

A REPORT TO THE PRESIDENT AND THE
CONGRESS OF THE UNITED STATES BY
THE U.S. MERIT SYSTEMS PROTECTION BOARD

REDUCTION IN FORCE

The Evolving Ground Rules



A Report Concerning Significant Actions of the
Office of Personnel Management

THE CHAIRMAN



U.S. MERIT SYSTEMS PROTECTION BOARD
1120 Vermont Avenue, N.W.
Washington, D.C. 20419
September 28, 1987

Sirs:

In accordance with section 202(a) of the Civil Service Reform Act of 1978 (5 U.S.C. §1205(a)(3) and § 1209(b)), it is my honor to submit this U.S. Merit Systems Protection Board report titled "Reduction in Force: *The Evolving Ground Rules.*"

This report discusses revised reduction-in-force (RIF) regulations that went into effect in February 1986, and implementing guidance published by the U.S. Office of Personnel Management through September 1987. Those regulations govern the retention of employees during personnel reductions. Consequently, they affect the future composition of the Federal work force.

I think you will find this report on reduction in force (RIF) useful as you consider the broad issue of attracting and retaining a quality Federal work force. Of particular interest is how performance management is integrated with Federal decisions affecting job placement and retention.

Respectfully,

A handwritten signature in black ink that reads "Daniel R. Levinson". The signature is written in a cursive, flowing style.

Daniel R. Levinson

The President of the United States
The President of the Senate
The Speaker of the House of Representatives

Washington, DC

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OVERVIEW

This report examines Reduction-in-Force (RIF) regulations that went into effect in February 1986. It explains what the regulations changed, and what those changes mean to Federal agencies, employees, and the merit system. It also discusses how well the Office of Personnel Management (OPM) carried out its responsibilities for guiding Federal agencies through the period of transition from the previous regulations to the current ones.

Human resource management is concerned with organizing the work force to accomplish agency objectives within available resources. This includes deciding when positions must be filled, abolished, or vacated. Involuntary job loss is a stressful experience for employees. It can have adverse social, financial, and psychological effects. The seriousness of the impact that job loss has on employees underscores the importance of RIF regulations that operate in conformance with the merit system principles and in avoidance of prohibited personnel practices.

The revised RIF regulations are part of a larger OPM plan to make performance appraisal a key tool in Federal personnel management. To the extent that performance appraisals are a measure of merit, a paramount goal of the regulations is to give RIF a stronger merit basis. Major provisions of the regulations:

- Changed the significance of performance as an employee retention factor, by using the three most recent annual performance ratings and increasing the weight of performance in relationship to seniority gained through years of service;
- Provided closer linking of assignment rights to performance management tools and concepts;
- Limited the appeal rights of employees affected by RIF (In one part, the regulations limited the conditions under which an employee could have a hearing in the event of an appeal, but that provision was ordered vacated by a Federal appeals court 3-judge panel on June 26, 1987.); and
- Eliminated the need to apply RIF procedures when an employee's job is downgraded based on certain classification actions.

In addition, the regulations limited the number of grades an employee can fall back in displacing other employees at lower grades, but "retreat" rights are defined in a manner that in many cases will afford employees a wider range of jobs for which they can compete. Overall the regulations will reduce the disruption to the work force often associated with RIF. Most agencies view the changes as conceptually sound, but are concerned about two things: 1) the new RIF procedures depend heavily on the fairness and accuracy of the individual performance plans and appraisals of employees; and 2) the new regulations increase the administrative burden of conducting a RIF.

Sixteen departments and independent agencies identified dependence on performance appraisals as a key potential problem in the new RIF regulations. The U.S. Merit Systems Protection Board (MSPB) agrees that this is a potential problem area. Linking

RIF more closely to performance management is a positive step in concept. However, information provided by OPM and the agencies, and analyses conducted by the General Accounting Office and MSPB, suggest that agencies still have problems with the operational implementation of their performance appraisal systems. Correction of those problems is important to all aspects of Federal personnel management, including RIF.

The increased administrative burden is a result of the requirements to use performance plan information (performance standards, elements, and ratings) in determining employees' retention standing and assignment offers. The "payoff" to agencies for this additional burden is the opportunity to retain better performing, but less senior, employees.

