



INTERNATIONAL FEDERATION OF
PROFESSIONAL AND TECHNICAL ENGINEERS,
(IFPTE), AFL-CIO & CLC

**Testimony of
Gregory J. Junemann,
President**

**International Federation of Professional &
Technical Engineers
(IFPTE), AFL-CIO & CLC**

Prepared For:

**House Subcommittees on the Federal Workforce, Postal
Service and District of Columbia**

Hearing:
*“Public Service in the 21st Century: An Examination of the
State of the Federal Workforce”*

**Wednesday, April 22, 2009 - 10:00 a.m.
2154 Rayburn House Office Building**

**Testimony of Gregory J. Junemann, President
International Federation of Professional and Technical Engineers, AFL-CIO, CLC**

Good Morning. I am Gregory Junemann, President of the International Federation of Professional and Technical Engineers. I would like to thank Subcommittee Chairman Lynch, Ranking Member Chaffetz, and members of the Subcommittee for today's invitation. IFPTE commends Chairman Lynch in particular for recognizing the need for today's hearing. The issues that will be discussed here today are critical to examining where our federal workforce has been over the past several years, where we are today and why, but most importantly, looking forward to where we will be tomorrow.

IFPTE represents over 80,000 highly skilled professional and technical workers in the private, federal, and public sectors throughout the United States and Canada. With respect to our federal membership, IFPTE represents employees at such agencies as the Department of Defense (DoD), the Department of Interior (DoI), the Department of Energy (DoE), the National Aeronautics and Space Administration (NASA), the National Oceanographic and Atmospheric Administration (NOAA), the Environmental Protection Agency (EPA), the Government Accountability Office (GAO), the Congressional Research Service (CRS), the Pension Benefit Guarantee Corporation (PBGC), the Executive Office of Immigration Review, and Administrative Law Judges at the Social Security Administration. Although the employees we represent come from a wide range of Agencies, possess a wide range of expertise, and perform a wide range of important functions, they face common challenges. Ever since President Reagan vilified government as "the problem", the civil service has borne the brunt of this slander and has been scapegoated for many of the country's ills. However, the hostility towards government service only came to full fruition under the Bush Administration, which opportunistically took advantage of the 9-11 attacks to further its anti-civil-service agenda. Whether it be the unlawful elimination of collective-bargaining rights through the National Security Personnel System (NSPS) at DoD, or the attempt to do the same at NASA through a proposed unconstrained "demonstration personnel system", or the privatization of inherently governmental functions at the Army Corps of Engineers, or the fostering of cronyism through faux pay-for-performance systems, or the suppression of federal research by assigning researchers to vulnerable "term" positions, drastically cutting R&D funding, and even blocking of the publication of inconvenient findings, federal workers have been systematically harassed and undermined. The consequence has been that critical government capabilities have been eroded and, more importantly, the independent scientific and technical information upon which our democracy depends has been manipulated and distorted for political ends.

When I learned that I was invited to testify at today's hearing, I asked our legislative department to reach out to all of our federal Locals seeking input. I am pleased to report to you that I received a resounding response from most of the IFPTE Locals, which, while not surprising, is reflective of the intense interest federal employees have in ensuring that the Congress is aware of their concerns. As you all know, federal employees take their responsibility of serving the American public very seriously, and follow your work here in Congress very closely. So, this testimony today is not as much about my personal views on the federal workforce as it is reflective of the views of the rank-and-file federal employees represented by IFPTE.

So, what is the state of our federal workforce? To put it bluntly, the civil service is in crisis; over the past eight years, this critical institution, created to isolate the federal workforce from political influence and corruption, was subjected to relentless attack by political ideologues within the last Administration who sought to pervert this independence, to politicize government research, and to harness civil-service functions for political purposes, and/or to divert public resources to powerful private interests. For example, at both DHS and DoD, the public and the Congress were told that federal employee rights were inconsistent with national security. Union rights, veterans preference, EEOC protections, whistleblower protections, and pay were then eroded through the imposition of the NSPS. In other examples, NASA aviation safety and climate scientists were muzzled or publicly chastized by their Administrator, when their research findings were inconsistent with Bush Administration policies. However, despite these and many other examples of mistreatment, America's public servants are resilient. Our nation's Civil Servants are as dedicated as they have ever been, and are eager to continue dutifully and diligently serving the American taxpayer. After years of abuse and neglect, they are looking to the 111th Congress and the Obama Administration to begin a long overdue revitalization, starting with the firm acknowledgement that government service is a noble and patriotic calling, that America's civil servants play a vital role in preserving and protecting our democracy, and that public servants should receive the respect they deserve and the resources they need to get their important jobs done properly.

