

On February 1, 2010, the President sent to Congress his FY 2011 budget blueprint that recommends pay parity for federal employees and military personnel. Pay parity, or equal levels of pay increases for both groups, has been a tenet of federal pay policy for most of the last twenty years. NTEU has long argued that both military personnel and federal civil servants work together, and often side-by-side, in defending our borders, protecting our homeland, keeping our government systems running, protecting our food safety, collecting our revenue, and safeguarding public health. Both groups deserve an equal pay raise.

While the level of the proposed average raise is only 1.4 percent this year, the gap between public and private sector pay as measured by the Bureau of Labor Statistics now stands at 26% in favor of the private sector. According to the Congressional Research Service, the average wages among all workers in the economy have risen by 632% since 1969, while salaries for civilian federal employees have increased by only 428% for the same period. (*CRS Rep. 94-971*) Without a fair pay raise, federal employees will fall even further behind the private sector and efforts to attract and retain the best employees will be thwarted.

NTEU believes pay parity is paramount and we will continue to support it. If Congress should increase the 2011 pay raise above the Administration's recommendation for the military through the appropriations process, as it did last year, NTEU will seek the same level increase for federal employees to achieve parity.

NTEU urges you to support pay parity for federal employees and military personnel.

Unfair Social Security Offsets

Federal employees who retire from government service can be subject to two provisions of law that reduce their income and threaten their economic well-being. The Government Pension Offset (GPO) affects tens of thousands of individuals who are entitled to receive a federal pension from their own work and who are also eligible for Social Security based on their spouse's record of work. The Windfall Elimination Provision (WEP) reduces a retiree's Social Security based on his or her *own* earnings by up to 55 percent simply because he or she receives a public pension.

Under GPO, the reduction in Social Security benefits is equal to two-thirds of the government pension. In the case of a monthly CSRS annuity of \$1,200, 2/3rds of that – or \$800 – would be used to offset a retiree's spousal benefits. If the retiree were eligible for a \$900 benefit, he or she would receive only \$100 a month after the GPO. In many cases, the spousal benefit can be entirely eliminated. The WEP penalizes federal employees when they retire by offsetting "substantial earnings" under their own Social Security earnings by using a different formula calculation. NTEU supports legislation to repeal or scale back these unfair offsets, in particular H.R. 235, introduced by Rep. Howard Berman (D-CA), and S. 484 by Senator Dianne Feinstein (D-CA).

Premium Conversion

NTEU supports passage of legislation to allow federal retirees to use pre-tax dollars to pay for their health insurance premiums as active federal workers already do. Health care premiums have risen by more than 50 percent in the last seven years, and federal retirees received no cost-of-living increase this year to offset the premium increase. Since October 2000, OPM has allowed active federal employees to use pre-tax dollars to pay these premiums. Legislation, H.R. 1203, has been introduced by Representatives Chris Van Hollen (D-MD), Frank Wolf (R-VA), and Gerry Connolly (D-VA) to allow retirees the same pre-tax option. Senator James Webb (D-VA) has introduced the Senate version, S.491. NTEU supports these bills.

NTEU asks for:

- Cosponsorship of H.R. 235 and S. 484 to repeal the social security offsets.
- Cosponsorship of H.R. 1203 and S. 491 allowing premium conversion for federal retirees.

COLLECTIVE BARGAINING RIGHTS

The Transportation Security Administration was formed shortly after 9/11 to create a professional, stable, experienced federal security force at our nation's airports. When the legislation was passed, it contained language that gave the TSA administrator unlimited authority to create a personnel system for the Transportation Security Officers (TSOs). Those men and women who became employed with TSA to help secure the nation, joined thinking they would be federal employees. So far, they have been federal employees in name only. One of the first actions executed by the Bush-appointed Administrator was to deny collective bargaining rights to TSOs.

