

Federal Prevailing Rate Advisory Committee

642nd FPRAC

Janice R. Lachance, Chair, Presiding

Thursday, October 20, 2022

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

Kimberly Eidson, Air Force

Mandy Laughlin, Army

Ophelia A. Vicks, VA

Labor Members:

Craig Norman, MTD

Jacqueline Simon, AFGE

Richard Loeb, AFGE

Carisa Carmack, NAGE

Gene Fuerere, ACT

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

Jee Young Kang, Army

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

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 641st Meeting	6
III.	Old Business	7
	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	7
	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	8
	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	8
	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	9
	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	9
IV.	New Business	21
	a. Update on FPRAC Working Group Discussions: Recommendation to Eliminate Annual Limitation on Prevailing Rate System Wage Schedule Adjustments, 642-OC-1	21

I. Opening Announcements and Introductions

Chair Lachance: I can't see exactly who is on the call, but we have a number of people, so why don't we go ahead and get started. Thanks, everybody, for joining us, and good morning.

This is the 642nd meeting of the Federal Prevailing Rate Advisory Committee. It is October 20th, and the time is now 10 a.m., so we can get started.

This meeting is being held virtually today, and it will be recorded, as we usually do. A verbatim transcript will be provided to all the members for your review at the next meeting.

My name is Janice Lachance, and I have the honor of chairing this Committee. Let's start with introductions and a roll call so we have everybody present on record. I'm going to start with the Labor members. Metal Trades, do we have someone from Metal Trades?

[No audible response.]

Chair Lachance: Okay.

Mr. Allen: I see Craig. Craig is on.

Chair Lachance: Oh, good. Craig?

Mr. Norman: Craig Norman from the IAM.

Chair Lachance: Great. Thank you, Craig. AFGE? I see those folks.

Ms. Simon: Richard, you're muted.

Mr. Loeb: That's usually a good thing, Jacque.

Chair Lachance: Shall we take a vote on that? Okay.

Mr. Loeb: No, please don't. I'm sure I'll lose.

[Laughter.]

Chair Lachance: Okay. NAGE?

Ms. Carmack: Carisa Carmack from NAGE.

Chair Lachance: Thanks, Carisa. ACT?

[No audible response.]

Chair Lachance: Maybe they're running a little late. We will hope they come.

On the Management side, the agency side, OPM?

Mr. Allen: Mark Allen for OPM staff.

Chair Lachance: DoD?

Mr. Lynch: Christopher Lynch sitting in for Nancy Speight. She should be joining us in a bit.

Chair Lachance: Great. Thank you, Chris. Army?

Ms. Laughlin: Good morning, ma'am. This is Mandy Laughlin. I also have Kieu Nguyen.

Chair Lachance: Great. Thank you. Welcome to both of you. Air Force?

Ms. Eidson: Good morning. This is Kim Eidson sitting in for Air Force.

Chair Lachance: Great. Thanks very much. And the VA?

Ms. Vicks: Good morning. This is Ann Vicks, and I'm being joined by Keyonna Butler.

Chair Lachance: Great. Thank you, everyone. And we also have—hopefully, you can see her. Brenda Roberts is here. She's the Designated Federal Official under the Federal Advisory Committee Act, FACA.

I think there are some staff who are attending. Could you introduce yourselves, behind the scenes, making everything run?

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

Chair Lachance: Thank you.

Mr. Eicher: Mike Eicher, OPM.

Chair Lachance: Great. And are there any guests who have joined us today?

Mr. Proctor: Good morning. This is Bobby Proctor along with Jeremy Watson calling in from the Butner Federal Prison.

Chair Lachance: Great. Thank you so much. We appreciate you being here.

I would like to just start out with one announcement for the record that FPRAC did hold its third working group meeting to consider potential recommendations for reforms to the FWS. That happened on October 6th, and we're going to be meeting again on November 3rd at noon. So, hopefully, all the members will be able to join us.

Are there any other announcements that any of you would have to make that are not on the agenda? We have nothing else on for us. Does anyone else have anything?

