

The end of the military force cuts is in sight, but for Air Force civil servants, the reductions roll on.

Civilian Drawdown, Hard and Fast

By Suzann Chapman, Associate Editor

THE surge of military personnel reductions has peaked and now has begun to ebb. However, the civilian drawdown continues in full force, with many painful actions yet to be taken.

Over the six-year period from Fiscal 1989 to 1995, the Air Force eliminated 71,508 of its 249,000 civilian jobs—that is, 28.7 percent of the US civilian force that was in place at the start of the decade. Now Air Force personnel officials plan to cut about 25,000 more civilians over the next six years. When all the cutting is done, the number of civilian workers will be down to only 153,000, about thirty-nine percent fewer than in 1990.

The harshest reality, though, is that the Air Force has already taken the easy cuts. Much of the Fiscal 1989–95 reduction was achieved in the shift of personnel from USAF to other Pentagon agencies, such as the Defense Finance and Accounting Service and the Defense Commissary Agency, and through cuts based on force-structure changes. The next round of civilian cuts will have to come out of hide.

So far, various personnel actions have helped to keep the actual num-

ber of civilian workers forced “out the gate” relatively low. Civilians caught in the latest round may not be so fortunate, however.

The Defense Department is the federal government’s largest employer, with its payroll supporting nearly half of all federal civil servants. DoD will have reduced that work force from 1.1 million in Fiscal 1989 to about 758,000 in Fiscal 1999. Through Fiscal 1994, the Pentagon already had cut some 174,000 civilian workers; of this number, it had to force out 26,000, or about fifteen percent of the total.

During the Fiscal 1993–95 period, the Air Force separated about 29,000 workers, but only 3,800 of them—about thirteen percent—lost jobs as a result of involuntary reductions in force. Personnel officials credit the fairly low RIF numbers to use of such measures as separation incentives, early retirements, and aggressive placement actions.

Defense Department and Air Force officials believed that RIFs should be the last resort. Initially, though, DoD policy did not provide for separation incentives, and even though USAF wanted to offer enticements for vol-

Before the drawdown is done, the Air Force civilian work force will be smaller by almost 100,000 employees. Especially hard hit were workers at USAF’s air logistics centers. Opposite, technician Jimmy Vowell works on a KC-135 at Sacramento ALC, McClellan AFB, Calif., which lost many jobs during the most recent round of downsizing.



Staff photo by Guy Aceto

untary separations, the Pentagon did not authorize them until March 1993. Until then, DoD relied on hiring freezes and voluntary attrition, along with some RIFs, to reduce the force.

In a May 1993 report, the General Accounting Office pointed out that the lack of incentives hampered DoD's ability to plan an orderly downsizing. The GAO warned that the process created "skill imbalances and an increasingly more senior and relatively more costly per capita work force," as more senior civilians practiced what is called "bumping and retreating." This term refers to a process in which a senior employee with prior experience in a lower graded position can "bump" a junior employee out of the junior position and "retreat" into the job. The senior employee retains his or her former pay grade for two years and possibly longer.

Incentives Spared RIF Actions

Since the Air Force implemented the separation incentive program, it has approved 14,900 payments. Incentives have helped significantly reduce the number of people who would have been RIFed, according to USAF personnel officials.

"I think that—although, for every person who has been separated, this is a hard pill to swallow—I really feel, to date, [that] the Air Force has done a very good job of alleviating the large-scale turbulence associated with all this downsizing," said Jack Schrader, an official of the Air Force Personnel Operations Agency. "My personal opinion is that, if you look at the numbers we've downsized and look at the number of potential reductions in force vs. what we've separated, . . . it's a success story."

Measuring success, in this instance, is based on the fact that the Air Force has had to impose fewer involuntary separations than had been projected.

For instance, USAF officials at Hill AFB, Utah, projected that they would have to RIF about 800 civilian employees in Fiscal 1994 to meet their portion of civilian reductions for that year. However, the base then started a "mock RIF" to let people know who might be in line to lose their jobs. These were the people whom personnel officials made the primary target of early retirement, separation incentives, or placement actions. By working these programs, Hill AFB man-

aged to cut its potential RIFs from the original 800 to only 264.

Other bases took similar steps to reduce their RIF actions. Castle AFB, Calif., initially projected it would have to RIF 400 employees but wound up firing only fifty-six. Griffiss AFB, N. Y., expected to involuntarily separate 300 but wound up with 136 RIFs. McClellan AFB, Calif., projected 218 RIFs but ended with only seven. Wright-Patterson AFB, Ohio, planned for 360 RIF actions; instead the base involuntarily separated seventeen employees.