NTEU is committed to securing collective bargaining rights for TSOs. We have taken a two-pronged approach: Working with the Obama administration to issue a directive allowing collective bargaining rights; and working with Congress to pass legislation permanently providing for collective bargaining rights. H. R. 1881, introduced by Rep. Nita Lowey (D-NY) will grant Title 5 protection to TSOs. This protection includes collective bargaining rights and whistleblower protections. Many federal employees involved in securing our nation have these rights - Customs and Border Protection Officers, Border Patrol Officers, Bureau of Prison Guards. Like these federal employees, TSA employees must follow civil service rules that prohibit the right to strike and allow managers to move employees to different areas in the event of an emergency.

TSA employees labor under a system that has almost completely demoralized them. Poor workforce management has led to one of the highest attrition rates in the government, and high on-the-job injuries. Concerns have been voiced about increased costs and potential security gaps in our aviation systems because of the turnover and job dissatisfaction. We can strengthen TSA by providing its workers with a pay and performance system that is fair, credible and transparent, and with a voice in the development of workplace quality standards that will make all the traveling public even safer. Collective bargaining helps to develop fair, credible and transparent processes without interfering with management rights to accomplish agency missions.

NTEU urges:

- Support passage of H. R. 1881.
- Consideration of introducing a companion bill to H. R. 1881 in the Senate.

CBP STAFFING SHORTAGES AND THE ONE FACE AT THE BORDER INITIATIVE

Sufficient staffing should be provided to maintain expertise and ensure security at our nation's ports of entry. Despite demonstrated need, there has been no increase in the number of CBP employees at the ports of entry in the past two fiscal years. Also, in 2003, the Department of Homeland Security (DHS) created a new Customs and Border Protection (CBP) Officer position and announced the "One Face at the Border" initiative that purportedly unifies the inspection process for travelers entering the United States. Consolidating immigration, customs and agriculture inspection functions has caused logistical and institutional weakness causing a loss of expertise in critical homeland security priorities.

CBP CAREER LADDER PAY INCREASE

DHS announced in October that CBP Officers and CBP Agriculture Specialists would receive a career ladder increase in recognition of their growing duties and responsibilities beginning in March 2010. Two weeks ago, NTEU was informed that the increase would be delayed until September 2010. The same career ladder increase should be extended to other CBP positions, including CBP trade operations employees and CBP Seized Property Specialists. The journeyman pay level for the CBP Technicians who perform important commercial trade and administration duties should also be increased from GS-7 to GS-9. Funding for these career ladder increases should be identified for FY 2010 and approved in the FY 2011 DHS Appropriations bill.

REINSTATE CBP FOREIGN LANGUAGE AWARDS PROGRAM

The February 4, 2010 decision by CBP to immediately suspend its Foreign Language Awards Program (FLAP) for CBP Officers and CBP Agriculture Specialists should be reversed. Congress authorized a dedicated funding source to pay for FLAP to identify and utilize CBP employees who are proficient in a foreign language. NTEU believes the program is vital to enhancing duties associated with foreign travel and trade, and meeting national security concerns

REPEAL DHS HUMAN RESOURCES MANAGEMENT SYSTEM

After five years of failed experimenting, the Department of Homeland Security (DHS) abandoned its efforts to impose an entirely new personnel management system (MaxHR) when Congress, in the FY 2009 DHS appropriations bill, ended funding for this program. Without a legislative repeal of the authorization, however, DHS can resurrect MaxHR. NTEU urges the 111th Congress to repeal Title 5, Chapter 97 this year.

NTEU urges:

- Ending the One Face at the Border initiative and increasing staffing at the U.S. ports of entry.
- Funding career ladder pay increases for all CBP employees.
- Reinstatement of CBP Foreign Language Awards Program.
- Repeal of USC 5, Chapter 97--the Homeland Security Act's alternative personnel management provisions.

Lack of adequate agency resources has long been one of the most critical issues facing the federal workforce. That is why one of NTEU's top legislative priorities for the 111th Congress is to ensure federal agencies, including the IRS, DHS, FDA and TSA have the resources and staffing necessary to perform their critical missions.

In previous years, inadequate funding has led to drastic cuts in staffing at many federal agencies, despite an ever increasing workload. Insufficient budgets have also resulted in an overreliance on the use of outside contractors which has eroded the government's ability to perform essential tasks in house and has caused government to spend more than it should to get the job done.

