

GAO

Report to the Chairman, Subcommittee on  
Legislation and National Security,  
Committee on Government Operations,  
House of Representatives

October 1992

# FOREIGN SERVICE

## Agencies Use Various Criteria for Granting Limited Career Extensions



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**National Security and  
International Affairs Division**

B-250320

October 15, 1992

The Honorable John Conyers, Jr.  
Chairman, Subcommittee on Legislation  
and National Security  
Committee on Government Operations  
House of Representatives

Dear Mr. Chairman:

This report addresses your concerns regarding foreign service agencies' compliance with specific provisions of the Foreign Service Act of 1980, which permits limited career extensions (LCEs).<sup>1</sup> Under the act, agencies can use LCEs to retain senior-level foreign service officers beyond the mandated time limits of their careers. Specifically, you asked that we determine (1) whether LCEs were granted in compliance with the law and agencies' policies, (2) the number and percentage of eligible employees granted LCEs, and (3) the effect LCEs have on promotion opportunities for lower graded staff.

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**Background**

The Foreign Service was established in 1924 to help plan and implement U.S. foreign policy and to represent U.S. interests in foreign countries and international organizations. The Foreign Service Act of 1980 established the senior foreign service to provide strong policy formulation capabilities, outstanding executive leadership qualities, and highly developed functional, foreign language, and area expertise. The Secretary of State administers and directs the foreign service.

The Foreign Service Act of 1980 also established the framework for the current foreign service personnel system. Central to this system is the "up or out" concept, which requires that individuals be separated from the service if they are not promoted into the senior foreign service, or, if they are in the senior foreign service, to the next higher salary class, within a specified time frame—this is referred to as time-in-class limitation. LCEs can be used to permit senior-level foreign service officers who would otherwise be separated from the service to continue their careers for specific periods of time. Agencies are required to establish selection boards to evaluate performance of candidates, and rank and recommend them for LCEs

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<sup>1</sup>Public Law 96-465, sections 601-607, 22 U.S.C. §4001-4007.



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Washington, D.C. 20548

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provides that LCEs may be granted to individuals in accordance with the recommendations of selection boards. The recommendations of the selection boards must be based on performance. The law and the legislative history emphasize the need for highly developed executive management and leadership qualities and the need for regular and predictable personnel flows.

However, the Departments of Agriculture, Commerce, and State; AID; and USIA have implemented the act differently. Each has developed different eligibility requirements for LCEs. The following is a description of each agency's policy.

- Agriculture grants LCEs to senior foreign service officers and FS-01s for 1 to 2 years with the potential for renewal. Individuals are considered in the last year of their time-in-class limitations.
- Commerce's policy permits granting LCEs for up to 3 years with the potential for renewal to senior foreign service officers in the last year of their time-in-class limitations. However, it has not granted any LCEs in the last 5 years because, according to Commerce officials, LCEs limit promotion opportunities for lower graded employees.
- State grants LCEs for terms of 3 years, with the potential for renewal. In 1990, State revised its policy and now only grants LCEs to individuals with specialized skills in the FS-01 and senior foreign service classes; most generalists are no longer considered. Individuals are eligible during the last year of their time-in-class limitation.
- Until recently, AID granted LCEs only to senior foreign service officers and for up to 3 years, with the potential for renewal. During the last 5 years, AID granted LCEs to any senior foreign service officer able to obtain another assignment, though this has been modified beginning in 1992. The revised policy eliminates this automatic extension. Individuals may be considered in the last 2 years of their time-in-class limitations.
- USIA grants LCEs to senior foreign service officers for 3 years with the potential for renewal. USIA also requires those who receive LCEs to have served overseas within 6 years previous to being considered for an LCE. USIA also grants LCEs to certain overseas specialists below the senior foreign service level.

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recommendations. For example, in 1991, the AID selection board recommended and rank ordered 23 counselors for LCEs.<sup>3</sup> AID granted 14 LCEs, however, they were not granted to the first 14 ranked names from the selection board's listing. Four individuals ranked in the top 14 were not granted LCEs,<sup>4</sup> while those ranked as low as 21st and 23rd were.

## Number and Percent of LCEs Granted

Neither the Foreign Service Act of 1980 nor agencies' policies establish any specific or quantifiable limit on the number of LCEs that an agency may grant. Agencies are, therefore, free to grant LCEs to the extent they find consistent with the law's criteria of individual performance, agency requirements, and orderly personnel flow.

From 1987 through 1991, the number and percentage of LCEs granted varied by agency. During this period, over half of all the individuals whose time-in-class limitation was about to expire received LCEs. Table 1 shows the distribution of LCEs granted by agency and year for the 5-year period.

**Table 1: Number and Percent of LCEs Granted From 1987 Through 1991**

Dept/ agency	1987		1988		1989		1990		1991		Total	
	No. of LCEs	Percent of eligibles										
State	71	63	25	44	56	54	12	100	8	89	172	58
AID	18	82	28	74	20	69	38	72	27	54	131	68
USIA	18	53	17	59	10	53	8	42	16	55	69	53
Agriculture	0	0	2	100	3	50	4	67	3	43	12	57
Commerce	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>107</b>	<b>63</b>	<b>72</b>	<b>57</b>	<b>89</b>	<b>56</b>	<b>62</b>	<b>69</b>	<b>54</b>	<b>55</b>	<b>384</b>	<b>60</b>

As table 1 shows, State and AID granted the greatest number of LCEs over the period; AID approved the largest percentage of eligible individuals for LCEs. USIA and Agriculture granted significantly fewer extensions, but they

<sup>3</sup>The senior foreign service is comprised of three classes which are, in ascending order, counselors, minister counselors, and career ministers.

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## Scope and Methodology

We reviewed the portion of the Foreign Service Act of 1980 related to LCEs, its legislative history, and the LCE policies and procedures of each foreign service agency. We also obtained and reviewed documents pertaining to selection board results, personnel rank ordered lists, and time-in-class limitation data. We interviewed officials from the Departments of Agriculture, Commerce, and State; AID; and USIA. All interviews were conducted in Washington, D.C.

We conducted our review between March and August 1992 in accordance with generally accepted government auditing standards. As you requested, we did not obtain agency comments on this report. However, we discussed the contents of the report with officials of each agency and incorporated their comments as appropriate.

As arranged with your office, we plan no further distribution of this report until 30 days from its issue date. At that time we will send copies to the Secretaries of Agriculture, Commerce, and State; the Administrator of AID; the Director of USIA; the Director of the Office of Management and Budget; and other appropriate congressional committees. We will also make copies available to other interested parties upon request.

Please call me on (202) 275-5790 if you or your staff have any questions regarding this report. Major contributors to this report were Albert H. Huntington, III, Assistant Director; Muriel J. Forster, Evaluator-in-Charge; and Jean L. Fox, Evaluator.

Sincerely yours,



Harold J. Johnson  
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