[No audible response.]

II. Review of the Minutes of the 641st Meeting

Chair Lachance: We can move to review the transcript of the last public meeting. That was held on September 15th, 2022. Are there any changes that anyone wants to bring to our attention?

[No audible response.]

Chair Lachance: So, hearing none, is there any objection to adopting the transcript of the last meeting?

Mr. Allen: No objection.

Chair Lachance: Great. Thank you, Mark. Hearing no objection, then the transcript is adopted. Thank you all very much for taking a look at it.

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-5

Chair Lachance: There are a number of items still under Old Business, if you look at our agenda, that remain on the agenda while the working group considers the possibility of developing recommendations to resolve some of those issues and reforming the FWS. So, rather than reading through all the Old Business items, is it still the Committee's consensus that action on these items should be deferred for the next few months while the working group is meeting, or does anyone want to say anything about any of the items this morning?

Ms. Simon: I would suggest that since we have guests from the Butner institution participating today, perhaps, Mark, you want to go over what information you currently have from the analysis of the request that AFGE made?

Mr. Allen: Yeah. It was somewhat unclear what the request was. I know there's some concerns about the wage rates that are paid at the Federal prison in Butner. I've seen different questions about that. I'd be interested in hearing what the local employees are perceiving as the problem. What I'm seeing is that the wage rates at the prison are lower than they are for neighboring wage areas and for another Federal prison that's—I believe it's FCI Petersburg near Richmond, Virginia.

Ms. Simon: Right, right.

Mr. Allen: These are the things I'm aware of.

Ms. Simon: Well, would it be okay if our guests addressed the issue today?

Mr. Allen: Sure.

Chair Lachance: They're very welcome to. That would be great, and that would help clarify the situation. So please go ahead, our colleagues from Butner.

Mr. Proctor: First off, good morning. This is Bobby Proctor. I work at Butner Federal Prison.

First off, we'd like to thank the Committee for allowing us the opportunity to speak today on behalf of WS employees. Currently, as you all know, the GS employees fall under the Raleigh-Durham locality, and WS, we fall under Central North Carolina, Raleigh-Durham, 299R.

Over the years, there's been plenty of talk around Butner about the disparity in pay involving the wage grades compared to other prisons and local surrounding areas, and to our records, the issue was originally brought up in 2004, but there couldn't be a resolution solved because the way our complex falls in two different counties.

As you all know, Raleigh-Durham is consistently ranked as one of the top economies in the country along with the housing market. We also have Research Triangle Park, one of the most prominent areas in the country for jobs. So, over the past year, we decided to conduct our own research and comparisons to see how we fall. If you've got a minute, I would like to go over some of that.

So, first off, we compared 96 Federal prisons. Butner GS ranks 26th in pay, but WS here in Butner ranks 80th in pay. We're not even near the middle of the pack. Of the 70 Federal prisons ranked below our GS in pay, 54 of them actually make more money in their WS. And one of our biggest competitors here in Butner is Petersburg, as they're within 2 hours of driving from Butner, and they're on average three and a half to four more dollars, even though our GS here in Butner makes more than theirs.

So, outside of that, we wanted to take a look at how we compared in the Federal Wage System. Of course, if you look at the research, Southeast North Carolina makes

on average about four more dollars over Central North Carolina, even though, once again, our GS make more money here.

I know some of this research is based on trade jobs in the community. So, according to ZipRecruiter, Raleigh ranged as the top-paying city in North Carolina for trade jobs, and it's not only happening here, but also, we have friends of ours in Butner in the National Guard. Just this year, they lost three of their employees. They have 15 wage grade employees in Butner. They've lost three to Southeast Region.

And there's actually a new issue being brought up in Butner that affects myself, as I'm a WS-5. With the new special pay tables, the FWS release for special pay, the WS-5 in Central North Carolina, rest of U.S., now makes more than WS-5 than near Raleigh-Durham, and that's because the special pay tables in rest of U.S. for Central North Carolina included WS-5, but it did not include it for Central North Carolina, Raleigh-Durham.