OPM did a good job of responding to agency questions on the meaning of the regulations and how to apply them. Interim guidance was published in Federal Personnel Manual (FPM) Chapter 351 in March 1986, and was in effect until September 1987. On September 17, 1987, OPM published the final RIF guidance in FPM Chapter 351.

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INTRODUCTION

The Merit Systems Protection Board (MSPB) is required by 5 U.S.C. §1209(b) to report annually to the President and Congress on the significant actions of the Office of Personnel Management (OPM). The report is to include "an analysis of whether the actions of the OPM are in accord with the merit system principles and free from prohibited personnel practices."

This is one of a series of reports, to be published during Calendar Year 1987, reviewing the significant actions of the OPM during the preceding 12 to 18 months. It addresses the revised regulations governing reduction in force (RIF), which is the process used in the Federal Government to reduce (permanently or for temporary periods of more than 30 days) the number of employees in the work force.

Other reports in this series focus on:

- Entry-Level Federal Hiring.
- The Performance Management and Recognition System.
- Expanded Temporary Limited Appointment Authority.
- OPM's Revised Personnel Management Evaluation Program.
- Performance Management.

BACKGROUND

Reduction in force in the Federal Government is analogous to a layoff in the private sector. In organizing their work forces for RIF purposes, agencies first establish competitive areas, based on agency organization and location, and group employees by those competitive areas.¹ Within the competitive areas, positions are grouped by competitive levels.

Next, agencies determine 'employees' retention standing within the competitive levels by tenure of employment,³ veterans status, length of service, and performance. (Credit for performance is expressed as additional years of service.) A RIF can affect employees in any of four ways: (1) involuntary separation; (2) demotion; (3) furlough for more than 30 days; or (4) reassignment requiring displacement of another employee.

Employees can be reassigned to displace other employees of lower retention standing within the same competitive level. Employees also can "bump" other employees, at the

A competitive area may be defined as all or part of an agency. If an agency has more than one competitive area, the boundaries are defined solely in terms of organizational units and geographic locations.

² A competitive level is established by grouping together jobs in the same grade and classification series that are so similar in work requirements that employees could move from one to another without needing significant training and without disrupting the agency's work program.

³ There are three tenure groups for RIF purposes. In order of precedence, they comprise: (1) career employees; (2) career-conditional employees and all employees serving probationary periods; and (3) employees serving under a variety of nonstatus, nontemporary appointment authorities such as those governing Temporary Appointment Pending Establishment of a Register, or indefinite appointment.

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same grade or at a lower grade, in another competitive level, provided the "bumped" employees have less tenure or less veterans preference. Additionally, employees can "retreat" to positions at the same or a lower grade occupied by other employees with the same tenure and veterans preference, but with less seniority.⁴

The body of law and regulation governing RIF in the Federal Government dates to 1876 when, by law, discharged veterans were given retention preference. Since that time, the laws and regulations have changed many times.⁵ In 1925, four retention factors were established by regulation: veterans status; seniority; tenure of employment; and competitive levels.

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There are two means by which an employee can displace someone in a different type or grade of job. One is by "bumping;" the other is by "retreating." An employee can "bump" into the position of another employee when the employee being released from a competitive level is qualified for the position and the second employee is either: (1) in a lower tenure group, or (2) in a lower veterans preference grouping within the same tenure group. In displacement by "retreat," an employee can displace another employee with the same tenure and veterans preference if the "retreating" employee has more seniority. "Retreating" occurs when an agency is unable to offer an employee who has been released from his or her competitive level a comparable position through reassignment or "bumping" rights.

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More extensive summaries of the development of the Federal RIF system are contained in "RIF Procedures: How They Got Here From There," by Thomas A. Glennon, in Management Magazine, Spring 1982 (pp.14- 16), and in Chapter 2 of MSPB's June 1983 report Reduction-In-Force in the Federal Government, 1981: What Happened and Opportunities for Improvement. Table 1, found on page 17 of that MSPB report, outlines many of the key events affecting the RIF system.

The Veterans Preference Act of 1944 placed in law the first three retention factors listed above and added a new one--employee performance ratings. However, that law established no weight or order of precedence for the factors. Competitive levels remained a factor in the implementing regulations.