The following testimony provides a more detailed accounting of IFPTE's view of the state of the workforce at those agencies where IFPTE represents workers.

Pay-Banding vs. the General Schedule

Pay-banding is the most contentious issue among the federal workers represented by IFPTE. Over the better part of the last two decades, we have seen Administration after Administration claim that in order to attract, hire, and retain the best and brightest workers, the government should transition from the General Schedule (GS) to so-called pay-for-performance, or pay-banding systems. While IFPTE believes that this issue will continue to be a topic of healthy debate during the Obama Administration, we also warn that there is no silver bullet solution to attracting top quality candidates and that job security, challenging work, good health and retirement benefits for themselves and their families, and a hostile workplace environment are every bit as important as salary. Although pay is a critical component of job satisfaction, it is important to realize that most federal workers do not seek out federal employment for high pay, but rather for these other factors and for the opportunity to serve their country.

IFPTE is in a unique position when it comes to this topic. While the overwhelming majority of our members oppose pay banding, we do represent some who support it. For example, IFPTE Local 1921, where we represent more than 1,800 analysts employed by the GAO, is supportive of their specific pay-banding system. That system, though, was not without its own controversy. It took the extraordinary action by this Subcommittee during the last Congress, as well as a decision by the workers to unionize in order to preserve employee support of that pay-banding system. Congress, to its credit, mandated that any employee at GAO whose performance 'meets expectations' be guaranteed the annual across the board adjustment (also referred to as the COLA). Congress also authorized monies to ensure that the hundreds of GAO workers who

were unjustly denied the COLA were finally made whole. Also, because of the union the workers are now able to actually negotiate pay. Before unionization and before Congressional intervention, hundreds of workers at GAO, mostly minority workers, were denied their annual COLA because management unilaterally decided that they made too much money. So, while our members at GAO support pay-banding, it didn't come without extraordinary efforts by the workers through their union and by Congress to correct a major injustice.

Other workers represented by IFPTE, however, have had negative experiences with pay-banding, for example, those in DoD under the National Security Personnel System (NSPS). While IFPTE, in conjunction with the efforts of the United DoD Workers Coalition (UDWC), has been successful in protecting most of our membership from NSPS, we do represent workers who are under this pay system. So, along with several congressionally-mandated reports critical of NSPS, IFPTE has first-hand information from our members about the problems with NSPS. These IFPTE represented workers are employed by the Army Corps of Engineers Environmental and Munitions Center in Omaha, along with a few others employed by the Navy at the Pearl Harbor Naval Shipyard in Hawaii.

According to our members in Omaha, the Implementation of NSPS has been fraught with challenges from the beginning. After two years under NSPS, morale among these workers is at an all-time low. Inconsistent implementation of NSPS regulations, both within and between organizational units, constantly changing rules, and the fact that, under NSPS, employees are receiving the worst ratings of their careers has led to widespread disillusionment with the system. The ratings system lacks transparency and is shrouded in secrecy, and reconsideration requests are processed by the same people responsible for assigning the original rating.

It's not just bad for the rank and file. NSPS is just as bad, or worse, for management. It requires a significant investment of time for both the employee and supervisor. Supervisors must spend between 20-40 hours per employee to properly execute the performance plan. Supervisors with a large number of employees have little time to do anything else, which eventually leads to supervisors taking short cuts around the system in order to meet the other requirements of their own performance plan. The performance plan/evaluation system is simply not sustainable. In fact, earlier this month, Darryl Perkinson, the head of the Federal Managers Association testified before the House Armed Services Readiness Committee and recommended that the DoD scrap NSPS all together and convert back to the GS system. IFPTE agrees with Mr. Perkinson and believes that the Congress should act this year to finally close the books on NSPS.

The GS pay system, on the other hand, was designed to be a pay for performance system with appropriate safeguards to discourage cronyism. In the GS system, top performers can receive Quality Step Increases and can be accreted to the next GS grade as well as receive an annual award or bonus based on performance. The GS system also allows for all workers to receive the congressionally mandated COLA, so federal workers salaries can at least keep up with the rise in living costs. That's compared to workers under NSPS, who only receive 60% of the COLA.

