

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

603rd FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, March 19, 2015

Room 7H31
Office of Personnel Management
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM
Jim Davey, DoD
Scott Stoner, Air Force
David Pedersen, Navy
Arleen Romba, VA (via phone)Labor Members:Bill Fenaughty, MTD/NFFE
Jacque Simon, AFGE
Candace Archer, AFGE
Robert Shore, NAGE
Steven Landis, ACT**Staff Specialists and Visitors:**Brenda Roberts, Designated Federal Officer, OPM
Madeline Gonzalez, OPM
Jim Brady, DoD
Becky Chaves, DoD
Chris Lynch, DoD
Gary Buck, Army
Lamar Elliot, ACT
Emell Monlyn, NAGE**Recording Secretary:**

Mike Eicher, OPM

[Transcript prepared from digital audio produced by FPRAC.]

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P R O C E E D I N G

CHAIRMAN FRIEDMAN: Good morning, everyone, and welcome to this, our 603rd meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chair of the Committee. And as we always do, why don't we go around the room and introduce ourselves.

MR. ALLEN: Mark Allen with OPM.

MR. DAVEY: Jim Davey with DoD.

MR. STONER: Scott Stoner with Air Force.

MR. PEDERSEN: David Pedersen with Navy.

MR. FENAUGHTY: Bill Fenaughty with Metal Trades and NFFE.

MS. ARCHER: Candace Archer, AFGE.

MS. SIMON: Jacque Simon, AFGE.

MR. SHORE: Robert Shore, NAGE.

MR. LANDIS: Steve Landis, ACT.

CHAIRMAN FRIEDMAN: And, Arlene, could you introduce yourself for the recorder, please?

MS. ROMBA: Arleen Romba for VA.

CHAIRMAN FRIEDMAN: Thank you. And if the folks around the room could also introduce themselves and please speak loudly?

MS. ROBERTS: Brenda Roberts, Designated Federal Officer.

MR. LYNCH: Christopher Lynch, DoD.

MR. BRADY: Jim Brady, DoD.

MS. CHAVES: Becky Chaves, DoD.

MR. BUCK: Gary Buck, U.S. Army.

MR. EICHER: Mike Eicher, OPM.

MS: GONZALEZ: Madeline Gonzalez with OPM.

MR. ELLIOT: Lamar Elliot, ACT.

MR. MONLYN: Emell Monlyn, NAGE

CHAIRMAN FRIEDMAN: Okay. Well, welcome again, everyone. The only announcement I have is I did distribute the latest roster of FPRAC. There were some slight changes since the previous roster that was distributed at our meeting in January.

That brings up the minutes of our last month's meeting. Are there any changes that people have, any corrections beyond those we've already heard from you about?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, is there any objection to adopting the transcript of our last meeting?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing no objection, the transcript is adopted.

That brings up Old Business.

MR. ALLEN: Mr. Chairman, I do have one announcement.

CHAIRMAN FRIEDMAN: Oh, great.

MR. ALLEN: It's a good one.

CHAIRMAN FRIEDMAN: Wow! Go for it.

MR. ALLEN: Last night, OPM approved special wage rates for certain skilled trades positions in the Bakken area, primarily Minot Air Force Base. I believe the special rates amount to around 30-plus percent increase above current rates of pay to bring the skilled trades

occupations more in line with what the private sector is paying in that area.

MR. FENAUGHTY: Where is that, Mark? When did they do it? For who?

MR. ALLEN: It's for Minot Air Force Base primarily. It's in Western North Dakota.

MS. SIMON: Mark, do you have anything in writing that we could use—

MR. ALLEN: I don't have any hard copy with me right now.

MS. SIMON: —to inform our members?

MR. ALLEN: We could e-mail you a copy of it, I think.

MS. SIMON: That would be great. If you could do that as soon as possible, we'd appreciate it.

CHAIRMAN FRIEDMAN: We can circulate that to the committee. Any question or discussion about that issue?

[No audible response.]

