of participating in Joint Army-Air Force Field Exercise BRAVE SHIELD I. Four days military leave were taken leaving only eleven (11) days for annual field training. This makes it necessary for the technicians to use some of their annual leave during field training. This is leave they would normally use for a vacation with their families and do not desire to use it for other purposes. In some cases, technicians in low military pay grades are forced to use annual leave that is far more valuable from a monetary viewpoint.

3. The technicians making the complaint do not desire to dwell on the past. However, they feel some action should be initiated so that corrective action can be completed before a similar occurrence. We were told by a number of senior officers at the Field Exercise that we would be called on in the future to participate. If this should happen, it is highly possible that *all* military leave would be used before attending field training making it necessary to use a majority of the annual leave at that time.

4. It is the desire of the technicians making the grievance to have an option. They would like to attend a similar occasion in either military, or technician

status. The method they choose would depend on the amount of leave they have accrued, the military pay grade they occupy, and other reasons of this nature.

5. They have been told that a similar condition had existed at one time in the Air National Guard. This was changed and now air technicians may attend in either status.

6. I would like to state that the attitude and hard work of these technicians was responsible for a successful mission during BRAVE SHIELD I. Their grievance has in no way been reflected in the performance of their duties.

7. The grievance as presented herein may or may not be the views of the undersigned. Your advice or suggestions will be greatly appreciated.

8. This letter is written with the knowledge and concurrence of all concerned.

JAMES H. STRICKLAND,

Major TC GaARNG, Commander, Support Facility.

STATE OF GEORGIA,
DEPARTMENT OF DEFENSE, MILITARY DIVISION,
OFFICE OF THE ADJUTANT GENERAL,
Atlanta, Ga., February 11, 1972.

Subject: Clarification of leave status.

COMMANDING OFFICER,
*Army Aviation Support Facility,
Georgia Army National Guard, Winder, Ga.:*

1. Reference your letter dated 2 February 1972, subject: "Grievance, Army Aviation Technicians".

2. You are advised that this matter is not grievable since it is regulatory by nature. NGR 690-2 and FPM 630 govern in this matter.

3. However, your letter is clearly in need of an explanatory reply. The issue involved here is not unprecedented since the Air National Guard Technician Program frequently is beset with the problem of leave status for active duty missions.

4. Technicians involved had an option on whether or not they desired to use 2 days Annual Leave for 21 and 24 January 1972 (Fri. & Mon.) or 4 days Military Leave for 21-24 January 1972 (Fri., Sat., Sun., & Mon.). When a technician takes one or more days of Military Leave all nonworkdays falling *within* a period of absence on military training duty are charged against the 15 days of military leave allowed during the year; however, nonworkdays occurring at the beginning or end of the *training period* are not charged. Using Military Leave in this case, leaving 11 days Military Leave to apply to AT 1972, causes them to use only one day Annual Leave to defray the leave cost of AT 1972. If of these technicians have accrued any Comp Time they could use this in Lieu of Annual Leave for 21 or 24 January 1972. Each tour of FTTD must be studied by each technician involved to enable him to reach the most advantageous decision in his behalf.

5. If a technician involved desires to change his leave to Annual leave or Compensatory Leave, based on the information contained in paragraph 4 above, he should submit a corrected T & A Card through normal channels to the USPFO.

6. The statement in paragraph 5 of your letter is not accurately related. Air National Guard Technicians, *when required by their Job Description*, can engage on an overseas flight in technician status, but if they do so, they are denied FTTD pay. Dual Pay Compensation is the limiting factor anytime a technician enters FTTD. Technicians involved in Exercise Brave Shield I were not authorized to attend in technician status. The base source of this exercise was military.

7. The fine job performed by your technicians in Military Status in Exercise Brave Shield I was appreciated fully by this Department. The Adjutant General was furnished an after-action report on the exercise which lauded the performance by participating personnel.

For the Adjutant General:

PAUL E. INNECKEN,
Colonel, GS, GaARNG, Technician Personnel Officer.

Mr. HANLEY. Our next witness is Mr. Herman J. Cohen, member of the board, American Foreign Service Association. We are delighted to have you with us, Mr. Cohen.