The current RIF regulations became effective on February 3, 1986. They had their genesis in proposed RIF regulations published by OPM in the Federal Register (FR) on March 30, 1983. Key goals of the changes, as stated by OPM, were "to (1) give more weight to performance in the RIF process; (2) minimize agency disruption; (3) limit negative effects on employees; and (4) preserve for veterans their preference in determining retention standing as is currently allowed in the RIF process."⁶

OPM published different versions of the proposed regulations in March and July 1983 which led to the publishing, in October 1983, of regulations intended to be final. Those regulations did not go into effect until July 1985 because of congressional intervention. OPM then further modified the regulations, and the regulations in use today became effective February 3, 1986.

On March 3, 1986, OPM published interim RIF guidance on the new regulations in Federal Personnel Manual (FPM) Chapter 351. The final FPM Chapter 351 was subsequently published on September 17, 1987, *via* FPM Letter 351-22.

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Federal Register, Vol.48, No.62, Wednesday, March 30, 1983, p.13368.

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FINDINGS

What Has Changed?

In this report MSPB compares the new 1986 regulations with the ones dated January 1, 1983. Major differences in the new regulations and the accompanying FPM guidance are identified in this section. The changes are presented under two headings: Regulations (found in the Code of Federal Regulations), and Guidance (found in the Federal Personnel Manual).

Compared to those previously in effect, the new regulations (5 CFR Part 351):

- *Provide additional credit for performance*, by increasing the weight given to performance ratings and allowing credit for three annual performance ratings. In the old regulations only the current performance rating was credited, and the maximum credit was equal to 4 years' seniority. Under the new regulations, the three most recent annual performance ratings are averaged for a maximum credit equal to 20 years' seniority;
- *Require, for the first time, recognition of critical elements from performance plans⁷ to decide competitive levels and job placement rights;*
- *Require, for the first time, OPM approval of competitive areas established less than 90 days be-*

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A performance plan *is* the aggregation of all of an employee's written performance elements and standards.

fore the date RIF actions are scheduled to take place;

- *Eliminate provisions* that allowed: (1) combining two or more competitive areas in determining job placement rights and (2) making offers of assignments across competitive areas;
- *Restrict competitive levels to a single job classification series;*
- *Broaden job placement during "retreat"* to positions essentially identical to a permanent position the employee previously held while working for the Federal Government. Under the old regulations this placement right was limited to positions from or through which the employee had been promoted;
- *Limit the job placement rights, with one exception, to no more than three grades below the employees current grade.* Under this change, employees cannot "bump" or "retreat" to a position that is more than three grades, or three grade intervals⁸ below their current grade. Veterans with a 30 percent or greater service-connected compensable

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In some jobs, grade progression is by single grade (e.g., GS-4 to GS-5 to GS-6); in others, the grade progression is in two-grade intervals (e.g., GS-5 to GS-7 to GS-9). In still other instances, a combination occurs (e.g., GS-9 to GS-11 to GS-12). Under the revised regulations, *assignment rights* would be determined in keeping with normal progression, but limited to three grades or grade intervals.

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disability can "retreat" to a position as much as five grades or five grade intervals below their current level;

- *Preclude agencies from using vacant positions outside the three-grade limit to make formal offers of assignment under RIF to employees;*⁹
- *Eliminate appeal rights when the employee suffers no loss of grade or pay;*
- *Limit an employee's right to a hearing to situations where MSPB decides that there are material issues of fact in dispute (However, on June 26, 1987, a 3-judge panel of the United States Court of Appeals for the District of Columbia Circuit ruled that OPM had "reached beyond its designated statutory authority by issuing a regulation that purports to instruct the MSPB how to conduct personnel appeals."¹⁰ The Court of Appeals directed the District*

⁹ The new FPM Chapter 351 issued in September 1987 does allow agencies, with some restrictions, to offer vacancies outside this grade level limitation to employees who would otherwise be separated. Such offers are not RIF assignments and are processed as internal placements under FPM Chapter 335.

¹⁰ U.S.App.D.C., Civil Action No. 85-02109, decided June 26, 1987.