RIF projections usually forecast the worst possible case, according to Paul Hutchins, chief of USAF's Civilian Workforce Management Division. Each base must calculate the number of RIF actions it would need to meet its share of employee cuts, based on upcoming fiscal reductions. USAF civilian personnel officials take those potential RIF numbers, and, if the number is greater than fifty employees at one location, they prepare Congressional and public notices. The coordination chain runs from the personnel office through the Secretary of the Air Force and DoD to the White House.

Under current rules, said Mr. Hutchins, DoD must give 120 days' notice of intent to RIF an employee if there are more than fifty such actions at one base. He added that the 120-day rule was unique to DoD and that the four-month lead provides "a lot of opportunity to try to get people placed."

Downsizing Ripple Widens

In the early going, the bases hardest hit by the drawdown were those operating Air Force Materiel Command depots. Last year, however, the civilian drawdown affected every base to some extent.

"It's a different era now," said Diane Van Bavel, a personnel specialist in the Civilian Workforce Management Division. "We've been doing incentives since March 1993, and last year it touched every base for the first time." Given the recent spate of publicity about budget cuts and incentives, she said, some civilian workers are beginning to realize that they may not be able to hold their job until normal retirement. This realization is especially acute, she said, for "some folks close to being retirement-eligible, but not quite."

Spreading the word about employee options in the new environment has become a large task for headquarters and base-level civilian personnel officials. According to Mr. Hutchins, each facility on a base realignment and closure (BRAC) list gets a visit from a team led by the Secretary of the Air Force. Other bases also have town hall meetings and emphasize drawdown options in employee newsletters and commander's calls.

"Employees have to be aware of the pros and cons," said Mr. Hutchins. He added that the employees get the information in broad terms at mass meetings, but "for specifics, it's really kind of a one-on-one," for which they need to talk with base civilian employee relations specialists.

Every employee needs to consider and analyze options and penalties. Each case will be different for each employee, with the variables being length of service, age, and family or personal considerations.

The volunteer early retirement program is a federal government-wide program for workers of any age with twenty-five years of service or people at least fifty years old with twenty years of service. The kicker, Mr. Hutchins noted, is the two percent

Fewer USAF Civilians

Fiscal Year	End Strength	One-Year Loss	Cumulative Loss	Cumulative Percent Change
1989	248,666	—	—	—
1990	237,844	10,822	10,822	4.35
1991	222,489	15,355	26,177	10.53
1992	205,757	16,732	42,909	17.26
1993	193,416	12,341	55,250	22.22
1994	188,846	4,570	59,820	24.06
1995	177,158	11,688	71,508	28.76
The Next Wave				
1996	174,164	2,994	74,502	29.96
1997	168,505	5,659	80,161	32.24
1998	162,516	5,989	86,150	34.64
1999	157,434	5,082	91,232	36.69
2000	154,595	2,839	94,071	37.83
2001	153,325	1,270	95,341	38.34

Numbers include only US direct-hire civilians, not foreign nationals.

penalty in annuity payments for every year under age fifty-five. However, those who retire may also receive a payment of up to \$25,000 under the separation incentive program.

People not eligible to retire may also elect to resign under the Voluntary Separation Incentive program. They may receive up to \$25,000; the exact amount is based on the amount of severance pay an individual would merit. However, some restrictions are placed on those who take this payment. For example, a recipient would not be able to work for the government again for five years or would have to repay the incentive money.

Some may decide to pass up both voluntary options and let the involuntary RIF run its course. They might get slightly more money because they would presumably stay on the rolls for a few more months, adding to their severance pay. They also would get some continuation of health benefits and be eligible for unemployment compensation.

Each base has employee specialists trained to use special computer programs to crunch an individual's "numbers." "They have to know what their severance pay would be, have to know what the rules are, and the incentives, what the early retirement penalties are," emphasized Mr. Hutchins. "All those things are critical to a person's decision."

There will always be some RIF actions, whether by choice or necessity. What has enabled the Air Force to keep those numbers down is that, when it processes potential separations, it considers the total civilian force, not just those whose jobs will be cut.

According to Mr. Schrader, USAF civilian personnel specialists will start up to a year in advance trying to find a way to spare a worker by paying someone else an incentive to leave, "which is within what the law allows." He said the Air Force has often used incentives to pay individuals who were not in RIF positions but were in better situations to leave civil service, thus creating a vacancy for a targeted individual whose circumstances were not as good.

Job Umbrella Threatened

The Air Force also has used DoD's Priority Placement Program (PPP) to help find defense employment for qualified Air Force people. The Pentagon's placement program has been around for about thirty years but has seen an enormous jump in registrations with the onset of the drawdown. Today, the PPP processes about 19,000 people a year, up from just a few thousand several years ago.

The PPP is a worldwide job referral program that crosses lines between services and DoD agencies.