**STATEMENT OF HERMAN J. COHEN, MEMBER OF THE BOARD,
AMERICAN FOREIGN SERVICE ASSOCIATION**

Mr. COHEN. Mr. Chairman, I am very pleased to be here. I appreciate the opportunity to make this appearance. This is the first time we have appeared before a committee that is not in the foreign affairs business and we think there is good reason for it because we have a genuine interest in employee benefits which are applied across the board to all Federal employees. Too often in the past we have been specifically excluded from legislation, and we find ourselves running very hard to catch up to the domestic employees in many cases. Therefore we feel it is much better to get in on the beginning of employee benefits legislation so we do not have to catch up.

Mr. Chairman, to preface my statement on H.R. 12602, I would like to introduce the American Foreign Service Association which is a relative newcomer to the congressional scene with respect to the presentation of testimony on employee benefits. The membership of the association comes from approximately 15,000 employees of the State Department, the U.S. Information Agency, and the Agency for International Development who are subject to worldwide availability of assignment pursuant to the Foreign Service Act of 1946, as amended, the Foreign Service Information Act (Public Law 90-494) and the Foreign Assistance Act of 1961 as amended. These are the Federal career employees who serve at American diplomatic and consular missions overseas, often under very adverse conditions.

In addition to the employees of these three agencies who make international relations their careers, approximately 25,000 Federal civilian employees from 40 other agencies serve abroad, and are subject to the same problems and regulations as those in the career Foreign Service. The following statement is therefore relevant to between 40,000 and 45,000 Federal employees and their families stationed outside the United States in foreign countries.

On the overall subject of leave, the average career Foreign Service employee is more interested in opportunities to take leave than in accumulating leave. Serving overseas, Foreign Service employees are naturally concerned about opportunities to return to their home communities in all of the 50 States every 2 or 3 years to see their families. After such relatively long separations, they are interested in taking as much of the leave they have earned as possible prior to subsequent periods of additional family separation.

In this context, the Congress has previously recognized some of the unique leave problems faced by Federal employees serving abroad.

With the enactment of Public Law 87-195 of 1961 (22 U.S.C. 1136), the Congress authorized employees of State, USIA, and AID stationed at designated "unhealthful" posts abroad to take "rest and recuperation" travel to other locations at Government expense.

This legislation helped cut down on the amount of lost leave suffered by employees at isolated hardship posts where opportunities for taking annual leave locally are severely limited. I might interject at this point, Mr. Chairman, that this legislation does not apply to Federal employees who are not in these three agencies, and this is a discrepancy basically against the domestic agencies that we think should be corrected.

In 1966, Public Law 89-554 (5 U.S.C. 6304) authorized all Federal employees serving abroad, regardless of agency, to accumulate and carry over up to a maximum of 360 hours of annual leave instead of the 240 hours allowed Federal employees serving within the United States. This legislation also served to reduce significantly the amount of annual leave losses within the Foreign Service, while recognizing that Federal employees stationed abroad do have some unique problems in taking their leave.

Because of the ameliorating legislation described above, the majority of the employees in the Foreign Service appear now to be able to take the amount of annual leave they desire to take. However, a significant number of employees in special categories continue to have problems, and are continuing to lose between 50 to 150 hours of annual leave per annum because of administrative constraints that are especially severe in the Foreign Service environment. For this reason, the association warmly endorses and wholeheartedly supports the enactment of H.R. 12602 which would fill an important gap left by previous legislation. Let me outline some of the major administrative constraints on the taking of annual leave by specific categories of Foreign Service personnel.

Training assignments. Over 5 percent of all Foreign Service personnel are assigned to training at the State Department's Foreign Service Institute in Washington at any one time. These courses begin at fixed periods during the year, usually at the beginning of January and the beginning of August. Employees assigned to these training courses, especially those coming from overseas locations, find themselves unable to take planned leaves when they were scheduled, and invariably are caught by the end of the leave year having accumulated more than their 360 hours. Some of the courses last a full year and allow for no free time beyond Federal holidays. I might add here, Mr. Chairman, that most of these courses are language training. People who serve abroad must know the local language in order to do their work and this training is not just a boondoggle.

