

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

591st FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, February 20, 2014

Room 5526
Office of Personnel Management
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM
Seth Shulman, DoD
Tracy Schulberg, NavyLabor Members:Bill Fenaughty, MTD
David Cann, AFGE
Adair Gregory, NAGE
Steven Landis, ACT**Staff Specialists and Visitors:**Brenda Roberts, Designated Federal Officer, OPM
Madeline Gonzalez, OPM
Luis Lynch, AF
Jim Brady, DoD
Karl Fendt, DoD
Gary Kistner, DoD**Recording Secretaries:**Mike Eicher, OPM
Terri Wallace, 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 the 591st meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chair of the Committee, and as usual, why don't we go around the table and have the FPRAC members introduce themselves.

Mark, let's start with you today.

MR. ALLEN: Mark Allen with OPM.

MR. SHULMAN: Seth Shulman, Department of Defense.

MS. SCHULBERG: Tracy Schulberg, Department of the Navy.

MR. FENAUGHTY: Bill Fenaughty, NFFE representing Metal Trades.

MR. CANN: Dave Cann with AFGE.

MR. GREGORY: Adair Gregory with NAGE.

MR. LANDIS: Steve Landis with ACT.

CHAIRMAN FRIEDMAN: Thank you, and why doesn't everyone else in the room introduce themselves as well. Madeline?

MS. GONZALEZ: Madeline Gonzalez with OPM.

MR. LYNCH: Luis Lynch, Air Force.

MS. ROBERTS: Brenda Roberts, Designated Federal Officer.

MR. BRADY: Jim Brady, DoD.

MR. FENDT: Karl Fendt, DoD.

MR. KISTNER: Gary Kistner, DoD.

MR. EICHER: Mike Eicher, OPM.

MS. WALLACE: Terri Wallace, OPM.

CHAIRMAN FRIEDMAN: Thank you.

We will start with a few announcements. The first is the memo from OPM Director Archuleta to the heads of the various agencies and departments regarding the application of the 1 percent General Schedule pay increase to FWS workers. Are there any questions or discussion about that?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. The next two items deal with the *RANGER III*. The first item is the OPM letter approving DOI's request to update the pay policy of the *Ranger III* by placing the employees of the *RANGER III* on the Detroit, Michigan, floating plant wage schedule instead of the Northwestern Michigan wage schedule. The second item is my response to Captain Hanrahan's written comments

on our December meeting.

I assume there are no questions or discussion of that, but I'll ask if there are.

[No audible response.]

CHAIRMAN FRIEDMAN: Next on the agenda, there are two tables that I thought would be of interest to people showing how many of the FWS employees, appropriated fund, then separately for nonappropriated fund, are paid less than \$10.10 per hour at this time. Recognize, please, that these estimates are upper bounds, because apparently, we don't actually have data by step. Since employee step information is not available, the actual number of employees with rates of pay under \$10.10 is less than is shown in these tables. In some cases, the grades span the \$10.10 with some steps below it and some above it, so that's an upper bound. I thought this would be useful information to people.

Are there any questions or discussion of that?

Yes, Dave.

MR. CANN: Have we discussed the possibility of perhaps assembling a work group to make a recommendation on addressing this? Because I think it's well raised. I

think it's important information and something that's been on our radar.

CHAIRMAN FRIEDMAN: Well, we do have a work group established. We could have a discussion. We don't have a meeting today with the work group, but it could be referred for discussion. Is there anything in particular you're thinking of regarding --

MR. CANN: Well, I'd imagine that -- I don't want to speak too hastily on behalf of this side of the room, but I would imagine that we would want to make a recommendation that these employees be brought up to making at least \$10.10 per hour , and I think that, for establishing parity and appreciating the administration's overall initiative, which was reflected in the State of the Union and the Executive Order, our agency counterparts might want to agree with us to make a recommendation that the employees be brought up to making at least \$10.10 per hour.

CHAIRMAN FRIEDMAN: Any discussion of that?

MR. ALLEN: I think we would be okay with discussing that in the working group to see what the possibilities are, and if there's anything administrative

that could be done. It might require legislation.

CHAIRMAN FRIEDMAN: Okay. So then we will put that on the agenda for our next working group meeting, which will be after our March 20th FPRAC meeting.

That brings up the minutes of our last month's meeting, which I believe people have had a chance to review. I hope you have, anyway. Are there any other corrections to the transcript of our last meeting beyond what we have heard from people about already?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing no additional corrections, unless there is some objection, we will adopt that transcript.

[No audible response.]

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

That brings up Old Business. Two of the items under Old Business, we might be able to move on. I hope we will in fact move on at our next meeting based on some of the New Business we have before us today. That would be items (b) and (f), both of which are connected to some of the New Business items we have.

So unless somebody wants to bring up an Old Business item now, we can move on to New Business. Is there any Old Business item that people want to bring up now?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. That brings up New Business. I'd ask that we start with item (c), which is the FPRAC Annual Report from 2013. I would appreciate a motion to adopt it and then we can discuss it. If people have any objections to it, they can bring them up then. Is there a motion to adopt the report?

MR. LANDIS: I'll make a motion of that.