Keeping in mind the theme of this hearing, "the State of the Federal Workforce," IFPTE believes that in order to build morale, preserve safety, attract and retain the best and brightest, all while providing superior services to the taxpayer, pay systems like NSPS should be immediately

discarded. Not because it is a pay-banding system, but because it is a pay system that is littered with landmines. Once we ensure that ill-conceived pay systems like NSPS are a thing of the past, only then should we start to consider looking at how and why pay-banding systems at places like GAO have garnered employee buy-in, and start to work together to see if such a system could work throughout the larger federal government.

Below are other pay related matters that IFPTE asks the Subcommittee to consider:

- The Impact of the Foreign Exemption for both temporary and permanent assignments: When a federal employee is sent overseas on *temporary assignment*, their rate of compensation will be cut for all hours of overtime worked. In other words, the workers are exempt from the FLSA. This problem compounds for federal employees who are sent overseas on a permanent basis. They not only lose their FLSA overtime, but their locality pay as well. One IFPTE Local 1 member lost over \$15,000 by accepting a one year tour to Bahrain (\$10,000 in locality pay and approximately \$5,000 in reduced overtime compensation). Until recently, federal employers that send employees overseas frequently have not enforced the foreign exemption for temporary duty. The employers were fully aware the provision would not be perceived as fair and would affect their ability to staff overseas functions. Congress should look at approving legislation to provide locality pay and FLSA overtime protections for non-exempt temporary and permanent federal employees working abroad.
- Non-Foreign Area COLA – Adopt S. 507 and H.R. 1226, sponsored by Senator Daniel Akaka and Congressman Neil Abercrombie to ensure pay and retirement equity for federal employees in Alaska, Hawaii, and the U.S. territories.
- Adopt the *Federal Employees Paid Parental Leave Act*. IFPTE thanks this Subcommittee and full Committee for passing this bill and urges Congress to swiftly move it to final passage. It will provide 4 out of 12 weeks of full pay to federal employees for parental leave.

Contracting Out of Federal Work

Whenever federal work is put up for competition with the private sector worker morale suffers greatly. Frequently by the end of the study, there are not enough civil servants left to do the job because many have found employment elsewhere in an area that is not under study. This exodus of employees results in a catch-22 where the employees left suffer a harder blow to morale and have even greater job-related stress because they are left to perform the duties of the employees who found other employment. This means that they can no longer execute a Most Efficient Organization (MEO) developed by the activity and ends up driving the decision to convert to contractor performance. Adding insult to injury, once federal work is targeted for competition, even if the MEO wins, employees have to go through the whole nightmare again in five years. In other words, even in the situation where federal employees win their A-76 competition, employees and their agencies still suffer.

It is worth noting that most of the work that eventually ends up in the hands of contractors turns out to be more costly to the taxpayer and is not properly performed. This is exactly why the DoD IG recently recommended re-federalizing previously contracted-out work back into the DoD.

While IFPTE is not opposed to privatization when it makes sense and is done in a proper, fair and humane way that truly benefits the Agency and the taxpayer, we believe that the current contracting policies of the federal government are heavily skewed in favor of the private sector and need to be completely overhauled.

We list below other contracting out items that IFPTE asks the Subcommittee to consider taking action on:

- Army Corps of Engineers High Performing Organizations (HPO): Review and prevent the further use of HPOs by the Corps to strip workers of their union representation, and their employment status through HPO.
- The NASA Shared Services Center (NSSC): Review whether or not the NSSC has actually reduced cost and improved efficiency as promised for the administrative services it currently provides NASA and direct NASA to re-federalize those services that have not met the savings promised when the contract was won.

Management Training and Partnerships

Currently managers receive very little labor relations or employee relations training. In the labor relations (LR) arena, the training they receive is geared toward working against rather than with Unions. This results in some managers being "Sea Lawyers", each having their own view of what the statute intended.

IFPTE believes that the right kind of management training can make a huge difference in improving the workplace environment and efficiency of the federal workforce. How do we achieve this? A good first step would be for Congress to pass the *Federal Supervisor Training Act of 2009*, sponsored by Senator Akaka. Under the Akaka bill, managers would receive regular training about prohibited personnel practices, procedures for enforcing whistle-blower, collective bargaining and anti-discrimination laws, and better management and general leadership skills.

We also believe that federal labor-management partnerships should be reinstated. This was another casualty of the Bush Administration, which quickly overturned the Clinton partnership executive order. We at IFPTE see tremendous value in partnerships and urge their rebirth along the lines of the Clinton executive order, with the inclusion of more definitive language that "method, means, and technology" are bargaining obligations for management.