Position reductions. The emphasis in recent years has been on the reduction of the number of personnel serving abroad. In the foreign affairs agencies, this has resulted in the elimination of the 3-percent float factor which previously allowed management to keep overseas positions filled while personnel were traveling between assignments, on home leaves, and during training. Consequently, many employees, especially those in managerial positions, find it difficult to get away from their overseas jobs every year. They can take annual leave only every 2 or 3 years between different posts of assignment. The system of annual loss of surplus leave is not compatible with this increasingly apparent multiyear work pattern.

In my own experience serving abroad, Mr. Chairman, I have found that many people just go 18 months to 2 years straight without taking leave because there is always somebody missing because they are traveling. They are going to another post or they are going to some training assignment.

Management pressure. We are seeing a growing number of situations in which employees are offered specific overseas assignments, but are told that they must be able to report by a fixed date or else the assignment will have to be offered to someone else. Usually, this

results from the Ambassador or other senior official at the post demanding that the position not be allowed to remain vacant for more than a week or two. Qualified employees, especially secretarial personnel, are therefore pressured into shortening or foregoing their leaves in order to take assignments to posts for which they have been trained or for which they have expressed a specific preference. When they arrive at the post, some of these employees find out to their dismay that their presence really was not that urgently required.

In general terms, therefore, the association sees a greatly improved annual leave situation for Foreign Service employees in recent years, but there remains special categories of personnel who are suffering disproportionately because of administrative constraints. H.R. 12602, in the association's view, is designed specifically to meet a real and pressing need.

Foreign Service employees who are conscientiously working to uphold American foreign policy abroad despite the hardships of separation from family and unhealthy conditions in many areas need the enactment of H.R. 12602 in order to preclude the loss of leave caused by the administrative constraints described. The association warmly recommends the enactment of this bill.

Mr. Chairman, just one other thought. While I was listening to the other people, I decided that perhaps this bill would have to be changed a bit to take care of the people who cannot accumulate 360 hours so they would not lose it. I am not sure of the technical aspects but I would be glad to work with your counsel on that later.

Mr. HANLEY. Fine, Mr. Cohen. We, No. 1, appreciate the very good statement, and with regard to the matter that you just brought up, may I suggest that you chat with Mr. Barton in this regard and perhaps we can insert some other language here.

This is a naive question, but you mentioned that Federal career employees serve in the diplomatic and consular missions overseas often under very adverse conditions. Can you describe some examples here?

Mr. COHEN. Well, take the Agency for International Development, for instance. All of these employees must, by definition, serve in underdeveloped countries. That is their job, to help other countries in their economic development. You do not find any of these people serving in Paris, London, and Rome, the gay spots of Europe. They are always in Bangladesh or Togo and Congo in Africa and places like this. I, myself, am a veteran of 9 years African service and I find there is just no place to go for leave. The roads are so bad out of the capital cities that you cannot get in your car and go on vacation. The only place you can go is maybe 3,000 miles away to get your family out of there, out of the heat and out of the unhealthy conditions. So Congress passed very needed legislation which would share with the employee the cost of going away from the post. It is not a paid vacation. The employee still has to pay for his own hotel and all expenses, but at least he can get away. For the person who is serving in Paris, we have no particular sympathy in this regard.

Mr. HANLEY. What would the duration of that assignment be, for instance?

Mr. COHEN. It depends on the seniority of the individual. The Government policy is that a younger person should serve 2 years and then go on to something else. But for a senior executive or middle-grade official they feel that they are not effective unless they can stay at least 4 years. They do not begin to really learn about the foreign environment, the culture and the language for the first 18 months. So it would be bad management to move them earlier.

Mr. HANLEY. In fact, the new employee might serve his apprenticeship in Bangladesh?

Mr. COHEN. Right.

Mr. HANLEY. And that sort of nation?

Mr. COHEN. That is true, yes.

Mr. HANLEY. Is your rest and recuperation leave charged against annual leave?

Mr. COHEN. Yes, it is.

Mr. HANLEY. Is your home leave separate from and in addition to your annual leave?

Mr. COHEN. Home leave is in addition to annual leave. Congress provides for home leave for what is called the re-Americanization of the employee. The theory is that a person who spends several years abroad should go back to his home community, not just the United States in general but to his home community, to learn about what is happening so that when he goes abroad again he is not ignorant and he can explain to the foreigner what is going on at home. This is part of his job.

Mr. HANLEY. What is the time factor there?

Mr. COHEN. The employee earns 15 days of leave for every 2 years served abroad.