Another way we went about this is looking at the GS locality research. Currently, there are 53 GS localities established. Raleigh ranged 23rd and 20.94 for locality adjustment. So that leaves 30 GS localities making less than Raleigh-Durham, and in 23 of them, the corresponding WS in those areas make more than Raleigh-Durham WS.

An identical locality is Cincinnati, Ohio. They make 20.94 percent adjustment as well, but their WS is working in the same area and, once again, four more dollars than Butner.

So we wanted to present all this information to the Committee and see what we could do moving forward, get that involved in spanning the Southeast Area to include us or expand the Petersburg area, which falls under Richmond, Virginia, wage area to

include us. FCI Petersburg uses Fort Pickett as a host activity site. We fall under Fort Bragg, and according to Google Maps, Fort Bragg is 93.7 miles from Butner, and Fort Pickett is actually a little bit shorter at 92.8 miles.

So just in closing with us and speaking with the Butner WS employees, the biggest perk of working here has always been the benefits. So I think as time with your all's help that we can finally get the competitive pay to go along with these benefits.

So we thank you for your time and concern on this situation.

Chair Lachance: That's very helpful. Thank you so much for providing clarity on that.

Does the Committee have any questions?

Mr. Proctor: I have spreadsheets and research data if anybody would like me to forward it to you to go over.

Chair Lachance: That would be helpful.

Ms. Simon: This is Jacque. I have a question. I'm looking at the spreadsheet we have on the impact of lifting the cap, and looking at the data there for Central North Carolina, if anybody else has access to their spreadsheet, it's row 84. It's showing 70 wage grade employees, 43 of whom would be affected by lifting the cap in a pay gap of 4 percent.

This is a question for our guests from Butner. How many wage grades do you have in the prison, the entire complex? Do you know?

Mr. Proctor: The easiest way for me to find that out was I looked at the Federal Employee Salary Database, and in 2021, we had 121 recorded salaries for wage grade—I mean 131. Sorry.

Ms. Simon: 131. Yeah. That is a reminder that these data and this spreadsheet are way off in a couple of places. I don't know if they're way off in all the places, but they certainly are way off in a couple of places because they've got us here with 44 in total in Central North Carolina.

Mr. Allen: Jacque, I think the issue you're having there is that the way that spreadsheet was laid out for the working group is by wage schedule number, and there are—there's more than one wage schedule that applies in the Central North Carolina wage area because of the floor increase provision. So I'd say the number of employees is accurate. It's more a matter of identifying the wage schedule that applies in that spreadsheet. I don't have it in front of me right now—

Ms. Simon: Okay.

Mr. Allen: —but it's Central North Carolina. Is that right?

Chair Lachance: Yes.

Ms. Simon: Yeah, yeah. It's row 84.

Mr. Allen: Yeah. I think the pay gap there has actually gone up. It's around 8.8 percent, I believe, from the most recent wage survey.

Ms. Simon: Okay.

Mr. Allen: Another issue we have there is that the pay gaps are calculated based on the wage grade, the WG rates, and the employees at the Bureau of Prisons who work under the Federal Wage System are wage supervisors. So the pay gaps may be different for the wage supervisors.

Ms. Simon: I mean, do you think they're bigger or smaller?

Mr. Allen: Well, it's a more discrete workforce, so we didn't do an analysis just for those grades. So I can't say whether it's higher or lower.

In general, though, the pay gap has gone up, and what I'm seeing here is there's certain things that the employees at Butner are seeing that are still with the working group for consideration, like are the wage areas currently structured to be too small or too big.

But there is one issue that—

Ms. Simon: There are other ways of describing it. It's the boundary issue, but go on.

Mr. Allen: Well, then there's the other issue that we're hoping to deal with here today, which is the negative impact of the pay limitation. If, indeed, the pay gap is above 8 percent in the Central North Carolina wage area generally, that is going to have a negative impact on recruitment and retention for employees at Butner. I think it's setting aside all the other issues that the working group is going to be considering in the next couple of months.

