

Federal Prevailing Rate Advisory Committee

643rd FPRAC

Janice R. Lachance, Chair, Presiding

Thursday, January 19, 2023

Virtual Meeting via Microsoft Teams

Office of Personnel Management

Washington, D.C. 20415

Attendance:

Members/Alternates:

Management Members:

Mark Allen, OPM

Nancy Anderson Speight, DoD

Sonja Loss, Navy

Mandy Laughlin, Army

Ophelia A. Vicks, VA

Labor Members:

Craig Norman, MTD

Jacqueline Simon, AFGE

Richard Loeb, AFGE

Carisa Carmack, NAGE

Staff Specialists and Visitors:

Brenda Roberts, Designated Federal Officer, OPM

Ana Paunoiu, OPM

Samantha Bono, OPM

Christopher Lynch, DoD

Karl Fendt, DoD

Rosemary Meriwether, DoD

Erica Abiera, DoD

Chrissy Wlezien, DoD

Kieu Nguyen, DoD

Larry Snow, DoD

Lischel Jones, DoD

Tyler Portell, DoD

Jerry Dollente, DoD

Jee Young Kang, Army

Brandon Anderson, Navy

Tim Smith, Navy

Sheila Willis, VA

Paul O'Connor, MTD

Bobby Proctor, Federal Correctional Complex Butner

Jeremy Watson, Federal Correctional Complex Butner

Oshal Tucker, Federal Correctional Complex Butner

John Herndon, Federal Correctional Complex Butner

Kathleen Pagano, PWD Newport

Recording Secretary:

Mike Eicher, OPM

[Transcript prepared from digital audio produced by FPRAC.]

Proceeding

I.	Opening Announcements and Introductions	4
II.	Review of the Minutes of the 642nd Meeting	11
III.	Old Business	12
	a. Letter from the American Federation of Government Employees, Dated September 6, 2018, Requesting FPRAC Review a Proposal to Not Allow Federal Wage System Wage Area Boundaries to Split General Schedule Locality Pay Areas and a Proposal to Redefine Monroe County, PA, from the Scranton-Wilkes-Barre, PA, Wage Area to the New York, NY, Wage Area, 620-AFGE-1	12
	b. Letter from the American Federation of Government Employees, Dated September 3, 2019, Requesting FPRAC Recommend Redefining San Joaquin County, CA, from the Stockton, CA, Wage Area to the San Francisco, CA, Wage Area, 627-AFGE-1	13
	c. Letter from the National Association of Government Employees, Dated September 25, 2019, Requesting FPRAC Reexamine the Placement of Wage Grade Employees Working in the Salinas-Monterey, CA, Wage Area, 628-NAGE-1	13
	d. Letter from the Association of Civilian Technicians, Dated November 9, 2019, Requesting FPRAC Consider Moving the Puerto Rico Wage Area into the Special Appropriated Fund Schedule for U.S. Insular Areas, 629-ACT-1	14
	e. Email from the American Federation of Government Employees, Dated May 23, 2022, Requesting FPRAC Review a Proposal to Unify the WG schedules at the Federal Correctional Complex Butner, 639-AFGE-1	14
IV.	New Business.....	28
	a. Update on FPRAC Working Group Discussions.....	28
	b. DRAFT, Prevailing Rate Advisory Committee Annual Summary, 2022, 643-OC-1	28
	c. Email from Federal Correctional Complex Butner FWS employees requesting an update on FPRAC Review of an AFGE Proposal to Unify the WG schedules at the Federal Correctional Complex Butner, 643-OC-2	28
	d. Email from Ms. Kathleen Pagano regarding pay disparities at the Naval Facilities Engineering Systems Command Mid-Atlantic, Public Works Department, 643-OC-7	28

I. Opening Announcements and Introductions

Chair Lachance: I would like to welcome everyone to the 643rd meeting of the Federal Prevailing Rate Advisory Committee. It is January 10th at 10 a.m. so I think we can get started.

We are holding this meeting virtually and it will be recorded as usual. A verbatim transcript will be provided to all the members for your review at the next meeting.

If you have lost track over the holidays, I am Janice Lachance, and I chair this committee.

Let's start with introductions and taking attendance so that we can get everyone on record. I am going to start with the Management members. OPM?

Mr. Allen: This is Mark Allen for the OPM staff.

Chair Lachance: Department of Defense?

Ms. Speight: This is Nancy Speight, Deputy Assistant Secretary for Civilian Personnel Policy.

Chair Lachance: Army?

Oh, you've got others there. I see them. Chris, do you want to jump in? Is there anyone else from DoD? We will go through the services, Army and Navy, but anyone else from DoD?

Mr. Lynch: Sure. This is Chris Lynch with the Department of Defense Civilian Personnel Advisory Service, and I think we also have Karl Fendt.

Karl, do you have anybody on your team?

Mr. Fendt: Yes, Chris, and, Nancy, thank you. We have Gary Kistner, Chrissy Wlezien, and Larry Snow from the Wage staff.

Mr. Dollente: Also, Jerry Dollente here with the Wage staff.

Ms. Meriweather: And Rosemary Meriweather.

Ms. Jones: Hi. Also, Lischel Jones.

Ms. Abiera: And Erica Abiera.

Mr. Portell: Tyler Portell as well.