Court to vacate the pertinent section of the regulation."); and

- *Exclude from RIF procedures employee downgrades caused by a gradual erosion of duties, except in very limited circumstances.*

Compared to that previously in effect, current guidance (FPM Chapter 351):

- Defines job placement ("bump" and "retreat") rights in terms of each agency's normal line of progression for each job classification series; and
- Improves clarity through more and better definitions and examples of nearly all provisions, especially those concerning job placement rights during "bump" and "retreat."

What Do These Changes Mean?

1. What the Changes Mean To Agencies.

Overall, *the revisions:*

- Increase the agencies' likelihood of keeping their better performing, but less senior, employees;
- Decrease the disruption to agencies' programs and employees when they must use RIF procedures;

This is the provision (at 5 CFR §351.901) which states that in the event of an appeal by an employee, "[u]nless the presiding official determines that there are material issues of fact in dispute that would require a hearing for resolution, the review of an agency action shall be confined to the written record."

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- Increase the administrative workload in agencies, primarily because of the new requirements related to considering employees' performance plans and performance ratings as a part of the RIF process;
- Eliminate the burden and cost of defending appeals when the employees suffer no loss of grade or pay; and
- Free agencies from the need to apply RIF procedures when they must downgrade employees whose duties have eroded.

The reduced disruption of RIF is a result of:

- The limit on the number of grades employees can fall back in exercising their job placement rights;
- The more restricted competitive levels consisting only of jobs in the same classification series with similar critical performance elements;
- The requirement to use the same competitive area during each phase of competition for job placement; and
- The restriction against making assignment offers across competitive areas.

With regard to agencies' flexibility in deciding what actions to take during RIF, the agencies lost the following options:

- Full use of vacancies to avoid separating employees; and
- Ability to make job offers outside the competitive area where the RIF was initiated.

For General Schedule and Prevailing Rate (blue collar) employees, the intent of the performance management regulations is to ensure that performance appraisal systems are used as a tool for executing basic management and supervisory responsibilities. This is to be accomplished by using the results of performance appraisal as a basis for adjusting basic pay and determining performance awards; and for training, rewarding, reassigning, promoting, reducing in grade, retaining, and removing employees. The regulations governing Performance Management and Recognition System employees (managers, supervisors, and management officials in the pay ranges of GS grades 13 through 15) have the same purpose. The method of integrating performance appraisal in the RIF process has increased the influence of performance appraisal on personnel actions taken. Thus, the concept is consistent with the law and regulations governing performance management.

The changes related to performance management are not without cost. These changes increase both the work load and administrative complexity of effecting RIF actions. Major causes for the increased workload are:

- the requirement to consider critical elements in making decisions concerning appropriate competitive levels; and
- the need to maintain complete and accurate performance ap-

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praisal information on all employees for a 3-year period, and to average those ratings.

Performance plans for the current year, are maintained by managers and supervisors in the organizations where the employees work. These performance plans ultimately end up in Employee Performance Folders maintained by the servicing personnel offices, but are sent there only after the appraisal period has ended and the performance appraisal has been completed. It is not unusual for a time lag to exist between the actual completion of a performance appraisal and the arrival in the personnel office of the completed documentation, especially in personnel offices servicing geographically dispersed organizations. This time lag may become critical in an agency preparing for a RIF, since the regulations speak to use of the last three annual performance ratings of record *received during the 3-year period prior to the date of issuance of specific RIF notices.*

In preparing for a RIF, an agency personnel office will have to collect and maintain current copies of employees' performance plans, and may have to establish cut-off dates by which recent appraisals must be received if they are to be used. Clearly, personnel offices will have more work because of the changes related to performance.

Finally, there is evidence that agency performance appraisal systems are still

developing, and in need of improvement.¹² There is also evidence that performance ratings are high, at least among some of the supervisory and managerial population studied by OPM.¹³ (Whether this will be a significant factor is presently unknown. If "high ratings" are consistent across the work force, the impact of performance will be diminished. If ratings are inconsistent in relation to similar quality of performance, the distinctions will be unfair.) *In summary, the provision increasing the weight on performance in placement and retention decisions will result in improvement only if performance ratings are an accurate reflection of employees' actual performance.*

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For example, the General Accounting Office reported in a study titled "A 2-Year Appraisal of Merit Pay in Three Agencies" that "[performance] standards and the procedures used to establish them need to be improved." (GAO/GGD Report 84-1, March 26, 1984, Summary statement.) The report included numerous examples supporting this conclusion.