Mr. HANLEY. So the agency encourages the employee to go back to his particular home environment 1 month—approximately 1 month every 2 years?

Mr. COHEN. That is correct.

Mr. HANLEY. You mentioned, aside from your printed text, the exclusion of agencies. I did not quite understand what you meant.

Mr. COHEN. The rest and recuperation travel was given only to the foreign affairs agency personnel. That is, the three agencies: State Department, AID, and USIA. We found that many other agency employees—we do not represent the employees of other agencies—suffer from discrepancies. At a particular embassy you will have people from these three agencies going off on their rest and recuperation leave whereas Defense Department, FBI, or anyone else who is over there just are not entitled to it, and the morale is bad whenever you have one group doing something and the other is not.

Mr. HANLEY. I see. That certainly sounds like an inequity.

Mr. Hogan?

Mr. HOGAN. I have no questions, Mr. Chairman.

Mr. HANLEY. Mr. Mills?

Mr. MILLS. Mr. Cohen, do you have an estimate of how much leave is lost each year due to the situation that you have described.

Mr. COHEN. I find from my survey just prior to coming here that the agency statistics are not very good. For instance, the only thing that the State Department could tell me was that 30,000 hours were lost last

year. Now, how you break that down I just do not know. Just from the letters we get, however, it seems to me that these people in particular cases are the ones who are getting a greater share of that loss. Most people are not losing leave but those who are, are losing a lot of it.

Mr. MILLS. But part of that, I suppose, would be their own choice because they do have the opportunity to travel at the Government expense and take their leave in other areas apparently fairly close to where they are stationed. Is that right?

Mr. COHEN. Yes, sir. Those people who do take what we call R&R travel are using their leave.

Mr. MILLS. And there are employees in this country who accumulate leave because they just do not want to leave?

Mr. COHEN. Presumably that is true, but our feeling is that people who are losing leave are those who are under these administrative constraints more than for any other reason.

Mr. MILLS. I see. Thank you. That's all, Mr. Chairman.

Mr. HANLEY. Mr. Cohen, there is a 45-day carryover provision for personnel serving overseas. Now, does this extend beyond a specific tour of duty?

Mr. COHEN. When the employee comes back to the United States—and we all are assigned to Washington and other U.S. locations—the leave ceiling goes down to 30 days as soon as the employee has gone down to that level. If he does not take leave, he can keep his 45-day level indefinitely, but invariably people, if they get a chance to take their home leave, use up a big chunk of it. As soon as they go down to 140 or 150 or 160 hours, that automatically becomes their new ceiling. So it is only designed to help people while they are serving abroad.

Mr. HANLEY. Mr. Hogan?

Mr. HOGAN. I have no questions.

Mr. HANLEY. Mr. Mills?

Mr. MILLS. No further questions.

Mr. HANLEY. Again, Mr. Cohen, our appreciation for your appearance here this morning and your testimony will certainly contribute to the deliberations of this subcommittee. Thank you very much.

This concludes the hearings on this legislation. The subcommittee stands adjourned.

(Whereupon, at 11:20 a.m., the hearing was adjourned.)

(The following statements were received by the subcommittee for inclusion in the record:)

PREPARED STATEMENT OF ALAN J. WHITNEY, EXECUTIVE DIRECTOR, NATIONAL ASSOCIATION OF GOVERNMENT EMPLOYEES

Mr. Chairman, the National Association of Government Employees appreciates being afforded the opportunity to comment on H.R. 12602, a bill designed to improve the Federal Government's leave system.

H.R. 12602, in our view, would do much to alleviate or eliminate several inequities which impose unfair and unnecessary hardships on Federal employees. The NAGE and its members are indebted to the Subcommittee Chairman, Representative Hanley, and to Representative Matsunaga for introducing this proposed legislation.

Section 1 of the proposed measure, by removing the 30-day limitation on payment for accrued leave at the time of separation, would ensure that employees receive appropriate credit for that which they have earned. It also would prove beneficial to the Government by allowing agencies to immediately recruit for and fill a vacancy upon an individual's departure from the active workforce,

rather than being forced to leave the position unoccupied while the separating worker uses leave he would otherwise forfeit.