Ms. Powell: And Donna Powell.

Mr. Fendt: Apparently, I should have done my personal roll call first before I came to the team. Apologies.

Chair Lachance: That ist great. Good turnout. I appreciate it.

Army?

Ms. Laughlin: Mandy Laughlin for Army. I also have Jee Young Kang with me.

Chair Lachance: Great. Navy?

Ms. Loss: Sonja Loss, OCHR headquarters Classification and Compensation, and I have Brandon Anderson on the line with me.

Chair Lachance: Great. Thank you.

Ms. Anderson: And this is also Brandon Anderson.

Chair Lachance: Great to have you.

VA?

Ms. Vicks: Good morning, everyone. This is Ann Vicks. I'm the Executive Director of the Office of Human Capital Policies at VA, and I'll allow my staff members to introduce themselves.

Ms. Willis: Hi. Good morning, and Happy New Year to everyone. Sheila Willis, and I'm the Director of Compensation and Classification Service.

Keyonna, over to you.

Ms. Butler: Hi. Keyonna Butler, a member of the Compensation and Classification Service team.

Chair Lachance: Great. Thank you. Moving over to the Labor members. Metal Trades.

Mr. O'Connor: Paul O'Connor, IBEW and Metal Trades.

Mr. Norman: Craig Norman. I am in Metal Trades.

Chair Lachance: AFGE?

Mr. Allen: Jacque, you're on mute.

Ms. Simon: Okay. I'm Jacque Simon, AFGE.

Mr. Loeb: Richard Loeb, AFGE.

Chair Lachance: Great. NAGE?

Ms. Carmack: Carisa Carmack for NAGE.

Chair Lachance: Great. And ACT?

[No audible response.]

Chair Lachance: Okay. Then I know we have guests. So why don't we go to the guests. Then we can introduce Brenda and any OPM staff who are attending. Are there any guests on the call?

Mr. Proctor: Good morning. This is Butner. This is the Federal Correctional Complex in Butner, North Carolina. It's Mr. Proctor, Mr. Watson, Mr. Tucker, and Mr. Herndon.

Chair Lachance: Great. Thank you very much for being with us.

Mr. Proctor: Thank you for having us.

Ms. Pagano: Hi. Good morning. This is Kathleen Pagano. I'm representing Naval Facilities Engineering Systems Command Public Works Department on board, Naval Station Newport, Newport, Rhode Island. I'm joined by two different groups of colleagues from our Production Department, specifically our Transportation Department and our Utilities Management Department. Thank you for having us.

Chair Lachance: Great. Any other guests?

[No audible response.]

Chair Lachance: I want to introduce Brenda Roberts. She's here as the Designated Federal Official under the Federal Advisory Committee Act, and I know OPM has a strong staff here supporting the meeting. Could you introduce yourselves?

Ms. Paunoiu: Good morning. This is Ana Paunoiu with OPM.

Ms. Bono: Hi. This is Samantha Bono with OPM.

Mr. Eicher: Mike Eicher, OPM.

Ms. Pagano: Good morning. Kathleen Pagano. I wasn't able to join via Teams, so I had to call from my cell phone.

Chair Lachance: It's okay.

Ms. Powell: This is Dawna Powell with DoD Wage.

Mr. Portell: This is Tyler Portell, DoD Wage.

Ms. Nguyen: Good morning. This is Kieu Nguyen from DC Pathway.

Ms. Abiera: Good morning. This is Erica Abiera with DoD.

Ms. Wlezien: Hi. This is Christine Wlezien with Wage.

Mr. Dollente: Good morning. This is Jerry Dollente, DoD Wage.

Ms. Loss: Sonja Loss, OCHR Headquarters, Classification Compensation.

Mr. Smith: Yeah. This is Tim Smith. I'm representing NAVFAC Mid-Atlantic, the Public Works Department, New London, located at Submarine Base in New London, Connecticut.

Chair Lachance: Thanks to all of you for joining us.

I did want to note, as the meeting gets started, that FPRAC members held their sixth working group meeting to look at potential recommendations for reforms to the Federal Wage System. That was held on December 15th.

There is also an announcement on the agenda this morning. In a memo dated December 29th, OPM released the fiscal year 2023 Prevailing Rate Pay Adjustments, which is presented as FPRAC document 634-OPM-1.

And I know, Mark, you may have some comments on that to bring everybody up to date, particularly our guests who may not have seen this.

Mr. Allen: Every year, OPM will issue a memorandum to agencies to instruct them on how to implement legislation that provides the cap, the maximum amount for a wage schedule adjustment, as well as the floor increase, and this was something that the Committee talked about at a previous meeting where the Committee recommended that the pay cap part of that be eliminated at some point in the future.

For FY 2023, the Consolidated Appropriations Act for 2023 continues to contain two provisions that affect the determination of Prevailing Rate Wage Schedule adjustments. The first part under section 737(a) sets the cap at 4.79 percent for FY 2023. Some of the wage schedules that would normally be adjusted in the first quarter of the fiscal year were to be adjusted retroactively. Any wage schedules issued after the

date of this memorandum would be is issued prospectively, though. And this memo went out December 29th, 2022.