CHAIRMAN FRIEDMAN: And is there a second?

MR. ALLEN: Second.

CHAIRMAN FRIEDMAN: Okay. Any discussion of the Annual Report?

[No audible response.] CHAIRMAN FRIEDMAN:

There are only three Management members here today which means that we do not have a quorum in order to vote for consensus to adopt it. Mark, is it possible to contact the other management members and ask if we have consensus?

MR. ALLEN: I will get in touch with a couple of the other management members who aren't here today. I'm pretty sure they're okay with approving this, but I'll touch base with them.

CHAIRMAN FRIEDMAN: All right. Subject to that, we will adopt the report.

So that brings up item (a) under New Business which is a report from the working group on the Corps of Engineers Lock and Dam pay practice. Is there any discussion of that? Are there any questions about it?

[No audible response.]

CHAIRMAN FRIEDMAN: I don't know if we need to formally adopt this in some way. I guess it's just advice from the working group to FPRAC. Any thoughts about what action we need to take on this?

MR. ALLEN: Mr. Chairman, usually what we have done in the past is, if there is a working group recommendation that comes back to the Committee that's linked up with something already on the agenda, such as Old Business Item(b), Special Wage Schedule Pay Practice for Federal Wage System Lock and Dam employees, under 562-MGT-1, and if the members of the Committee agree with the

working group recommendation, then we can go ahead and approve the Old Business item under (b).

MR. CANN: I have one question about it.

CHAIRMAN FRIEDMAN: Sure, go ahead.

MR. CANN: It may betray my inexperience with this. It makes sense that if we were to adopt the change, there would be winners and losers. About 26 percent of the people would be moved to a regular wage schedule with lower rates. About 18 percent of the people would be moved to a regular wage schedule with higher rates.

I don't know if there is something that is within the scope of what was in the review to address those that would be winners and see if there is any nimble solution that would bring up the 18 percent that would be losers. I don't know if that was part of the review or if it was something within our ability to address in order to bring up those folks that would be moved to a lower wage schedule.

CHAIRMAN FRIEDMAN: Does the Management side have any response on that?

MR. ALLEN: No ideas came about as a result of the working group discussions that would have enabled the

working group to come up with a recommendation to say that there would be some way of increasing pay for those who would go on to a lower wage schedule.

They would be covered by pay retention, but some people think that's a positive and others think that's still a negative.

And of course, the winners, so to speak, would go on to higher wage schedules, but there was no idea expressed from the working group that would get around that, that way of implementing a change like that.

MR. CANN: I don't know if it's worth discussing. Again, I am betraying my relative inexperience. I don't know if there is a mechanism that exists that we could discuss here that might be able to help bring some parity to that or not, or if there is no such mechanism.

CHAIRMAN FRIEDMAN: Why don't we defer a decision on this Old Business item until next month, and then between now and then, if we come up with any ideas on that, we can bring them up then. Hopefully, next month, we can resolve this longstanding Old Business item.

MR. CANN: Okay. Appreciate it.

MR. ALLEN: One other possibility is to send this

issue back to the working group if there is a need to do that, even though the working group agreed to send this issue back to the Committee.

MR. CANN: The resources of knowledge probably outpace mine by a significant amount. I wouldn't object to that.

MR. FENAUGHTY: We actually spoke about this at the working group.

CHAIRMAN FRIEDMAN: Right.

MR. FENAUGHTY: We didn't come up with any idea on how to make the employee pay any better than what it actually is.

Steve, do you remember?

MR. LANDIS: Yes.

MR. CANN: Well, I apologize. I don't want to beat a dead horse. So if it's been fully explored -- the question comes from my lack of understanding. I don't want to hold up something that's been vetted. It sounds like that may be the case.

CHAIRMAN FRIEDMAN: Well, given how long we've waited on this, one more month won't kill us, but I really would like us to decide next month.

MR. ALLEN: It doesn't matter if we wait a little bit. Especially since the recommendation is to make no change.

MR. CANN: Okay. Well, I apologize if my hiccup was --

CHAIRMAN FRIEDMAN: No, no. That is what you are here for. Don't apologize.

And that brings up New Business item (b), the Report on How Counties Should Be Redefined When a Wage Area is Abolished. That one is, more or less, tied with (f) under Old Business.

Essentially, what we are saying is FPRAC should retain flexibility. We don't need a regulation. We don't want to propose one regarding how abolished wage areas would be handled.

Any discussion of that?

[No audible response.]

CHAIRMAN FRIEDMAN: Again, I very strongly hope that we can address item (f) next month in light of our working group report.

Does this one need any action beyond that?

MR. ALLEN: No, I don't believe so. This

recommendation from the working group doesn't actually have a recommendation in it that would require a change in regulations by OPM. So I don't think this has any permanent effect on Committee discussions about some of the Old Business items or any future wage areas that we will be discussing.

CHAIRMAN FRIEDMAN: Okay. Any other matter that we need to discuss this morning?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, it would be in order for us to adjourn. Is there any objection to that?

[No audible response.]

CHAIRMAN FRIEDMAN: Hearing no objection, we are adjourned. Thank you very much. See you next month.