Ms. Simon: Okay. So the members in this—I mean, we found a few members that didn't make any sense to us in the spreadsheet. So you're saying right now basically that this 4 percent pay gap that is in the spreadsheet for Central North Carolina, the part that's in rest of the U.S. is old data?

Mr. Allen: It's about a year out of date, and the labor market is moving ahead within the wage survey jobs. I have an updated feed.

So see Central North Carolina Wage Schedule 299, which is equivalent to the Raleigh locality pay area, which I Butner is in. 1,682 employees under the wage grade, and pay gap is 7.88 percent.

Ms. Simon: Well, can you please share that new updated spreadsheet with us?

Mr. Allen: Ana, do you have that? This would be the—

Ms. Simon: This is line 173 on the current one, and it's saying 1,608 employees with a 2.66 pay gap.

Mr. Allen: Yeah.

Ms. Simon: That's 66 percent affected by the cap.

Mr. Allen: Yeah. This is one that's more recent.

Ms. Simon: Okay.

Mr. Allen: It's rank-ordered by size and pay disparity.

Ms. Simon: Okay.

Mr. Allen: So you go to the top here, 37.62 percent. The pay gap for Dothan wage area has been that wide for decades. Then it goes down to a .25 percent in Philadelphia wage area.

Ms. Simon: Okay. So you're sending that to us right now?

Mr. Allen: Ana put that up on the screen. You can send that to the members in the meeting as well.

So Central North Carolina—

Ms. Simon: All right. This one doesn't have headings at the top of the columns.

Mr. Allen: No. We didn't have those that we got these data from DoD, but the first column is the name of the wage schedule, second column is the area code—or wage

schedule code, third is the number of wage grade employees, fourth is the pay disparity, and then fifth column is the effective date of the schedule.

Ms. Simon: But this one doesn't have the number of people or percentage of wage grade workers who'd be affected by the cap.

Mr. Allen: Not on this one, no.

Mr. Proctor: This is Mr. Proctor again. I just wanted to confirm like based on my numbers in Butner, we're showing around 130 WS employees currently involved.

Ms. Simon: Okay.

Mr. Proctor: That doesn't include the ones at the Butner National Guard. That's just the Butner Federal Complex.

Ms. Simon: And how many positions are authorized there? I mean, like how many empty positions do you have?

Mr. Proctor: I haven't went through HR to get that number. I didn't know the best way of going about of getting that.

Ms. Simon: Okay.

Mr. Allen: This spreadsheet also does not include every wage schedule. It just includes the ones that were updated based on a wage survey.

Ms. Simon: Just to understand what we're talking about here, the wage grade employees of Butner would be affected by both lifting the cap and by equalizing the local boundaries between GS and wage grade?

Mr. Allen: I would say no since the prison is already in the equivalent of the Raleigh locality pay area. It's not split between two different wage areas. It's in the same wage area and the same wage schedule.

Ms. Simon: Everybody in the Raleigh locality is in the Raleigh wage scale.

Mr. Allen: Yeah. Everybody in the Raleigh—well, the equivalent of the Raleigh locality pay area by county are paid from the Central North Carolina RA schedule, Schedule 299.

Ms. Simon: Right. Other wage grade in Central North Carolina but not Butner would be affected by the equalization of the boundaries?

Mr. Allen: Yeah. Everybody—well, if we're still with a floor increase and a pay cap, there would still be a Central North Carolina, rest of U.S. wage schedule—

Ms. Simon: Right.

Mr. Allen: —which has 74 people, the weighted average would be 12.61 percent, but that's not the schedule that should be applied to Butner.

Ms. Simon: Oh. This is a weighted average in the third column?

Mr. Allen: Yeah.

Ms. Simon: Okay.

Mr. Allen: It's weighted by employment within each wage grade.

Ms. Simon: Okay.

Mr. Allen: Or, Karl, correct me if I'm wrong about that.