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For example, OPM reported, in reply to a question from MSPB gathering information for a study of the Performance Management and Recognition System (PMRS), that, through conducting Performance Management Program Reviews, OPM staff had found "[high rating levels] * * * at 87.5 percent of the agencies reviewed." Additionally, OPM reported "there is a great need to improve the quality of elements and standards (87.5% of the agencies reviewed)." (Enclosure to letter from Honorable Constance Horner, Director, OPM, to Honorable Daniel R. Levinson, Chairman, MSPB, dated December 4, 1986.) Additionally, in collecting data for a forthcoming MSPB report on the Performance Management and Recognition System, MSPB staff found that, as of October 1985, 68.7 percent of all PMRS employees with valid performance ratings had received performance ratings above "Fully Successful." This suggests that implementation of the Performance Management and Recognition System, if not the system itself, still needs improvement.

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Agencies are responsible for determining the career or grade progression patterns for Prevailing Rate (blue collar) jobs and, in some cases, for General Schedule (white collar) jobs. Under the new RIF regulations, agencies also specify normal lines of progression for deciding job placement rights. The change should make these decisions easier for employees to understand, since the decisions will be consistent with normal agency practices.

Agencies also are no longer required to apply RIF procedures when an employee must be downgraded because of gradual erosion of duties, unless they are already conducting a RIF for other reasons. This reduces the agencies' workload in effecting the personnel action and eliminates the need to defend against an appeal to MSPB.

Finally, agencies no longer have to defend against appeals to MSPB when employees suffer no loss of grade or pay as a consequence of RIF.

As written, the regulations also reduced the work and cost of representation associated with a hearing in an employee's appeal before the MSPB because hearings were to be held only when the MSPB administrative judge decided that there were material issues of fact in dispute. However, as noted on page 4, this provision was struck down by a 3-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit on June 26, 1987.

2. What the Changes Mean To Federal Employees.

Under the new regulations, higher performing employees have gained the opportunity to have their performance make a real difference in determining how a RIF

affects them. Lower performing employees have lost some seniority protection since a formula is applied to add to an employee's years of service based on the performance rating. Under the formula, performance is measured as the average of the three most recent performance ratings. Whether the performance credit is a real gain for employees hinges on the fairness and accuracy of the performance ratings.

Fewer employees will be affected by RIF because they have gained some protection from the "ripple" effect often associated with RIF in recent years. This is brought about by a combination of:

- Limiting to three grades, (or three-grade intervals), placement in lower graded jobs;
- Considering critical elements in establishing competitive levels and in deciding qualifications and job assignment rights; and
- Limiting competition for retention to one competitive area.

Finally, all employees have lost some rights they had under previous regulations. Employees whose positions must be downgraded as a result of erosion of duties no longer have the opportunity to compete in a RIF and thus possibly avoid the downgrade. These employees also have lost their right to appeal the downgrade to MSPB. They are, however, protected by grade and pay retention. All employees have lost the right to appeal RIF placements when there is no loss of pay or grade. Without loss of pay or grade, this does not appear to harm employees materially.

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Until the June 26, 1987, decision by the 3-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit, employees also had lost the right to a hearing in an appeal before the MSPB unless the MSPB administrative judge determined that there were material issues of fact in dispute that required a hearing for resolution. This is no longer the case.

3. What the Changes Mean to the Merit System.

In general, if properly applied, the revisions will strengthen the merit bases of reduction in force.

To the extent that the performance appraisal system is administered properly and the resulting performance ratings are an accurate reflection of the relative abilities of employees, giving performance greater weight as a retention factor has a positive effect. Using critical elements to establish competitive levels and determine job qualifications and assignment rights has a similar positive effect, so long as the elements are appropriate.

In the same vein, the limits imposed on assignment ("bump" and "retreat") rights appear reasonably drawn. A balance has been drawn between the three-grade limit on assignment rights and the potentially greater placement rights given to employees as a result of their ability to "retreat" to a greater number of positions. The limits appear reasonable and workable.