Fortunately, it is widely assumed that the Obama Administration will reinstate partnership at some point and IFPTE looks forward to that day.

Legislative Branch Employees

IFPTE also represents federal employees in such legislative branch agencies as GAO and the Library of Congress, where we represents workers at the Congressional Research Service (CRS). While there is a lot of good legislation currently being considered by Congress that will benefit a large number of federal employees, unfortunately, most of the proposed legislation only applies to workers in Executive Branch agencies and will not benefit workers at the Library of Congress, including CRS, the GAO, or other legislative branch agencies like the Government Printing Office (GPO). Legislation ranging from extending domestic partner benefits to counting sick leave toward FERS retirement, if passed, will not affect legislative branch employees.

We at IFPTE fully realize that the jurisdiction for the legislative branch human resources issues falls within the House Administration Committee. However, we ask that, as this important legislation moves its way through Congress, this Subcommittee, and full Committee, work with the House Administration Committee to ensure that the workers of the legislative branch enjoy the same benefits as their brethren in the Executive Branch.

Preserving America's leadership in aerospace

America's currently unquestioned leadership in both aeronautics and space exploration is threatened by at least three factors: 1) a demographic crisis caused by the sustained failure to hire the next generation of technical employees, 2) hostile personnel and accounting practices that undermine civil-service protections and the independence of NASA's expert technical advise, and 3) drastic cuts to NASA's in-house R&D budgets. America is currently facing a challenge to its national security and international economic competitiveness far as serious as Sputnik; we must act promptly to prevent a looming gap between America's technical capabilities and those of our competitors.

NASA's demographic problem

The key problem with NASA's civil-service workforce is that strategic hiring has been neglected for nearly two decades. During the Clinton Administration, "Reinventing Government" drove a major downsizing of NASA's core technical CS workforce; during the G.W. Bush Administration, the "President's Management Agenda" and NASA's full-cost recovery of CS salary handed all workforce control to Program managers, who tailored all hiring decisions to short-term needs. They primarily hired "term" employees, who could then be discarded when milestones were met, rather than investing in the recruitment and training of a dedicated, highly skilled and experienced, long-term workforce (as was done in the past). The consequences for NASA's long-term health are dire; NASA must reverse course in President Obama's first term or key intellectual capabilities will be lost and not replaced.

Between 1993 and 2009, despite the fact that NASA’s overall budget and responsibilities increased, NASA lost 6,787 civil-servant employees under the age of 40, who were never replaced (see purple oval for missing cohort). Without a course correction, the demographic distribution will become even more skewed with the proportion of NASA employees who are 50-59 increasing to nearly half the entire CS workforce by the 2014.