Section 2 of H.R. 12602 would permit employees, other than those receiving temporary appointments of less than 90 days, to use annual leave during their first 90 days of employment. This change is vitally needed to permit newly-hired workers an opportunity to take care of all the arrangements which accompany a move to a new geographic area, such as getting children enrolled in schools, registering an automobile, acquiring new driver's licenses, etc. In short, attending to the numerous requirements which can typically be done only during an individual's usual hours of work.

Section 3 of this bill would establish three criteria under which an employee could carry over annual leave from one year to the next in excess of the present 240-hour (30-day) limitation. These criteria are: (1) exigencies of public business, (2) administrative error and (3) sickness of the employee.

The first circumstance, in which employees lose leave because they are unable to be spared from their duties a sufficient period of time to use their accrued leave, is all the more important in view of current Administration efforts to reduce the size of agency workforces. These efforts are resulting in numerous instances of short-staffing without accompanying reductions in workload. The effect is to place great pressures on supervisors to require employees to forego annual leave.

The NAGE firmly believes that no employee should be forced to "donate" earned annual leave to the government under any circumstances, and particularly where he was unable to take leave because of demands to fulfill his unit's mission.

The second circumstance, that involving administrative error, relates to situations where an employee is erroneously advised by management that his leave balance is less than he has actually accumulated. Present law prohibits the employee from having the lost leave restored to him when the error is discovered in the new leave year. This is clearly inequitable, and should be corrected.

The final criterion would, if adopted, permit an employee who has accumulated annual leave in excess of the 30-day maximum to carry that excess over into the next calendar year if he is unable to use that leave due to absence on sick leave. This provision, also, the NAGE accepts and endorses.

In sum, Mr. Chairman, the NAGE considers H.R. 12602 to be progressive and needed legislation. Its cost would not be prohibitive; rather, in certain respects, it would result in savings to the Government. We urge its speedy approval.

DOL MANAGEMENT MEMO, NUMBER 5,
October 12, 1971.

To: Department of Labor Supervisors.

From: Frank G. Zarb.

Subject: Achieving cost and average grade reduction goals.

Attached is a copy of a memo recently distributed to top Department executives. May I ask that you read it carefully. It outlines the steps we must take to meet the President's recently announced goals of reducing costs in government.

I am confident we can meet these goals with no disruption to any of our programs and with no real hardship for any of our people. But it will take some effort. We must all comply strictly with the restrictions and guidelines described in the memo. In addition, we are asking each of you to review your organization to determine where improvements can be made. In this review you should ask yourself such questions as "How can we reduce or eliminate low-priority work?" "How can we reorganize for more streamlined performance?" "How can we fill more positions at entry levels as they become vacant?" "Has the nature of a job changed so that it can be reclassified downward when it becomes vacant?"

A&O and RAO servicing personnel officers will help in conducting these reviews, but the final responsibility for position management is yours.

Our average grade reduction goal is .15 grade during each of the next two fiscal years. We must achieve this reduction while reducing personnel.

Just as important as meeting these goals is maintaining employee morale while doing so. Employee understanding and acceptance is the key here, and I urge you to discuss the whole subject fully and frankly with your people. Explain what we are trying to do, why we must do it, and how we are going about

it. In particular, you should explain our very real concern for our people. We hope to avoid a reduction-in-force. We are trying to reach our goals through attrition and better management.

The present belt-tightening period represents a challenge to all of us as supervisors and managers, not unlike the challenge supervisors in the private sector often face. How well we meet it will be a test of our supervisory ability. If we meet it well, as I am confident we will, I believe our Department will emerge stronger and healthier than before. It's up to all of us to see that we do.

FRANK G. ZARB,

Assistant Secretary for Administration.

Attachment.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE UNDER SECRETARY,
Washington, D.C., September 3, 1971.

Memorandum for: Assistant Secretaries, Solicitor of Labor, Commissioner of Labor Statistics, Deputy Under Secretary for International Affairs, Deputy Under Secretary for Economic Affairs and Program Coordination.

Subject: Government-wide program for cost reduction.

As you know, the President has recently set out goals to decrease expenditures within the Government. Specifically, he has ordered a reduction of approximately 5 percent in payroll costs and employment strength. In addition, we are required to roll back the average GS grade within the Department.