One way in which NTEU believes additional agency resources can be found is by reforming the broken competitive sourcing process, and bringing contracted work back in-house. By ensuring federal employees are able to compete for work with contractors on an even playing field, and identifying areas in which the government could perform this work more effectively and efficiently, federal agencies will be better able to provide high quality services and ensure the sourcing process is more accountable to taxpayers.

Representative John Sarbanes (D-MD) and Senator Barbara Mikulski (D-MD) have introduced legislation (CLEAN-UP) Act. The legislation would ensure that inherently governmental work is actually performed by federal employees; encourage agencies to give federal employees opportunities to perform certain types of outsourced work, including work that was contracted out without competition; and would reform the Office of Management and Budget Circular A-76 privatization process.

Congress has acknowledged the competitive sourcing process as currently designed is flawed and recently included language in the FY '10 Omnibus Appropriations Act prohibiting the use of funds to begin new public-private Circular A-76 competitions for another year, and requiring agencies to review all of their service contracts and develop a plan for bringing some of that work back in-house. The Act also prohibits the use of appropriated funds from being used for private collection agencies to collect federal taxes. While the IRS ended the private tax collection program last March, it still retains the statutory authority to revive the program in the future.

NTEU urges:

- Support for adequate funding to ensure that federal agencies have the resources and staffing necessary to perform their critical missions.
- Co-sponsorship of HR 2736 and S 924 to reform the broken federal sourcing process and ensure that federal sourcing is both fair to federal employees, and more accountable to taxpayers.
- Co-sponsorship of HR 796, introduced by Rep. John Lewis (D-GA), to repeal IRS' authority to outsource the collection of federal taxes to private collection agencies.

Federal employees and retirees continue to face increases in their health care premiums. In 2010, the enrollee portion of the FEHBP premium increased on average by almost 9%. Nearly 4 million participants paid increases of over 12%, or over 15%, if they were enrolled in the popular Blue Cross/Blue Shield plan. Yet, benefit and coverage cutbacks continue while enrollees face higher co-payments.

NTEU is committed to saving program costs in FEHBP. One area where NTEU believes savings can be found is in FEHBP's current prescription drug pricing method. It is overly

complex, non-transparent and results in the government paying more for prescription drugs under FEHBP than in other federal programs including the VA, DOD, Medicare and Medicaid. NTEU

supports H.R. 4489, introduced by Rep. Stephen Lynch (D-MA), to reform prescription drug pricing in the FEHBP program. Under the Lynch bill, pharmacy benefits managers who negotiate drug prices with manufacturers and supply them to insurance carriers would be subject to transparency and cost containment measures. We believe the Lynch bill will enable OPM to better audit the program and recapture rebates and fees that can be used to keep costs down for FEHBP enrollees.

This Congress saw major health reform legislation pass in both Houses of Congress and at

press time final action is pending. NTEU's positions are: 1) For maintaining the integrity of FEHBP by continuing it as the health care plan for federal employees and retirees, as the bills currently do. We oppose opening up FEHBP to additional groups unless there are separate risk pools. 2) **Against** the Senate passed excise tax to fund the comprehensive bill. While we acknowledge the

Administration and Congress have an improved proposal that includes a higher tax threshold and a later effective date, we oppose the use of an excise tax altogether. 3) For extending coverage for dependent children on their parents' health insurance policies to age 26 or 27, as the Senate and House-passed bills do. 4) **Against** capping health Flexible Spending arrangements at \$2,500 as both bills do. 5) For providing the Office of Personnel Management additional administrative resources if it is provided additional responsibilities under a final measure, particularly if it is charged with operating new national health plans as expected. While these health plans are intended to be separate entities, they will require additional staff and resources to ensure that OPM's primary role as the federal-personnel agency is not diluted.

NTEU urges:

- Cosponsorship of H.R. 4489, the FEHBP Prescription Drug Integrity, Transparency, and Cost Savings Act.
- Support for additional resources to OPM if it is required to operate new national health care plans under the health care reform legislation.