CHAIRMAN FRIEDMAN: Back to Old Business. Anything on (a)?

MS. SIMON: I actually have a question. These special rates, are they for all hourly workers there?

MR. ALLEN: No. The request that OPM received was primarily just for the skilled trades positions, which is around 160 positions out of, I think, 240 total under the Federal Wage System.

MS. SIMON: Were there any GS positions?

MR. ALLEN: No. The GS special rates are being handled separately.

MS. SIMON: And that was not approved as of yesterday?

MR. ALLEN: It's not been approved yet.

MS. SIMON: Okay. Do you have any idea about the timing on that?

MR. ALLEN: It should be the next couple months.

MS. SIMON: Months? Is there anything in particular holding that up?

MR. ALLEN: It takes a while to go through the interagency coordination process.

There are, I think, 14 or 15 different departments and agencies with employees in that area.

MS. SIMON: Okay.

CHAIRMAN FRIEDMAN: Anything else on this issue?

[No audible response.]

CHAIRMAN FRIEDMAN: Back to Old Business. Well, let's go through them, (a) review of Lee County, Virginia. Anything on that that you want to talk about?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, (b), the wage areas that we need to review due to changed MSA definitions. Anything on that today?

[No audible response.]

CHAIRMAN FRIEDMAN: (c), the AFGE proposal to redefine Monroe County, Pennsylvania, from the Scranton-Wilkes-Barre wage area to the New York wage area. Anything on that today?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. (d), anything on that one?

[No audible response.]

CHAIRMAN FRIEDMAN: (e), we just talked about. We have a group of things, (f), (g), all related to the Joint Base in New Jersey.

And we circulated a table on GS and FWS employment, which is listed as a New

Business item, also related to the Joint Base in New Jersey. Anything on that today?

Steve?

MR. LANDIS: Just a couple things I'm working on. I think it would be really best if we could approve this as a consensus where everybody agreed. I think that would be best. So to allay some of the concerns that some people may have, I'm working on having some expert testimony from the Joint Base. I contacted the TAG of New Jersey who is in charge of the Army and Air Guard that's affected by this as well as the 87th Air Base Commander to possibly come down, maybe in April, and testify as to the close nature of the Joint Base, and it will help out with that.

CHAIRMAN FRIEDMAN: Okay. Do people feel the need for more of that sort of additional information?

MR. ALLEN: I think that would be very helpful, at least from my perspective.

We have heard testimony, several years ago now, from the person who was the base Commander, but it wasn't directly associated with this proposal. It was more broadly the idea of using GS locality pay areas to define wage area boundaries, but I think it would be useful to me to hear what difficulties were caused, if any, over the last few years since the Joint Base has been established.

MS. SIMON: That's funny, Mark. My recollection was that the Commander was—it was when the whole concept of "jointness" was relatively new, and my recollection of her testimony was that if there were to be any substance to the "jointness," the AFGE proposal would need to be passed and put into effect.

MR. ALLEN: Yeah. That is what she said.

MS. SIMON: Okay.

CHAIRMAN FRIEDMAN: Do you have more you want to say on this topic?

MS. SIMON: Yeah. No, I have a question on another issue when we're ready for—

CHAIRMAN FRIEDMAN: So I guess we are going to defer any further discussion of the Joint Base until we have some more input that Steve is going to be arranging for us.

Do you have something else you want to bring up?

MS. SIMON: Yeah. Mark, since your memory is always so good, do you recall our raising an issue with Springfield, Missouri, and the possibility of moving Greene County, Missouri, to the Kansas City wage area?

MR. ALLEN: I don't recall us addressing that particular county.

Madeline, do you remember that one?

MS. GONZALEZ: I do not.

MR. ALLEN: I do remember we had a metropolitan area that was split between Kansas City and St. Louis, but I don't think that's related to the one you're talking about.

MS. SIMON: Yeah. I have an inquiry—but this is not the first time—from Bureau of Prisons Local.

MR. ALLEN: Okay.