It is our objective to avoid a reduction-in-force. Therefore, while we are still waiting for OMB clarification on specific DOL requirements in connection with these programs, we have sufficient information to begin preliminary action. Therefore, effective immediately, we must take the following steps:

A. *Hiring Controls.*—All hiring is suspended except as follows:

1. The minimum essential requirements for administration of EEA, OSH, the Welfare Reform Task Force and other new programs.
2. The minimum necessary to fill key management position approved by the Office of the Secretary.
3. The hiring of individuals to whom a definite commitment has been made and an acceptance received prior to the date of this memorandum.
4. Actions necessary to fill essential clerical and professional vacancies created by separation, transfer, retirement or other personnel action. To accomplish this, each A&O should follow the general guideline of filling not more than one of every two clerical and professional vacancies.

B. *Grade Escalation Control.*—In addition to personnel cutback it is essential that we reduce the average GS grade within the Department of Labor by at least three-tenths of one grade over the next two fiscal years. This requirement is extremely difficult in the light of our personnel reduction efforts. If we stop hiring at the lower grades but continue to fill jobs at higher grades by promotion within, the average grade will increase instead of decrease. Therefore, we must take the following steps, effective the date of this memorandum:

1. Promotions to grade GS-12 and above should be accomplished only if they are essential. The head of each A&O is asked to insure that all promotions are reviewed at the highest levels and rejected if they are not required to continue effective program functioning. For example, should a GS-14 position become vacant, we must be absolutely certain that the position cannot be filled at grade GS-13 or below and still retain program efficiency.

2. No promotions, including career ladder promotions, are to be made unless the employee in each case:

(a) Has had at least the minimum amount of time in the lower grade shown in the enclosed tables, and

(b) Has demonstrated conclusively that he can effectively perform the work of the higher level to which he is being promoted. The increasing complexity of the work of the Department requires that employees be fully trained and prepared to assume journeyman and higher level duties and that managers are well equipped to carry greater responsibilities. In all cases therefore it should be established that the employees involved have demonstrated their capability to perform effectively at the higher level

3. Each A&O should review its organizational structure to determine if existing positions can be designed for reduction in grade when they become vacant.

4. Each A&O should review supervisory jobs with particular attention to the layering of Deputies and Assistant Deputies and Assistant Assistant Deputies with only a few employees to supervise.

5. The staffing of new programs should be planned in a way which will lower the average grade.

C. Underfilling Higher Grade Positions.—The imposition of the above time-in-grade controls should not result in the preclusion of well qualified candidates from consideration and selection. A position may be underfilled at a lower grade if this fact is stated in the vacancy announcement so that candidates are aware that selection may lead to further promotion. The selected employee may not be promoted, however, until he meets the cost reduction time-in-grade restrictions or until these restrictions are removed.

We are required to submit to OMB by September 15, 1971, a plan for accomplishing this reduction in average grade. You will be receiving from OASA more specific information concerning the average grade information in your A or O and the steps needed to comply with the OMB directive.

I recognize that these general controls must be followed with specific goals for each A&O. Assistant Secretary Zarb is presently working with OMB to establish targets for the entire Department of Labor. Just as soon as these negotiations are completed, he will work with each A&O to establish more specific goals and plans of action to achieve both the cost reduction and grade de-escalation objectives.

The above requirements may be modified with experience in their application. In the meantime, questions concerning this memorandum or requests for waivers in cases of extreme hardship should be submitted to the Assistant Secretary for Administration.

LAURENCE H. SILBERMAN,
Under Secretary of Labor.

TIME-IN-GRADE COST REDUCTION RESTRICTIONS

Table I.—Advancement to a position in grade GS-5 and below

(a) For promotion at one grade above his present grade, a candidate must have completed at least 6 months of service at his present grade.

(b) For promotion at two grades above his present grade, a candidate must have completed at least one year of service at his present grade.