Mr. Fendt: Nope. Mark, you are correct, and I know that's an overall average, but I just went and looked real quick while we were all discussing, and the entirety of that line is capped. So I think there was a question earlier about, you know, the different grades, but the entire line is capped in that for Schedule 299.

Mr. Allen: Right. Since I've been at FPRAC and OPM for quite a few years, I remember considering these issues about Butner back probably around 2004, maybe

even earlier than that. So these are not new concerns that I'm hearing regarding the definitions of the wage areas. I think it is something that's perfect for the working group to consider in more detail.

Chair Lachance: Does that make sense as a way to go forward? I'd have to say I learned a lot from our guests from Butner, so thank you all for preparing that information, and I know the Committee would be happy to receive it. I think this fits in nicely with the working group's agenda going forward. Does the Committee—is there a consensus among the Committee to go ahead and have the working group add this to its agenda and items that it will work on?

Ms. Simon: Yes.

Chair Lachance: Great. Is it okay now to take down that chart so we can see a few more of you? Great. Thanks. If we need it, we can put it back up, but that's great. And I am very, very grateful that the folks from Butner took the time to do this, so thank you all very much.

Are there any other questions for them or for AFGE who brought this issue to our attention?

[No audible response.]

Chair Lachance: Good. Thank you all for being here with us. We appreciate the work you've put into this.

Mr. Proctor: We thank you all for allowing us an opportunity to speak on behalf of Butner. It really means a lot to us for you all to hear us, and hopefully, we can come to a resolution moving forward with your all's help.

Chair Lachance: Great. We will look forward to celebrating that day.

Mr. Allen: I did have one question.

Chair Lachance: Yes, Mark.

Mr. Allen: This is regarding the environment you're currently working in. Do you feel like you're able to recruit people better now than in the last couple years, or have things been getting worse?

Mr. Proctor: So, speaking on my behalf, I started in the food service warehouse. So, when I initially came to Butner, it was about benefits. I actually made more money on the street. The benefits has always been our main concern, as I was paying over \$1,200 a month in health insurance, and even like—so right up the street from us is Food Lion Distribution Center. They're advertising right now, food service workers starting at \$26.66. The food service here in Butner, starting pay is around \$23. It's really made it hard to recruit knowing that you're coming into a prison environment on top of that. You're doing LEO work on top of doing your basic trade job. We've had to post multiple times to get jobs and candidates. We've offered paid moves for jobs and still couldn't get people to transfer or recruit to Butner.

Mr. Allen: I really appreciate that because I think that does lead us a little bit later on in us leading towards a discussion of how wage growth in the private sector is negatively impacting the wage schedules that are constructed. Therefore, this is very helpful information for me.

Chair Lachance: For all of us, I think. Thank you again.

Any other questions before we close this out?

[No audible response.]

Chair Lachance: Again, thank you all for joining us. Jacque and Rich, thank you both for bringing the issue to our attention.

IV. New Business

- a. Update on FPRAC Working Group Discussions: Recommendation to Eliminate Annual Limitation on Prevailing Rate System Wage Schedule Adjustments, 642-OC-1

Chair Lachance: I'm going to turn to the Committee's New Business item. Under item (a), we have document 642-OC-1, which is an update on FPRAC working group discussions, the recommendation to eliminate annual limitation on prevailing rate system wage schedule adjustments.

On behalf of the FPRAC working group, which was established with the Committee's consensus agreement in July of this year, as Chair, I would like to provide an update here on two of the questions the working group has been considering over the last few weeks. They were the top two questions that the group identified as being the most timely and urgent to deal with. Where the working group has reached agreement to recommend a solution are, first, what obstacles, statutory or regulatory, hinder the government's ability to pay FWS employees according to local prevailing wage levels, and to what degree are employees paid more or less than prevailing wage levels? And number two, should the pay caps for FWS annual wage schedule adjustments be eliminated?