MS. SIMON: They're very, very close to the border of the Kansas City wage area, and there's a very large pay disparity between the Kansas City wage area and the Springfield, Missouri, wage area.

MR. ALLEN: Okay.

MS. SIMON: I guess I'll make a formal request to have it considered.

MR. ALLEN: Yeah. We'll do an analysis of the criteria—

MS. SIMON: Okay.

MR. ALLEN: —to see where it stands. So it is Greene County?

MS. SIMON: Yes.

MR. ALLEN: In Missouri?

MS. SIMON: Yes.

CHAIRMAN FRIEDMAN: Okay. So we will await a staff report on that issue.

Anything else today? This could be a very short meeting.

MR. FENAUGHTY: I just have a general question about Old Business. Some of these have been under Old Business now for a long time.

CHAIRMAN FRIEDMAN: Right.

MR. FENAUGHTY: So do they just kind of stay there? Don't people die off? What happens to them?

CHAIRMAN FRIEDMAN: There are several possibilities. Whoever proposed the agenda item could withdraw it. Another possibility is we could reach consensus to implement the proposal, and the third is we could bring it to a vote.

MR. SHORE: Didn't we remove some last year and put them on another list that wasn't fully resolved but not on the Old Business List?

MR. ALLEN: We talked about withdrawing some of the items that had been on the list for a number of years now, but there didn't appear to be consensus to withdraw any of the items that remain on the list.

CHAIRMAN FRIEDMAN: I am open to other ideas of how we could address them, but it seems to me those are the possibilities.

Steve?

MR. LANDIS: Yeah. I just had a couple of quick question. I'm not exactly sure what to call it. The bigger proposal was approved 2 years ago for the FWS to mirror the GS.

CHAIRMAN FRIEDMAN: The proposal to combine FWS wage areas or portions of them that are within a GS locality pay area. Yeah.

MR. LANDIS: My first question is just a ball park about how many instances were there in that report. I wasn't here when the report was created. I was here the day you guys handed it to me. I had to carry it back to the main office. It was rather bulky.

But about how many locations were addressed in that to be repaired or fixed or changed?

CHAIRMAN FRIEDMAN: Locations meaning the number of counties or federal installations?

MR. LANDIS: Not specifically federal installations. How many things were addressed in that report that said, "Okay. There is a difference between GS and FWS people in the same facilities or the same area, and we're going to mirror them now"? How many of those were proposed to change?

CHAIRMAN FRIEDMAN: Well, if you go back and look at the report, there were estimates of the number of workers who would be affected. I think it was in the ball park of 15,000, as I recall, around the country, mostly in the Northeast and California.

MR. LANDIS: Okay. Now, my second question on that would be, of those, the workers, how many instances were the GS locality pay area and the FWS wage area where the GS locality pay was in a higher rate than the FWS wage area?

MR. ALLEN: The majority of wage rates would have been higher in the GS

locality pay area that FWS employees would sort of be moved to.

MR. LANDIS: Okay.

MR. ALLEN: But there were instances where, say, wage schedules sort of cross over, where they're higher at some grades.

MR. LANDIS: Yeah. That's something else that I'm totally confused about, how a WG-8 who goes from Philly to New York will get a raise, but a WG-5 from Philly to New York gets a pay decrease, and they're still moving into a higher cost-of-living area. I guess that's not specifically what that's based on then. It's something I'm still trying to wrap my—

MR. ALLEN: In the specific example of the Joint Base, I believe the first four grades are lower on the New York wage schedule than the current Philadelphia wage schedule, so employees in those grade levels, if they moved from the Philadelphia wage schedule to the New York wage schedule, would be placed on a lower wage schedule, but almost all of those employees would be placed on pay retention.

MR. LANDIS: Okay.

CHAIRMAN FRIEDMAN: It's a very good question, though, why this happens. Basically, we have slopes of these pay lines that vary from one wage area to another, and sometimes the lines actually cross. We have to ask is that actually mirroring what's happening in those local labor markets or not? It's a very good question, frankly. It might be something we would want to kick around in a working group because it's kind of a technical discussion for which probably some background material would need to be prepared.