The second part of the appropriations provision is 737(b), and that's what we call the "floor increase provision." So the lowest increase would have been—or will be 4.37 percent, which is the equivalent to the Rest of U.S. GS locality adjustment, and then the adjustments would vary by wage area.

And just to give an example here, the wage schedule for New York would be 4.95 percent as the adjustment. So the overall average increase was 4.6 percent. As with the General Schedule locality adjustments, there are different percentage adjustment amounts for the pay cap and the floor increase provisions.

It's a routine document that OPM sends out every year. You won't see any changes in that apart from the numbers.

Anybody have any questions?

Mr. O'Connor: You mentioned that when you started that, there's a potential for the pay cap to be eliminated in the future. Who is controlling that, and how do we move that issue forward? Is it done yearly? Is it something that is beyond our reach? What are the next steps to try to eliminate the cap?

Mr. Allen: Currently, it's an FPRAC recommendation that went forward to the OPM Director. It would be up to the administration to decide on next steps. Because this provision is statutory, it comes up in the Financial Services and General Government Appropriations Act. That's where it's contained each year. It gets rolled up into the Consolidated Appropriations Act.

This could be handled through a budget submission from the administration. That budget is not announced yet. It could be handled through maybe one of the unions. Maybe more than one union may want to go through their own channels to address this to a congressional committee or Members of Congress. An agency could also pursue it through its own avenues available to it.

Mr. O'Connor: So, as far as looking at eliminating the pay cap sometime in the future, was that statement by OPM, the administration, or Congress?

Ms. Simon: It requires an act of Congress.

Mr. O'Connor: Right. But that statement, did it get that far, or did it not get that far?

Ms. Simon: We'll see if it's in the President's proposed budget for 2024.

Mr. O'Connor: Okay.

Mr. Allen: Jacque is right about that. If it's not, though, it could also be included in a draft appropriations bill, and those usually get out in public maybe in June. This year may be a little different, though, because we don't know when the appropriations bills are going to be drafted and when they may be made public in their draft form. There's a lengthy process to go through. It could also be that there could be an amendment made late in the process, that these things tend to play out in different ways. But, as Jacque says, it would require a change in the way that Congress has put the provision in the appropriations act that governs the increase amounts.

Mr. O'Connor: All right. Thanks.

Ms. Simon: Mark, you might want to talk about the Holman rule.

Mr. Allen: In what respect?

Ms. Simon: With regard to this, if it makes it that far.

Mr. Allen: I have no opinion about that, myself.

Ms. Simon: I'm not asking for your opinion. I'm asking for what a Member of Congress could do under the Holman rule with regard to language that would lift the cap, just describing the full range of things that have to go right in order for this to be enacted.

Mr. Allen: Yeah. I'm afraid I don't know the answer to that question.

Ms. Simon: Okay.

Chair Lachance: Any other questions?

[No audible response.]

II. Review of the Minutes of the 642nd Meeting

Chair Lachance: Let's move to reviewing the transcript of the last public meeting. That was held on October 20th. Are there any changes that anyone wants to bring to our attention?

[No audible response.]

Chair Lachance: If there are none, can one of you say "no objection" and we can move on?

Ms. Simon: No objection.

Chair Lachance: Great. Is there a second?

Mr. Allen: And I'll second.

Chair Lachance: Perfect. Thank you all. Hearing no objection, the transcript is adopted. Thank you all very much.

III. Old Business

- a. Letter from the American Federation of Government Employees, Dated September 6, 2018, Requesting FPRAC Review a Proposal to Not Allow Federal Wage System Wage Area Boundaries to Split General Schedule Locality Pay Areas and a Proposal to Redefine Monroe County, PA, from the Scranton-Wilkes-Barre, PA, Wage Area to the New York, NY, Wage Area, 620-AFGE-1
- Letter from the American Federation of Government Employees, Dated March 22, 2022, Requesting FPRAC Review a Proposal to Limit all Non-Rest of U.S. General Schedule Locality Pay Areas to no more than one Federal Wage System Wage Area and a Proposal to Redefine Monroe County, PA, from the Scranton-Wilkes-Barre, PA, Wage Area to the New York, NY, Wage Area, 637-AFGE-1
 - 2022 Update to Review of Monroe County, Pennsylvania, 638-OPM-2
 - Estimated 5-Year Cost Projection of Application of FPRAC Document 620-AFGE-1, 622-OPM-1
 - Paper Pay Disparity at Tobyhanna Army Depot by Joseph P. Lynott Sr., 623-OC-2
 - Email Message from Steven R. Kester in Support of the Proposal to Move Monroe County, PA, to the New York, NY, Wage Area, 623-OC-3
 - Letters from Steven R. Kester Regarding the Pay Disparity Between FWS and GS Employees at Tobyhanna Army Depot, 627-OC-1 and 633-OC-1, 637-OC-2, 637-OC-3, 640-OC-1

- Employment Distribution at Tobyhanna Army Depot, 634-OPM-1, and 2022 Update to GS and FWS Employment Distribution at Tobyhanna Army Depot, 638-OPM-3
- Market Rates vs Schedule Rates for Electronics Mechanics (Series 2604) Tobyhanna Army Depot, 634-OPM-2, and 2022 to Market Rates vs Schedule Rates, 637-OPM-4

b. Letter from the American Federation of Government Employees, Dated September 3, 2019, Requesting FPRAC Recommend Redefining San Joaquin County, CA, from the Stockton, CA, Wage Area to the San Francisco, CA, Wage Area, 627-AFGE-1