Table II.—Advancement to positions at GS-6 through GS-11 classified at one-grade intervals. Candidates for advancement to a position at GS-6 through GS-11 which is in a line of work properly classified at one-grade intervals must have completed the following time in service:

Time-in-grade restrictions:

GS-5 to GS-6.....	12
GS-6 to GS-7.....	12
GS-7 to GS-8.....	12
GS-8 to GS-9.....	12
GS-9 to GS-10.....	18
GS-10 to GS-11.....	18

Table III.—Advancement to positions at GS-7 and above classified at two-grade intervals. Candidates for advancement to positions involving two-grade intervals must have completed the following time in service:

Time-in-grade restrictions:

GS-5 to GS-7.....	12
GS-7 to GS-9.....	12
GS-9 to GS-11.....	18
GS-11 to GS-12.....	18
GS-12 to GS-13.....	24
GS-13 to GS-14.....	24
GS-14 to GS-15.....	24

Note: In addition to meeting the above time-in-grade cost reduction restrictions, candidates must meet the minimum qualification requirements for the position and the time-in-grade restrictions of the Whitten Amendment.

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., February 8, 1972.

Memorandum for : All employees.

Subject : Department organization and staff reduction.

During the past three months, seven Management/Manpower Survey Teams have thoroughly examined the operations, functions, and staffing of our Headquarters and Regional Offices. Over forty experienced career employees from both Headquarters and the field, with varied program and administrative backgrounds, served on these teams. In their review they interviewed hundreds of employees at all grade levels in both Headquarters and Regional Offices. All Headquarters and Regional Office employees were urged to make their views and recommendations regarding organization and staffing known to the teams.

The Management/Manpower Survey Teams proposed organizational changes which recognize the major shift of operating responsibilities from Headquarters and Regional Offices to Area and Insuring Offices that have occurred over the past two years. They also identified what they believed to be excess staffing, overlapping functions and unnecessary activities.

The findings and recommendations of these teams have been reviewed in detail with the Assistant Secretaries and Regional Administrators. There was a high degree of agreement with respect to changes proposed. I have accepted a high proportion of the team recommendations. Implementation of my decisions will begin immediately.

A number of organizational consolidations and some restructuring will take place. These major changes are outlined in the enclosure.

Implementation of these changes will reduce authorized positions in Headquarters by 858. However, because the Department has had a "no hiring" policy in effect since last August, conforming with the new ceiling will entail a reduction of 695 in the number of employees actually on board December 31, 1971. In the ten Regional Offices the reduction in actual employment will be 391, using our December 1971 employment level as a base.

OVERALL POLICY FOR ACHIEVING REDUCTION

I have carefully reviewed alternative procedures for reducing employment recommended to me by a special study group composed of Headquarters and field program managers, personnel specialists, and a representative from the Civil Service Commission. This study group took into consideration the successful experiences during the recently completed Phase I and II of the Regional Realignment, as well as experiences of other Federal agencies. Based on their recommendations, we have adopted an approach which relies heavily on placement within and outside the Department and on attrition, in lieu of an immediate across the board reduction in force.

STEPS TO BE TAKEN

The streamlined organization for Headquarters and Regional Offices will be staffed with employees selected by the use of merit principles. Those employees not selected will be counseled regarding their status in the Department, the opportunities open to them, and the placement assistance available for their use. For this purpose Special Counseling Units have been established in your Personnel Office.

Placement in Area and Insuring Offices.—An intensive effort will be made to place qualified employees in current Area and Insuring Office vacancies. At present there are over 300 vacant positions available in the Area and Insuring Offices. In addition, our budget request for next fiscal year calls for an increase of approximately 750 positions in Area and Insuring Offices. We will, of course, provide every possible assistance to interested employees such as payment of travel, transportation of household goods, house-hunting trips, and reimbursement of certain costs incurred in selling your home and purchasing a new one.

In addition, the Department will take advantage of all regulations to preserve the salary of those employees who accept lower graded positions.

Retraining for Area and Insuring Office Jobs.—Many employees may not be qualified for present and anticipated vacancies in our field offices. Therefore, we will offer training programs to prepare them for these new job opportunities if they are willing to relocate. Specific training programs will be announced in the near future and all employees will be invited to apply.

Retirement.—If you are considering retirement, you are urged to take advantage of individual retirement counseling services available in your Personnel Office.

Placement Outside HUD.—In addition to the efforts made to place employees within HUD, we are contacting other Federal agencies, local, city, and State governments and private industry to gather employment opportunity information. We will also have a significant number of assignments available for local, city, and State government positions through the Intergovernmental Personnel Act. This information will be publicized and every assistance will be provided employees who wish to take advantage of these job opportunities.