What Are The Agencies' Concerns?

Agencies expressed both substantive and procedural concerns. The substantive concern most often raised (by six departments) was that OPM has imposed unreasonable re-

strictions on the use of vacancies during RIF by including vacant positions in the three-grade limit on assignment rights.

Agency arguments follow this line of reasoning: because vacancies below the level of an employee's "bump" and "retreat" rights may not be offered in lieu of separation, needless separations may occur. When such vacancies exist and an agency wishes to fill them with affected employees, agencies have to use the following three-step process: (1) issuance of a RIF separation letter; (2) registration into the Reemployment Priority List (RPL); and (3) appointment from the RPL to the vacancy. Agencies pointed out that this result could be achieved more easily-- and with less trauma to affected employees --if the vacant positions could be offered directly to the employees.

The final FPM Chapter 351, dated September 17, 1987, offers an alternative agencies may use to achieve the same result without following the three-step process. This guidance permits use of voluntary change to lower grade to minimize the adverse effect of RIF upon employees. If the change to lower grade is voluntary, rather than "an offer of assignment under RIF," the three-grade restriction does not apply.¹⁴ Furthermore, if an affected employee had received a specific RIF notice, saved grade and pay

¹⁴ The new guidance imposes restrictions upon use of this alternative, however. These restrictions are:

(1) offers to positions in the same competitive area, or to different competitive areas in the same local commuting area, must be made on the basis of veterans preference group superiority; and (2) offers made in the same competitive area cannot violate the assignment rights of any other competing employee in the RIF. Offers of positions in different competitive areas that are outside the local commuting area are not subject to these restrictions.

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will apply; if not, saved grade and pay, or saved pay, will be at the option of the agency. The interim FPM Chapter 351 guidance prohibited this alternative, but the final guidance permits it so long as the action is not "an offer of assignment under RIF."

Four departments also expressed substantive concerns about using critical performance elements as a basis for determining competitive levels. The concerns hinged on the potential for employees to view managerial actions as a manipulation of the RIF system, and a sense that this is an artificial basis for making such determinations. Both points appear to recognize that performance plans are developed by the managers who could use the plans to protect their own interests in retaining certain employees. Even in the same organization, different managers may have different expectations, or may express them in different ways, making comparisons of positions difficult. (MSPB notes that this may also be true of the way job descriptions are written and that, in the past, job descriptions were the sole basis for determining competitive levels.) Two departments raised the same concern about the use of critical elements in determining qualifications and job placements.

The new FPM Chapter 351 explains how critical elements are to be used in establishing competitive levels and determining employee qualifications for assignment rights.

A procedural concern about the use of performance plans was also raised--that they have not been readily available in the personnel office at the time the competitive level decisions are made. Competitive levels are typically assigned at the time positions

are classified. In the case of new positions,

performance plans generally have not yet been developed.

The most common procedural concerns expressed by the agencies dwelled on the increased workload resulting from the requirement to link RIF to the performance appraisal system. In addition to the already-identified concerns about the availability of performance plans and the frequency of changes to those plans, seven departments and two independent agencies commented about problems with administering the provisions governing additional service credit for performance. Two of these departments and both of these independent agencies were among the nine agencies that identified "additional service credit for performance" as a strength in the new regulations, suggesting that the concept is generally well accepted, even though the procedures are viewed as burdensome.

The new FPM Chapter 351 emphasizes that additional service credit for performance must be:

1. Consistent with agency performance management plans; and
2. Uniformly and consistently applied in a given RIF.

Sixteen departments and agencies called attention to the critical need for the performance appraisal system to be fair, and to be perceived by employees as fair, because of the increased weight on performance ratings in deciding retention during RIF. These agencies' comments addressed both procedural and substantive issues (duplicating some covered by comments already presented), but a common theme ran through most of them: there are still problems in the administration of their per-

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formance appraisal systems that could cause difficulties in the event of a RIF. The message being sent was much more one of need to improve *how* the performance appraisal system was being operated than one of need to change the basic appraisal system.