- Review of San Joaquin County, California, 629-MGT-1

c. Letter from the National Association of Government Employees, Dated September 25, 2019, Requesting FPRAC Reexamine the Placement of Wage Grade Employees Working in the Salinas-Monterey, CA, Wage Area, 628-NAGE-1

- Review of the Salinas-Monterey, California, Federal Wage System Wage Area, 629-MGT-2
- Request for the abolishment of the Monterey/Salinas wage survey area, 632-NAGE-1 and 636-NAGE-1

d. Letter from the Association of Civilian Technicians, Dated November 9, 2019, Requesting FPRAC Consider Moving the Puerto Rico Wage Area into the Special Appropriated Fund Schedule for U.S. Insular Areas, 629-ACT-1

- 2016 Study by NOAA Describing the Ocean Economies of the U.S. Virgin Islands and Puerto Rico, 629-ACT-2
- Review of the Puerto Rico Federal Wage System Wage Area, 631-MGT-1
- Puerto Rico Wage Grade Adjustment 2020, 631-ACT-1
- Letter from the Association of Civilian Technicians Requesting FPRAC Delay the Vote on the ACT Puerto Rico Proposal until April/May 2021, 636-ACT-1

e. Email from the American Federation of Government Employees, Dated May 23, 2022, Requesting FPRAC Review a Proposal to Unify the WG schedules at the Federal Correctional Complex Butner, 639-AFGE-1

- Southeastern North Carolina (RUS) Wage Schedule, 639-AFGE-2
- Central North Carolina Wage Schedule, 639-AFGE-3
- Fiscal Year 2020 Prevailing Rate Pay Adjustments, 639-AFGE-4
- Central North Carolina Special Wage Schedule A099, 639-AFGE-5
- Richmond, North Carolina Special Wage Schedule A099, 639-AFGE-6
- AK78 Final Rule General Schedule Locality Pay Areas published at 70 *Federal Register* 74996 on December 19, 2005, 639-AFGE-7

Chair Lachance: There are a number of items under Old Business that remain on the agenda while the working group considers the possibility of developing

recommendations for FWS reform. So rather than reading through all of the Old Business items, is it still the Committee's consensus that action on these items should be deferred for the next period of time until the working group has met, or does anyone want to say anything about any of the items this morning? You're more than welcome to.

Ms. Simon: Well, we are going to talk about item (e), the proposal to change the designation of the Butner Prison Complex.

Chair Lachance: Okay.

Ms. Simon: We're going to talk about that, aren't we? And that's Old Business, but some of the attachments that were sent out addressed that. So I assume we're going to talk about that.

Chair Lachance: I know we have guests who may want to provide testimony. If you look at item (e), which is an email from the American Federation of Government Employees from May 23rd of last year requesting FPRAC's review of a proposal to unify the Wage Grade Schedules at the Federal Correctional Complex Butner—and that is document 639-AFGE-1. I know the employees from Butner, I think, I assume, who are on the call, have introduced a few more supplementary documents which are under New Business as document 634-OC-2 through 643-OC-6.

Does anyone from Butner want to introduce these new documents, Mr. Proctor or Jacque, even? Does anyone want to address the information that is in here for the Committee?

Ms. Simon: Well, if you want to just treat the Butner issue as under New Business, that's fine too, because I have something to say about item (a) on the—under New Business.

[No audible response.]

Chair Lachance: Okay. But, Butner is a little different. No? But do you want to go ahead and present your materials, Mr. Proctor or whoever else is on from Butner?

Mr. Proctor: Yes, ma'am. This is Proctor again.

Chair Lachance: Mm-hmm.

Mr. Proctor: Since our meeting we called in, in October, since then, I provided more research information—

Chair Lachance: Yes.

Mr. Proctor: —through Mr. Allen. So, basically, we did three areas of research, like we said. We looked at all of the prisons and seen how Butner fell within them, and if you look at our spreadsheet, I based it off of 2021, because the new Wage Schedules hadn't came out at the time. You'll see Butner's WS ranks 80th, but our GS—I don't have the spreadsheet in front of me. I'm sorry. But I think our GS ranked 26th in pay. There was a huge disparity.

Then also, I looked at just in North Carolina. You'll see the Southeast Region was on average \$3 or \$4 more dollars an hour than here, even though ZipRecruiter ranked Raleigh-Durham as the highest-paying trade city in North Carolina.

Then also, the third spreadsheet was just looking at the GS locality, seeing how Butner ranked inside of that.

So, if you got any questions—it was all independent research we conducted here in Butner. If you got any questions about it, please let me know.

But in the meantime, we've continued to look at options and research. But since then, actually in Butner, the WS-8 Cook Supervisors got awarded a 9 percent retention pay for 12 months due to retention. That got signed off by Ms. Peters, the Director. And also, we've seen two other cases where inside of Central North Carolina, Raleigh-Durham, 299R, the VA actually has a special rate table and so does Seymour Johnson, which put them well ahead of the Butner Correctional Complex as well.