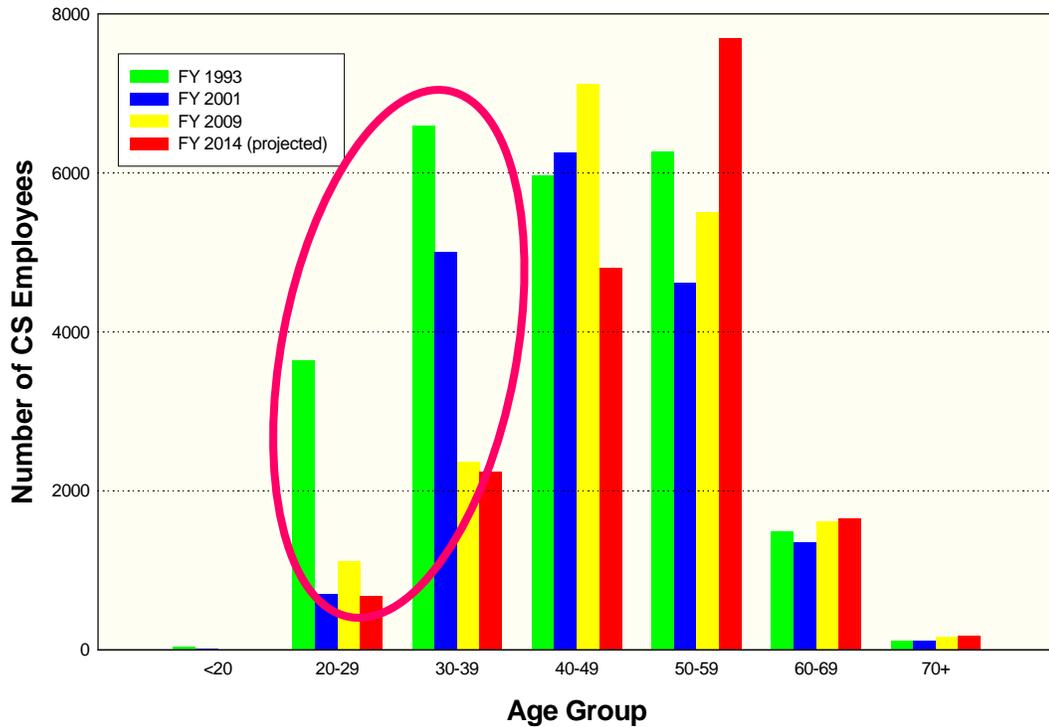


Figure 1. NASA’s slow march off the demographic cliff. (Actual numbers from wicon.nssc.nasa.gov/generic.html; projected numbers estimated by IFPTE)

During the Apollo era successes, NASA employed 36,000 Full-Time Permanent (FTP) civil servants. While IFPTE is not advocating for doubling the current workforce to return to that level, we are merely concerned that the downsizing has gone way too far and is scheduled to continue (by attrition alone) unless the Congress and the Obama Administration intervenes immediately.

Harmful personnel (term hiring) and accounting (full-cost recovery of salary) practices

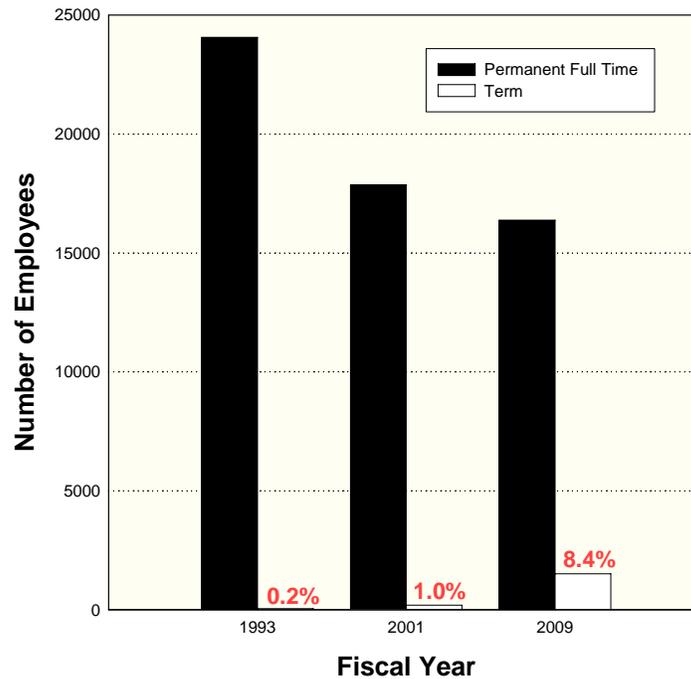


Figure 2. NASA’s shrinking Full-Time Permanent (FTP) workforce. (wicn.nssc.nasa.gov/generic.html)

NASA’s overall FTP workforce has been shrunk by 32% over the last two Administrations (Fig. 2, black bars). However, NASA’s civil-servant workforce employed under a term contract has increased nearly 8-fold under President Bush (Fig. 2, compare white bars for 2001 and 2009). Furthermore, between FY2000 and FY2006, the number of outside hires into permanent science and engineering positions decreased more than 9-fold. In all, NASA’s reliance on term positions has increased more than 40-fold from the 1993 baseline (see percentage in red). Over the last six years, NASA has used term hiring indiscriminately for nearly all new hires and even secretly established a quota of 13% of the total workforce as its target level (in direct violation of the spirit of the law and assurances provided to IFPTE by NASA management). The Bush Administration’s intention was clear; if NASA could not lay-off its CS employees and replace them with contractors, it would instead morph civil-servant positions into pseudo-contractor positions.

Although legally prevented from eliminating NASA civil-service jobs by bipartisan Congressional action, in 2004, NASA implemented full-cost recovery of CS salary, which effectively allows NASA to pretend that it does not need to pay its technical employees. This hostile accounting practice has disenfranchised NASA’s civil servants by subjecting them to a demeaning annual ritual of “musical chairs” whereby many rank-and-file employees, through no fault of their own, are deemed “uncovered” and paid through last-minute humiliating procedures while management salaries are all “covered”. This practice not only violates the intent of title 5 (which guarantees salaries to all civil servants), it wastes millions of dollars in avoidable administrative costs due to the needless tracking and manipulation of salary accounts.