I'd be happy to do that if people want it. Is there a proposal to do that, to review that question in the working group—

MS. SIMON: Sure.

CHAIRMAN FRIEDMAN: —of why pay lines of adjacent wage areas often cross.

MR. LANDIS: Now back to what you said earlier, the majority. When you say the majority of wage rates are higher in the GS locality pay area that the employees would be moved to, is that like a 60 percent majority or more like a 90 to 95 percent majority?

MR. ALLEN: I don't remember exactly, but I think it's more like between 80 and 90 percent, which it makes sense because what we are really talking about is moving lower population, more rural counties into—for the most part into major metropolitan area wage areas.

MR. LANDIS: Okay. That's all I had.

MS. SIMON: Was the question like how many workers would be placed on pay retention if this were—if our old proposal was implemented?

MR. LANDIS: That's an important question. That isn't exactly what I was getting at, but I'm sure that's something that's important—

CHAIRMAN FRIEDMAN: Because from what I remember, it was around 15 percent, but it varies greatly from one part of the country to another.

MR. LANDIS: No, I was just trying to get more into the justification of paying the GS scale for higher rates for majority of times as opposed to the FWS employees.

CHAIRMAN FRIEDMAN: Okay. Well—

MS. SIMON: The proposal isn't to pay GS scale to—

MR. LANDIS: No, I understand that. I understand that.

MS. SIMON: Okay.

MR. LANDIS: But the fact that, for example, the New York wage area, you have—and same thing at Tobyhanna. Tobyhanna is probably the best example that I'm talking

about where you have GS people in the same facility as FWS personnel, and one is getting a higher New York rate, and the other is getting the lower Scranton rate. I just don't understand how—

MR. DAVEY: I don't think that I would characterize it that way.

MR. LANDIS: —that's justified.

MR. DAVEY: We've got a GS scale and an FWS scale.

MR. LANDIS: Exactly.

MR. DAVEY: Even if you make the FWS scale the New York scale, you are still getting different pay for GS and FWS.

MR. LANDIS: Right. But now you're in the same—

MS. SIMON: Locality.

MR. LANDIS: —locality.

MS. SIMON: Right.

MR. LANDIS: I'm not saying that the FWS—

MR. DAVEY: I was just making a technical point. That's all.

MR. LANDIS: I understand. Your point is exactly right. That's what I'm saying. I mean, I had mentioned before that I don't understand why there's 18 different government pay plans, anyway. I mean, it just seems like it would be a lot easier if they just had GS across the board.

Now, my point was, yes, obviously, FWS and GS is a different pay scale, but how do you validate the fact that you have people in the same facility, one is in a higher pay area than the other?

MR. DAVEY: Well, that didn't happen until the GS system changed to locality.

For 40 years before that, it was the opposite.

MR. LANDIS: Yeah.

MR. DAVEY: And that was the way that was at that time.

MR. SHORE: Still probably not right.

MS. SIMON: You know, it's been 25 years since GS has had a locality system.

CHAIRMAN FRIEDMAN: The early '90s, right?

MS. SIMON: The law passed in '90, and then it started to get implemented in the early '90s.

MR. ALLEN: First locality rate went into effect in 1994.

CHAIRMAN FRIEDMAN: So I think what we decided is we're going to carry on this conversation in the working group setting.

MS. SIMON: Yes.

CHAIRMAN FRIEDMAN: So it's important stuff, but if we want to talk about it, we need to have some material prepared.

All right. Anything else? Any other new business for today's meeting?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, it would be in order to adjourn. Any objection?

MS. SIMON: I move that we adjourn.

CHAIRMAN FRIEDMAN: Oh, all right. It's been moved and—

MR. DAVEY: I second.

CHAIRMAN FRIEDMAN: Moved and seconded. Any objections?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing none, we're adjourned. See you next month.