So the point of calling in today was just to continue to thank the Committee for looking at us, but also is there an update from the Committee on what they're seeing? And also, would going to Special Rate Table with SSR form be a better option? We're just looking for options and seeing what we could do to help our case.

Chair Lachance: Jacque?

Ms. Simon: Yeah. I just wanted to say that I think that the option of adding these North Carolina counties to the Richmond Wage Area is our best option, and I'm not sure that there are any valid obstacles to doing that.

Mr. Proctor: So, as you know, we're near the Virginia border. So we have a ton of staff here that actually live in Virginia. That's why Petersburg is our biggest competitor, and a lot of guys here do transfer back—if they come on to Butner, then they transfer to Petersburg because basically they're three and a half to four more dollars an hour compared to Butner, even though a lot of our staff do reside in Virginia and make the drive to Butner every day.

Mr. Allen: So one thing that the OPM staff could do in this regard is take a look at the regulatory criteria to see whether FCI Butner is appropriately defined to a wage area. It's currently in the, I believe, Central North Carolina area, and the question here is, should it more appropriately be defined to the Richmond area? So we can take a look at that.

I think the answer from the Management perspective, and after an analysis of the regulatory criteria, would show that's not the best approach. What OPM normally tells an agency if they're having difficulty recruiting and retaining employees is to consider using recruitment and retention incentives, which apparently has been done to a degree in this case. And another alternative would be to consider special wage rates. Both of those things would need to be addressed to the Bureau of Prisons and the Department of Justice rather than FPRAC or OPM directly. But we can take a look at the appropriate wage area definition for the prison and see what the criteria say.

Chair Lachance: And we could do that at the public meeting next month?

Mr. Allen: Yes.

Chair Lachance: Okay.

Mr. Allen: Yes. This would be similar to what we did for the Shenandoah National Park at least in terms of what we look at.

Ms. Simon: I appreciate that. Thank you. Thank you, Mark.

Mr. Allen: You're welcome.

Ms. Simon: I think that makes the most sense. As somebody who is dealing on a daily basis with individual prison locals seeking recruitment and retention payments and

the special rates, it's really cumbersome. It takes forever, and it's a Band-Aid. And this makes a lot more sense to just change the boundaries of the wage area.

Mr. Allen: Another thing I didn't mention—I think I've mentioned this at the previous meeting, though—is that the wage schedule would be higher, maybe by 8 percent, based on the last data that we looked at, if the pay cap no longer existed, but that would be a longer-term initiative.

Having said that, though, if the Department of Justice wanted to request waiving the pay cap for the prison, that could be worked through the process.

Ms. Simon: I really—as much as I would love to see the cap eliminated—and I'm sure that I would like to see it eliminated as much as anybody—we got to stop pretending that that's a likelihood with this House of Representatives. I think, you know, as we sit here, my phone is telling me that we've bumped up against the debt ceiling. You know, what they're going to extract by way of concessions in order not to default on U.S. government obligations, God only know. But to continue these conversations as if this Congress is going to raise—is going to eliminate the cap, a cap that's been in place for many, many decades, as desirable as that may be, let's stop pretending that for the time being. When we get a new Congress, we can start pretending it again, hoping for it again, working toward it again, but this House of Representatives is not likely to lift the cap.

On the contrary, they'll probably try to cut federal pay. So can we stop pretending that for now as if that's a plausible solution to the real problems people come to us asking for relief and asking us to address? We can't keep leaning on a truly, truly unlikely scenario. It's disingenuous, and I like to be honest with certainly everybody but

particularly our members. I don't like giving false hope, and with this House of Representatives talking about lifting the cap as if that is going to solve anybody's problems in here and now is disingenuous.

Chair Lachance: I don't think anyone is relying on that, Jacque, and I think you have heard OPM say that they would come back with an analysis of the situation in Butner.

Ms. Simon: Yes. That's exactly what we need to do. Thank you, Janice. I agree.

Chair Lachance: The work is proceeding, and we will continue to dream, but—

Ms. Simon: Okay. You can continue to dream, but—

Chair Lachance: Okay.

Ms. Simon: But we're not going to rely on that as an answer to anybody—

Chair Lachance: Yes.

Ms. Simon: —because it's just—if the election had a different outcome, we could be working on that, but that's not where we are.

Chair Lachance: Alright. Anything else from our colleagues at Butner?

Mr. Proctor: Is there anything else we could be doing to help our case? All the staff here are really wanting to help and see what they can do because this has been talked about for years, and as I said, you look at any of the prisons along the East Coast, even if you're go into Georgia or South Carolina, you see Butner is behind all of them. It's just really hard to recruit and retain staff seeing that. That's all most staff here talk about is trying to get somewhere else to make more money. So is there anything else we could be doing on our part to help the Committee?

Chair Lachance: I think I would say, at this point, probably not. Let's see where next few weeks take us with the findings of the staff, and then we can take it from there, unless, Mark, you have another idea?

Mr. Allen: No. I think this is the best approach to—well, I still say the best approach is recruitment and retention incentives—this would be the Bureau of Prisons doing this—or considering Special Wage rates or—the Bureau of Prisons also has the ability to administratively request waiving the pay cap in a similar way that Special Rates are done. That would need to go through DoD before it would come to OPM, though. Apart from that, I think the analysis is probably the—analysis of the wage area definition is probably the next best course of action to take, but we don't need any further information to do that.