OTHER EMPLOYMENT ADJUSTMENTS

There are a number of situations in which total functions will transfer from one major organization to another or from Headquarters to the field. Employees associated with the function will be expected to transfer to the new location. In cases where employees choose not to transfer with their function, an effort will be made to place them. However, if this effort fails, the result could be separation from the rolls of the Department.

We believe the above efforts, coupled with normal attrition will reduce the Headquarters and Regional Office employment to the levels required and at the same time provide experienced capable employees to staff our Area and Insuring Offices. However, it is possible that a limited reduction in force may become necessary in those few instances where we have an excess number of employees with skills that are no longer needed in their present location and all outplacement efforts have been exhausted.

I'm sure as you read this you are wondering "What does this mean to me?" Let me try to answer that: In the next four weeks we will be developing details of the new organization, including functional statements, with appropriate position descriptions and qualification requirements. These will be used to select, through merit staffing principles, the best qualified employees to fill positions in our reduced Regional and Headquarters organizations. Employees not placed at that time will be counseled concerning job opportunities and placement options. In the meantime, you will be supplied with an Employment Interest Form whereby you may indicate your desire for immediate consideration for outplacement. If you are a Headquarters employee, should you have any questions please feel free to call 55482. Employees in Regional Offices who have questions should contact their Regional Personnel Office for information. As decisions are made over the next several weeks, we will keep you as informed as we possibly can concerning this personnel reduction.

I am fully aware that no plan of reducing employment can be completely painless. But I am convinced that this plan, to the greatest extent possible, minimizes the harmful effects on the greatest number of employees.

The next few months will be difficult for the whole Department, but especially for employees in Headquarters and Regional Offices. The new organization in these offices, coupled with the mandatory staff reductions, will require the utmost dedication and devotion to the mission of the Department on the part of all employees. I'm sure I can count on our Area and Insuring Office staffs to assist their fellow employees as they move to new jobs in new locations. With such dedication and devotion, the vital services provided by the Department to the people of this Nation will continue during our internal adjustments.

GEORGE ROMNEY.

Enclosure.

MOVEMENT OF MAJOR ORGANIZATIONS AND FUNCTIONS

Organization or function	From—	To—
Office of Audit.....	Administration.....	Office of Inspector General.
Office of Investigation.....	do.....	Do.
Intergovernmental Relations Division.....	Office of State and Local Management Assistance, CPM.	Office of Administration, CPM.
Management Systems Division.....	do.....	Office of Administration—Office of Planning and Management Assistance, CPM.
Technical Assistance Division.....	do.....	Office of Administration, CPM.
Field Support Division.....	Office of Program Support, CD.....	Office of Field Support, CD.
Assistant Commissioner for Programs.....	Office of Assistant Commissioner for Programs, HPMC.	Office of Policy and Program Analysis and Development, HPMC.
Program Division.....	do.....	Do.
Economic and Market Analysis Division.....	do.....	Office of Technical and Credit Standards, HPMC, and Field Offices.
Research and Statistics Division.....	do.....	Office of Administration, HPMC.
Assistant Commissioner for Rehabilitation.....	Office of Assistant Commissioner for Rehabilitation, HPMC.	Office of Subsidized Housing Programs HPMC, and Field Offices.
Property Improvement.....	Office of Assistant Commissioner for Property Improvement, HPMC.	Office of Unsubsidized Insured Housing Programs, HPMC, Comptroller, and Field Offices.
Comptroller.....	Office of Assistant Commissioner-Comptroller, HPMC.	Assistant Secretary for Administration.
Assistant Commissioner for Field Operations.....	Office of Assistant Commissioner for Field Operations, HPMC.	Office of Field Support, HPMC.
Program Evaluation Function.....	Office of Program Development, HM.....	Program Evaluation Staff, HM.
Program Statistics and Systems.....	do.....	Office of Administrative Program Services, HM.
Counseling and Community Services.....	Office of Counseling and Community Services, HM.	Do.
Office of Housing Opportunity.....	Equal Opportunity.....	The functions of these 7 existing Offices of the Assistant Secretary for Equal Opportunity will be consolidated into 4 offices.
Office of Assisted Programs.....		
Office of Contract Compliance and Employment Opportunity.....		
Office of Program Planning and Evaluation.....		
Departmental Equal Employment Opportunity Office.....		
Education and Training Office.....		
Administrative Office.....		