Dramatic shrinkage of NASA's R&D budgets

According to the GAO, NASA's aeronautics R&D budget decreased by more than half between 1994 and 2007. The aeronautics budget has continued to decline since then by double-digit percentages, ending with President Bush's last proposed budget of ~\$450 million. The adverse impact of this dramatic decline in aeronautics funding on NASA's aeronautics capabilities was further exacerbated by Associate Administrator Lisa Porter aggressive outsourcing quotas whereby she mandated that much of the remaining R&D funds be provided to academia, leaving civil-servant aeronautics researchers demoralized and underutilized.

NASA's space exploration technology development funding decreased from \$898.9 million in the final FY05 Operating Plan to \$326.6 million in FY07, and decreased further to \$219.2 million in the FY09 Omnibus Spending Bill.

NASA's life and microgravity science has been seriously damaged, even though it is probably the single most serious challenge for long-duration human exploration. The Office of Biological and Physical Research oversaw life and microgravity science with \$924.6 million in actual expenditures in FY05. The life and microgravity R&D budget was decreased drastically to \$181.2 million by FY07 and increased only slightly to \$196.7 million (barely keeping up with inflation) in the FY09 Omnibus Spending Bill.

These and other R&D programs are the life's blood of NASA's most creative scientists and engineers and are on the critical path for future human and unmanned space exploration and for America's future advances in civil aviation. In particular, we must learn how to enable humans to live safely and efficiently on distant worlds, and in doing so allow humankind to live more safely and efficiently on Earth. We must also reduce the fuel consumption, noise, and emissions of a new generation of air vehicles, while also increasing the capacity and efficiency (and maintaining the safety) of our Airspace System. NASA's technical contributions in these areas will deliver innovative earth-based technologies that will improve our economic competitiveness, help us achieve energy independence, and reduce our environmental impacts.

IFPTE urges the sub-committee to consider:

- Adopting legislation prohibiting NASA, or any other federal Agency, from using full-cost recovery of civil-servant salary in its budgetary accounting;
- Adopting legislation mandating that no more than 10% of new hires within any federal Agency in any fiscal year be hired into "term" positions and that no more than 5% of the total civil-service workforce at any federal Agency consist of "term" positions; and
- Calling for Appropriators to provide NASA, and America's other critical federal laboratories, with increased funding for longer-term innovative R&D programs, including new funds to enable a vigorous strategic hiring program to recruit the best and the brightest new talent, in order to maintain America's future leadership in aerospace, science, and technology R&D and inspire young Americans to pursue an education and then a career in STEM-related areas.

Other critical issues affecting federal workers:

- Alleviate the burden of health premium payments by Federal Workers: In the last Congress this was sponsored by House Leader Hoyer, to raise the percentage of federal employee health premiums covered by the government from 72 percent to 80 percent (premiums will rise an average of 9 percent in 2009).
- Sick Leave: Support house passed legislation, H.R. 1804, to give federal employees under the Federal Employees Retirement System (FERS) credit for unused sick leave in their pension calculations. Federal workers under the Civil Service Retirement System (CSRS), most of whom were hired prior to 1984, already enjoy this benefit.
- Domestic Partner Benefits: Adopt legislation similar to S. 2521 introduced in the 110th Congress, sponsored by Senators Lieberman and Smith, to extend the same retirement benefits, long-term care, health care benefits, family and medical leave, and all other accommodations afforded to federal workers in traditional marriages to those in domestic partnerships or same-sex marriages.
- Windfall Elimination Provision and Government Pension Offset: Support HR 235, sponsored by Rep. Berman, to repeal or reform both the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). These provisions unfairly deprive public and federal retirees of Social Security benefits earned by them through non-government employment or earned by their spouses.
- ALJ Pensions: Adopt bipartisan legislation to allow for enhanced pension benefits for federal Administrative Law Judges (ALJs). Currently ALJs are forced to work well into their senior years in order to receive a pension benefit equal to that of most federal workers.
- The cap on GS-15 salary: Adopt legislation to raise the arbitrary cap on GS salary that is currently preventing some of our most talented senior scientists, engineers, and other civil servants from receiving meaningful promotions or the full measure of their annual cost-of-living adjustments.
- Enhance Annual Leave for Federal Judges: Adopt legislation identical to S. 3665 during the 110th Congress, sponsored by Senators Akaka and Pryor to "modify the rate of accrual of annual leave for administrative law judges, contract appeals board members, and immigration judges."