Mr. Tucker: Hey, good morning. You have Oshal Tucker here FCC Butner, and, Mark, to address your statement about retention and—as you know, retention, it is a process as well too and is a Band-Aid. We have attempted to put everyone here dealing with wage grade in for some type of retention, which have not—we haven't been able to prevent Cook Supervisor because they fell under 80 percent of what we was told under a certain member is why they was able to be approved, but no one else here. I think, if I'm not mistaken, one of the last meetings, you spoke up, and maybe 15 years ago, you was actually involved, had some knowledge about what happened here at Butler.

So, again, we are getting—15 year passed and it could go further on a situation that everybody know is a problem here, and it seems like it's another Band-Aid trying to be put on it. But retention is not one of those things that you reach out today and the Director just going give everybody in Butner a retention here. And we have tried every

which way we could. Like I said, Petersburg is also in the commuting, considered to be in the commuting environment for Butner. So, again, when you go to hiring, you consider to be one or the other. If it is a special rate or something we can be working on, but I don't think retention being—it's a temporary fix.

Again, we would take any help or anything that can help us out, help the staff out here. But, again, when we start talking about the retention stuff, you're talking about maybe 12 months, and then that's gone. And then we back on the phone again talking about the same issues.

Ms. Simon: And it also doesn't get counted into your retirement.

Mr. Tucker: Absolutely, absolutely.

Ms. Simon: And so it's suboptimal, as they say. The best solution would be to add you guys to the Richmond wage area.

Mr. Tucker: Yeah, we already—like I said, it's a local community. If you look up Petersburg and Butner, they are in the local community. So staff that apply for Butner and Petersburg, they can commute. They can interchange in between the prisons because of the mileage in between each prison. They are established. It is compatible. So I think it is an easier fix than what's suggested by OPM to get some relief here. Every prison is short. We're getting to the point now where people are not even—we doing job fairs every Saturday just to try and get help in here. People are not coming once they realize what they're being paid that they can go somewhere else. And I just wanted to add that again.

Chair Lachance: Thank you very much.

Mr. Proctor: One other—this is Mr. Proctor again. One other thing, looking at how the DoD sets our pay, they used host activity sites for Central North Carolina and for Richmond, and if you were to look at ours, we're based out of Fort Bragg. But if you look at Richmond, they're based out of Fort Pickett, and if you did the mileage from Butner to both, Fort Pickett was actually a tad bit shorter drive compared to Fort Bragg for us. We're both within the same area.

Chair Lachance: That's helpful. Thank you.

Mr. Proctor: Mm-hmm.

Chair Lachance: Jacque, I know you want to talk about new business. Would you be okay if we let our other guests who joined the call have their opportunity to address the Committee? I know we've got an email from Ms. Pagano, and that is item 634-OC-7 from the Naval Facilities Engineering Systems Command Mid-Atlantic, Public Works Department. Could we move to her so that we can hear from all of our guests now? And the Committee could make sure they have all that information to inform the rest of our discussions?

Ms. Simon: Of course.?

Chair Lachance: Okay, great. Ms. Pagano, do you want to address the Committee?

Ms. Pagano: Yes, ma'am. Thank you. Good morning. Thank you for this opportunity to address the Federal Prevailing Rate Advisory Committee. My name is Kathleen Pagano, and I'm the Administrative Specialist for the Naval Facilities Engineering Systems Command Mid-Atlantic Public Works Department on board Naval Station Newport in Newport, Rhode Island.

As a military spouse, I take immense pride in working for U.S. Navy Command that provides the shore capabilities necessary to sustain the fleet, enable the fighter, and support the family. Naval Station Newport is home to over 42 units, Navy, Marine Corps, Coast Guard, and Army Reserve commands and federal activities.

It is the U.S. Navy career training site and also home to Naval Undersea Warfare Center Division Newport, which is one of two Navy full-spectrum research/development, test and evaluation, engineering and fleet support centers for submarine warfare systems and many other systems associated with the undersea battle space.

The support this installation provides to the Navy overall mission readiness is substantial. The economic impact of Naval Station Newport is also significant. It is the number one largest employer in Newport County and third largest employer in the State of Rhode Island, with a total workforce of over 11,000 individuals, 80 percent of which are civilians. In 2021, the economic impact of just one of the tenant commands we support was \$1.4 billion dollars.

Since our command provides direct facility maintenance peer services to U.S. Coast Guard cutters and National Oceanic and Atmospheric Administration ships and construction design and contract support, it is clear that without the critical work performed by Public Works Department employees Naval Station Newport could not successfully operate.

It is on behalf of the subset of those employees who keep our installation's lights on, water running, and tenant command securely housed that I'm advocating for today. The issue I wish to highlight today became apparent to me when onboarding new personnel and explaining the benefits available to federal employees. I discovered that

when we bring on a general federal employee, they're paid a prevailing wage, which includes base pay and a cost-of-living pay adjustment based on the Boston-Worcester-Providence locality pay area, but our federal wage rate colleagues are excluded from this pay adjustment.

I also found that we even provide this pay adjustment to privately employed contractors while denying it to the specific group of federal employee.