There are other very, very important questions that the working group is going to continue to work on. We already have our next meeting on the schedule. We are ready

to tackle other issues that have been identified, and that is going to include consideration of the GS locality pay area definitions in the Federal Wage System.

But for now, I would like to open this up for the full Committee's discussion on the document that has been presented, and hopefully, some of you have had a chance to consider this and are prepared to speak to it.

Jacque?

Ms. Simon: I have one caution. The language you're using when you refer to lifting the cap, you're using the word "limitation." The floor is also a limitation, and we want to retain the floor. So if our statement is going to reflect the consensus that we describe during our working group meeting, I want to make sure that the language is quite clear on that, that we're referring exclusively to the cap and not to the floor. And the floor is every bit as much a limitation as the ceiling.

I also think that it needs to be acknowledged that although we're a body that makes recommendations that involve administrative changes, this requires a statutory change, and we just need to be explicit about that, that our normal operation, our normal business, and our charter, really, has us making administrative changes, recommendations, and this is a statutory change recommendation.

But I just can't emphasize enough how important it is that we don't use the word "limitation" because limitation includes the floor, and AFGE is not in favor of eliminating that limitation.

Mr. Allen: I would agree with you that the working group did not make a recommendation on anything other than the maximum increase. It did not address the floor increase provision that's embedded in the Financial Services and General

Government Appropriations Act each year. We're just talking about the pay cap amount, not the floor increase in this respect.

Ms. Simon: Then we need to be explicit about that.

Chair Lachance: Yes. I agree. I agree. Did you want to make a motion now?

Mr. Allen: I think we're probably in a pretty good place where we could put a motion on the table which can be amended. I'll read it and then see how it grabs you.

Ms. Simon: Well, wait a second. Does it say "limitation"?

Mr. Allen: Well, it says "limits."

Ms. Simon: Well, then we got to rewrite.

Mr. Allen: I'll read it off to you.

Chair Lachance: Let's start with this and then happy to entertain any amendments or revisions.

Mr. Allen: What I'm proposing here for the group to consider is based on its working group's analysis of the negative impact on the prevailing rate determination process, comma, OPM staff moves that FPRAC recommend to OPM that it pursue elimination of an annual provision placed in the Financial Services and General Government Appropriations Act each year since 1978, and then it would have "that limits." So you can say "that caps" instead. Would that work?

Chair Lachance: We could change that to "caps."

Mr. Allen: The caps prevailing rate system wage schedule adjustment—

Ms. Simon: Why don't you change it to "maximum" so we're clear on that. I mean, "ceiling" or "maximum" is what I'm talking about.

Mr. Allen: That limits the maximum prevailing rate system wage schedule adjustments to the average general schedule pay adjustment each fiscal year.

Ms. Simon: Has FPRAC, Mark, do you know, just off the top of your head, ever made a recommendation for a statutory change before?

Mr. Allen: There was one made addressing the pay cap around 1991, and OPM did not act on that at the time because there were other concerns about how the Federal Wage System was structured.

Mr. Loeb: I am extremely uncomfortable with an FPRAC recommendation to OPM to seek a statutory change. I've gone through the history of the FPRAC and the history of advisory boards and commissions of this sort, and given the nature of OPM Director's authority, the FPRAC's relationship to the OPM Director in advising her. I think that the role here is to—I just think that the role of this body is to advise the Director within our administrative authorities.

Chair Lachance: That seems to put a real limit on the impact this Committee can have. Are you all prepared to do that? I think given the fact that this will be a recommendation to the Director who always has the option of acting within her authority to do whatever she thinks is best, it seems to me that getting the support of a group like this, that is made up of management and labor would be a big help to her as she does her work and makes her decisions. Getting that kind of clarity is something that is extremely rare in this day and age, and I, frankly, would hate to see this Committee just leave that on the table with the hope and assumption that this would go through some other way.

There is nothing that limits FPRAC—I need to stop using the word "limits."

Jacque put it in my head now.