Any employee with a RIF notice can register and will remain on the PPP list up to a year after separation. Being on the PPP list puts an employee on a "stopper list," said Mr. Schrader. That means if a vacancy occurs anywhere in the DoD system and the employee is qualified, he or she becomes a mandatory placement.

So far, the Air Force has made the system work fairly well, even getting Air Force civilians into local vacancies before non-USAF employees. Mr. Schrader said that the service has tried first to place "well-qualified Air Force employees or employees we can cross-train into vacancies at the same installation."

The Air Force's civilian personnel specialists, creating what they call "daisy chains," use the incentive programs and the PPP to reassign qualified employees within various positions and to voluntarily separate others. Mr. Schrader said that the "daisy chain" approach allows the Air Force to do some skill balancing and save knowledgeable people who otherwise would have been separated.

"We've been very successful at the installation level with those kinds of movements to get to that one person who might have been separated," he said. "In some cases, we've even done it within major commands, where you have the same type of work, say in an air logistics center."

Another measure USAF personnel officials use under the PPP is the "job swap." The process is to swap an employee at a base slated to close with an employee at a base with an ongoing mission. The central element here is that the first employee wants to remain with civil service and the second, based on age or other personal considerations, would rather leave.

Mr. Schrader pointed out, "To date, the umbrella system we've had in place has been effective," though he quickly added that "it's going to become increasingly more difficult because the PPP [list] is not going to shrink." As the downsizing proceeds, he concluded, "the numbers will continue to be high," and the Air Force's ability to use incentives and early outs will decline.

The Air Force Chief of Staff agrees. In an October 27 speech to AFA's Los Angeles symposium, Gen. Ronald R. Fogleman said that the upcoming civilian cuts may be the hard-

est that USAF has yet experienced. General Fogleman warned, "If there is a bad news story in the personnel area, it may be in the civilian personnel side of the house," where, he said, USAF now is "down to a very difficult situation."

To Stay Federal, Be Mobile

Personnel officials say that mobility is critical to success. If a civilian employee is ready to move to where the job is, he or she will be more likely to survive the next wave of civilian force reductions.

"I think the key to this is the mobility—that's really the thing we emphasize the most when we're talking with employees," said Mr. Hutchins. "Some of it depends on your skills; some skills are obviously in more demand than others. In some areas, we have more turnover than in others. But with people who are willing to relocate, we've had a very good success rate."

Once again, however, he raised the caution flag, pointing out that the next round of cuts will be different. "As the drawdown continues, and as we close more bases, the opportunities will shrink, obviously," said Mr. Hutchins.

In addition to the PPP, the Air Force has a central skills bank, which matches qualified people with jobs throughout the Air Force, much like the larger PPP does with Defense Department jobs. Here again, mobile employees maximize their potential for locating new USAF jobs.

Under the PPP, employees with RIF notices must register for specific geographical locations. "If they register for local only and it's a base closure—the handwriting is on the wall," Mr. Schrader commented. He added that for BRAC bases, the process starts up to two years before actual closure. He urged people to "register early and register wide."

PPP's catch is that an employee gets only one chance at employment; there is no opportunity to pick and choose among jobs. Once an individual turns down an offered job, he or she is bumped out of the system. That kind of information is part of the advice offered by civilian personnel specialists at each base.

Those who choose to remain in a specific geographical area can expect a bit of assistance from federal and state governments.

Joining the Private Sector

Each base now has some sort of networking system with the local community and uses it to help displaced employees find jobs within the local private sector. Base Family Support Centers are the focal points for such efforts and provide "one-stop shopping" for transition assistance for civilian and military personnel.

Initially, FSC programs dealt almost exclusively with military personnel. Lately, however, personnel officials said they have been getting more civilians.

FSCs do not help employees find jobs; rather, they provide some of the modern, real-world tools, such as résumé writing, instruction in interview techniques, and even how to dress in the business world. Like their military counterparts, many senior civilian employees who have been in federal civil service for ten or more years are not prepared to hunt for jobs outside the government.

Some bases, particularly those that are closing, work with state unemployment offices to get Department of Labor grant money for retraining, adult education courses, college courses, technical training, and other skills needed in the local area.

The programs are run by the state, not the Air Force, according to Mr. Hutchins. "It's in [the states'] interest to reduce the unemployment rolls," he said. He added that the program had been very successful at bases that were closing, particularly Lowry AFB, Colo., and Williams AFB, Ariz. He also noted that "some early growing pains" were felt in California, where the state was not certain, initially, where to place its priorities—with displaced aerospace industry workers or with government employees.

Now being tested is another potential aid for people located at closing bases—the nonfederal incentive pilot program. It will allow the Defense Department to pay nonfederal employers up to \$10,000 if they hire and retain separated DoD employees.

The Pentagon is still developing implementation guidelines, but the new program will apply only to employees with RIF notices who have worked for DoD for at least one year in a position that did not have a time limit. ■