Despite working on the same installation side by side with our general federal counterparts and contractors, our federal wage grade colleagues fall into the Narragansett wage area and, as such, receive substantially less compensation to address for the cost-of-living expenses. To put it in perspective, the Narragansett Bay wage area was historically disconnected from Naval Station Newport. Instead, it was created specifically for Naval Air Station Quonset Point, which was deactivated in 1974. This means our federal wage grade employees are being undercompensated based on a locality pay area created to serve an installation which has no—which has not existed in 49 years.

Therefore, I believe it would be unconscionable to continue what is tantamount to financial discrimination against our federal wage grade employees, depriving them of the same financial compensation enjoyed by their General Schedule and privately employed contractor coworkers.

Again, these are the very people who keep our installation running on a daily basis. Their hard work supports our servicemembers, their families, and the fleet. The right thing to do is to equitably support them.

My request to you is to recommend that the Director enact the changes proposed by four Massachusetts and Rhode Island Senators in a 19 February 2020 letter to then OPM Director Dale Cabaniss. This change would align the federal wage grade locality pay to the Boston-Worcester-Providence locality pay area and, thus, match that of their General Schedule counterparts.

Thank you for your time.

Chair Lachance: Thank you very much. Are there comments or questions from the Committee members?

Ms. Simon: Well, I want to thank Ms. Pagano. I think you've made the case for a proposed change that AFGE has been pushing for a long time and we're going to talk about as the next item. It's just one more very severe and a severe problem that equalization of GS and wage grade local pay boundaries would solve.

And I'm really sorry that you're going through this, and it's a problem that we are working toward solving.

Ms. Pagano: Thank you.

Mr. O'Connor: This sounds like the same issue that I was discussing at the Portsmouth Naval Shipyard, the wage area disparity between the GS and the wage grade folks. It's the same issue. How many more facilities do we have to hear? And what I was told, my recollection was that it could be problematic to put Portsmouth in the Boston wage area for the wage grade folks, which is where the GS people are, because it could adversely impact the pay of the folks in Boston.

If this is an issue, a widespread issue, we need to focus on this. It's just wrong, and I concur with the concerns in Rhode Island that it's just not right or sensible that we

can have folks at one facility in different pay areas, wage areas that adversely impact one of those two groups of people. That's it.

Chair Lachance: Thank you, Paul.

Mr. Allen: This is this is what FPRAC is currently reviewing in a working group session and has been for the last few months. The Congress asked last year for OPM to explore no longer having FWS areas splitting GS locality pay areas. So that's what we're taking a look at.

The working group has already taken a look at the Boston area. We have the New York area on the agenda for the working group meeting later on today. Working group meetings are not open to the public, but the subject is likely to come up at another public meeting at some point in the future. I'm just not sure when at this point. It's a subject for discussion among the committee members. But I'm trying to say we're taking a look at all these issues on a nationwide basis. That's not really just limited to one location or one facility. So we're not taking a look separately at the Portsmouth Naval Shipyard or the Topeka VA Medical Center or the VA Medical Center, say, Providence, Rhode Island, or the Newport Naval Base.

Once we've presented the New York study at the working group, I think the next one we would have up would be the Washington, D.C.-Baltimore-Hagerstown area, which is a pretty complicated one to work through. But I hope to have that one available for the working group maybe in the next couple weeks.

Chair Lachance: Hopefully, that gives us enough information to have a more fulsome discussion because we will understand the full implications of all this.

Any other comments for Ms. Pagano, or questions?

[No audible response.]

Chair Lachance: If not, Ms. Pagano, thank you so much for your documentation and your oral testimony. We appreciate it very much.

Ms. Pagano: Thank you.

IV. New Business

- a. Update on FPRAC Working Group Discussions
- b. DRAFT, Prevailing Rate Advisory Committee Annual Summary, 2022, 643-OC-1
- c. Email from Federal Correctional Complex Butner FWS employees requesting an update on FPRAC Review of an AFGE Proposal to Unify the WG schedules at the Federal Correctional Complex Butner, 643-OC-2
 - Research Paper, 643-OC-3
 - LEO Pay Ranks, 634-OC-4
 - North Carolina Map. 643-OC-5
 - 2022 GS Locality Pay rates, 643-OC-6
- d. Email from Ms. Kathleen Pagano regarding pay disparities at the Naval Facilities Engineering Systems Command Mid-Atlantic, Public Works Department, 643-OC-7
 - Letter from Sen. Elizabeth Warren (D-MA), Sen. Edward J. Markey (D-MA), Sen. Jack Reed (D-RI), and Sen. Sheldon Whitehouse (D-RI) to OPM in support of the 2010 Federal Prevailing Rate Advisory Committee (FPRAC) recommendation to consolidate Federal Wage System (FWS) wage areas that

lie within General Schedule (GS) locality pay areas, Dated February 19, 2020,
643-OC-8

Chair Lachance: I think now we can move to New Business. There is a brief update on the FPRAC working group discussions. Mark kind of previewed them for us here. So on behalf of the working group, which was established with the Committee's consensus agreement in July, as Chair, I can talk a bit about the issue of considering the use of GS locality pay area definitions in the Federal Wage System.

The working group has been exploring this over the past couple of months. You've heard Mark's description of honing in and focusing on a number of the areas and facilities that are experiencing some of the issues that we've heard about this morning. There are some other matters that the working group had agreed to address, and so we are hoping to do that on an ongoing basis that went beyond this specific area, but this one, I have to say has been the most complex and challenging since there are a number of aspects that need to be taken into consideration.