**How Good Was OPM's Implementation
Guidance and Assistance?**

The agencies that had dealt with OPM on the new RIF regulations (e.g., asking how to apply or interpret a particular provision) were unanimous in their evaluation of OPM's performance: it was good. Agencies said OPM was extremely responsive and cooperative, quick to answer questions, and very available to make presentations to groups of agency personnel.

Only one criticism was raised: the final Federal Personnel Manual (FPM) Chapter 351, which contains RIF guidance, was not published. Interim guidance had been published, but it was subject to further revision. Agencies had submitted to OPM suggested revised language for sections of this FPM chapter, and were waiting to see the effect of those suggestions on the final language.

Interim FPM Chapter 351 was published on March 3, 1986. It remained in effect until the final FPM Chapter 351 was published on September 17, 1987. A number of the agencies' concerns appear to have been addressed in the final chapter.

METHODOLOGY

In preparing this report, MSPB drew heavily upon written responses received from the Office of Personnel Management and the 21 largest executive departments and independent agencies. The officials who responded

to the MSPB information requests are identified in the appendix to this report.

There were actually 27 responses from the 21 departments and independent agencies. The Department of Defense submitted separate replies from seven components of the department, rather than a single consolidated response. (These were in addition to replies from each of the three uniformed services.)

OPM and the agencies responded to specific questions from MSPB. Their answers to the RIF questions were a mixture of facts, perceptions, and opinions. Because of the recency of the revised regulations, no data were obtained concerning application of the regulations in actual RIF situations.

The MSPB analysis looked for patterns and consistency among the responses, as well as for indications of conformity of the revised regulations with the merit system principles, and of avoidance of prohibited personnel practices.

Many OPM and agency personnel officials took time to discuss aspects of the RIF regulations with MSPB staff preparing this report. They clarified or explained points made in written responses, and frequently provided additional insights and identified new lines of examination to pursue. While not discrete additional information sources, these professionals clearly contributed to this report.

OPM REVIEW

The OPM Associate Director for Career Entry reviewed a draft of this report, and on September 18, 1987, gave MSPB written comments concerning it. Those comments were considered in preparing the final report.

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**APPENDIX
LIST OF OFFICIALS IN DEPARTMENTS AND INDEPENDENT AGENCIES
WHO CONTRIBUTED INFORMATION TO THIS REPORT BY RESPONDING
TO MSPB'S AUGUST 1986 INFORMATION REQUESTS**

William J. Riley, Jr.
Director of Personnel
Department of Agriculture

Terence C. Golden
Administrator
General Services Administration

P.I. Schittulli
Director of Civilian Personnel
Department of the Air Force

Thomas S. McFee
Assistant Secretary for
Personnel Administration
Department of Health and
Human Services

Charles E. Thomas
Chief, Planning and Evaluation Office
of the Deputy Chief of Staff for
Personnel
Department of the Army

Judith L. Hofmann
Assistant Secretary for Administrati
Department of Housing and
Urban Development

John M. Golden
Director of Personnel
Department of Commerce

Gerald R. Riso
Assistant Secretary for Policy, Budg
and Administration
Department of Interior

Claire E. Freeman
Deputy Assistant Secretary for
Civilian Personnel Policy
Department of Defense

Harry H. Flickinger
Acting Assistant Attorney General
for Administration
Department of Justice

Veronica D. Trietsch
Director, Personnel Resource
Management Service
Department of Education

William E. Brock
Secretary
Department of Labor

J.M. Schulman
Director of Personnel
Department of Energy

Carl Grant
Director of Personnel
National Aeronautics and
Space Administration

Clarence Hardy
Director of Personnel Environmental
Protection Agency

Chase Untermeyer
Assistant Secretary for
Manpower and Reserve Affairs
Department of the Navy

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Carolyn Shackleford
Special Assistant to the
Director of Personnel
Small Business Administration

Stephanie Ewasko
Chief, SES and PMRS Programs
Office of Civil Service Career
Development and Assignments
Department of State

Diana L. Zeidel
Director of Personnel
Department of Transportation

Philip E. Carolan
Director of Personnel
Department of the Treasury

Michael Rudd
Director of Personnel and Labor Relations
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A REPORT BY THE U.S. MERIT SYSTEMS PROTECTION BOARD



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