So I would like, at this point, to hear from the members of the Committee about how they think the Committee should proceed and about how the working group should proceed and how we can all continue to work together on some of these very thorny issues.

I know, Mark, you had said you would like to have a few words. And, Jacque, I know you have expressed an interest in speaking. Do you want to start, Jacque or Mark? Which one of you?

Ms. Simon: Well, I guess the comment I'd like to make is really both on item (a) and (b), and that was really inspired by reading through the draft of the annual summary

and the summary the working groups. The subjects that the working group is working on really doesn't ever quite come out and say that we're working on the question of exactly what would be the—you know, what would it look like to equalize the pay boundaries for non-RUS GS, and wage grade localities?

You say there's a big, long list of things. Let's reform it. Do we like it? Are the wage areas too big or too small? Or, you know, what dah-dah-dah-dah-dah? There's all kinds of questions, except the one we're talking about right now, which is our focus.

I mean, I think that, initially, you wanted to talk about lifting the cap, and we talked about lifting the cap, and then we insisted that we talk about the equalization of boundaries. But equalization of boundaries is not on the list, not explicitly and not implicitly in that summary.

Mr. Allen: My response to your valid comment there, Jacque, is that we've kind of redirected our efforts off of the specific items that have been listed in the working group report, working group recommendation, and what we're doing now is working through an exploration of how wage areas would look like if we followed the GS boundaries. So we started with Boston, right? Then we did Kansas City—

Ms. Simon: I know you've done the work, Mark. I mean, I looked at the great work you guys did on New York. You've done the work. I'm talking about that document that summarizes the agenda of the working group and leaves out this issue, and I have to tell you, I'm not here representing myself. I'm here representing AFGE members. AFGE members have sent representatives to FPRAC with a primary goal of pursuing this equalization of boundaries. Our participation in the working group was contingent on addressing this equalization of boundaries.

I don't really want to ask big philosophical questions about federal pay in the working group. I want to—and we have addressed how we go about equalizing the boundaries between the two pay systems, and in our description of what the working group's been up to, it sounds as if we're having big philosophical conversations about pay systems, which maybe we are, but nowhere does it say that we are addressing the issue that Ms. Pagano raised, the issue I've been raising for too many years now. It really makes me feel old and ineffective when I think about how many years I've been pursuing this.

But in any case, that needs to be in the summary because the summary is inaccurate if it's not there, because we have, in fact—I mean, look at the beautiful work you guys produced, that 46-page report on what would happen with New York. It's not as if I'm imagining that we're addressing it. We are addressing it. You are addressing it and doing a beautiful job, I might add, but let's put that in our report. Let's be honest.

Mr. Allen: I agree with that.

Chair Lachance: I think that's fair, Jacque. I think we can do that.

Mr. Allen: Yeah. So, Jacque, would you like to suggest edits and send those to us by email?

Ms. Simon: Sure. I'd be happy to.

Mr. Allen: Okay.

Chair Lachance: So then should we hold off on approving this until the next meeting? Jacque, if you can—I know you're really busy—if you can get this to us before the next public meeting, then we could make the edits and have the committee approve the document at that time.

Ms. Simon: Okay.

Chair Lachance: Is that okay?

Ms. Simon: Sure.

Chair Lachance: Good. So we'll just move on to that.

Anything else that anybody wants to comment on? Either New Business (a) or (b)? We kind of wrapped them all up together, but certainly, if anybody else would like to discuss anything about those beyond what we have already talked about. It looks like we'll get another crack at taking a look at the summary document for the next meeting. But did anybody notice anything else that they'd like to raise comment on?

[No audible response.]

Chair Lachance: Since there really are no other items under New Business, it would be in order for the public meeting to adjourn. Is there a motion from anyone on the Committee? Or maybe I should ask, is anyone opposed to the meeting adjourning? I know you are having so much fun. You don't want to leave.

Ms. Simon: I moved to adjourn.

Chair Lachance: All right. I hear no objection to that. So we will officially adjourn. Thank you very, very much for all your participation, your help, and your very helpful suggestions.

If our guests are still online from Butner and Newport, I want to thank them as well. It is very, very helpful to hear from the employees directly. So thank you for your help.

Ms. Simon: Before we—

Mr. Proctor: Thank you for offering to help, for looking at us, and working through it. Thank you.

Ms. Simon: Before we adjourn, I just want to tell you guys a sort of emergency has occurred at AFGE, and so I'm going to be like 10 minutes late to the working group.

Chair Lachance: Okay.

Ms. Simon: I got to handle this.

Mr. Allen: Okay. Would everybody be okay if we start at 11:10? It is a separate Teams session. We can just start at 11:10. We are not that far away right now another 15 minutes.

Chair Lachance: I am seeing heads nod.

Mr. Allen: Okay.

Chair Lachance: Good. Does that work for you, Jacque?

Ms. Simon: Yeah, I think I can. I'll get up—yes, that's fine. Thank you. I appreciate that. Thank you.

Mr. Allen: Okay.

Chair Lachance: We'll see everybody then. Thank you all very much.

[End of recorded session.]