But there is nothing in the Committee's authority that prevents it from making a recommendation, and given the fact that we want to deal with the wage system as an entity, as an entirety, I don't see how we can, in good conscience, ignore this, which has been identified by the same group as being the major issue that's impeding the effective implementation and practice of the Federal Wage System.

Ms. Simon: I just want to clarify. Richard wasn't there at the work group meeting. From our perspective, we understood the work group to be dealing with the instructions from Congress to address the boundary issue.

Chair Lachance: Well—

Ms. Simon: Well, wait. Let me—can I just—

Chair Lachance: That's not what this group signed off on.

Ms. Simon: I got it. I've got it. I'm just talking here for the record.

Chair Lachance: Okay.

Ms. Simon: Because we were both there, so we both know what happened.

So, just for the record, we discussed—so we sat down and we agreed to have this work group where we were going to discuss the boundary issues, and, you know, all of a sudden, there was a long list of items that the work group was going to address. And one of them went, you know, zooming to the top of the priority list, and that was lifting the cap. And there was, you know, some data presented regarding the cost of the boundary equalization issue. We haven't yet seen the cost of the lifting-of-the-cap issue, but, you know, in the course of talking about it, there was no objection in the working

group to lifting the cap if some miracle would occur and then the Congress would agree to eliminating the pay gap for all wage grade employees.

I expressed in the work group that we had no objection to that. On the contrary, we would support it as long as there would be—we would retain the floor, but we have insisted—and I hope I have been as emphatic as I feel—that we are not going to abandon this issue of equity between wage grade and GS who work in the exact same place. We want them to be treated as if—for purposes of local pay variations, treated as if they work in the same place.

And the equalization of the non-RUS localities remains an extremely important issue for AFGE, and it's one that OPM can do administratively. It is one that it is—Congress has told us, and we agree, is proper for OPM to address, so proper for FPRAC to recommend to the Director of OPM.

In the meantime, we've had this kind of divergence into the cap issue. We don't oppose the cap. We don't oppose eliminating the maximum.

Chair Lachance: Great.

Ms. Simon: And so—

Mr. Loeb: Jacque? So Jacque just explained. This is what I get for missing the meeting 2 weeks ago, but as long as it's understood that this is not a substitute for what Congress asked us to do—

Ms. Simon: Yeah.

Mr. Loeb: —that's the key because what I got the sense was, from what Mark read, is this is somehow or other—this is our answer to what we were specifically asked to do by Congress, and I just feel like this is really a separate subject.

Ms. Simon: It is.

Chair Lachance: Okay. Paul, you had your hand up, but now I see it's down. Before I address these issues, did you have a comment you wanted to make or a question?

Mr. O'Connor: Yeah. This is Paul O'Connor, Metal Trades. I agree with Jacque. I do want to say that we can follow parallel paths at the same time. Now, Congress wants us to review the wage scales and the wage areas. Okay, let's do that, but they're also part of the problem with the cap. We have to address both issues, and to ignore the cap issue because it's statutory, I think, damages our ability to equitably ensure that the FWS scale is as close as possible to the prevailing rate, because right now it's not. It's way off. Thanks.

Chair Lachance: Paul, thank you very much for that.

Let me just add. I made a point of saying we already have another working group meeting scheduled, and that's because I wanted to underscore the fact that this is not the end of the working group's efforts, that we are going to tackle the other issues.

What we're presented with now is a unique opportunity where we have, maybe, support. I was going to say enthusiasm, but I don't want to make that assumption. But there is support across the board from what I'm hearing from the Committee members to proceed with this.

This also—this moment in time also aligns really well with the legislative calendar. We can try to work this with the omnibus. We can work this into the budget discussions that are going on now at OMB and across government. This is the moment

to do this if we are going to do it. Otherwise, then you lose a year. You lose months or whatever.

And let me just add one other thing. Yes, this is Congressional. The Director is going to have to go to the Hill and make the case for this, but imagine how much stronger her case is if she can say, "I have the support of the members of FPRAC." It changes the dynamic, particularly with the support of DoD and the VA that we have heard here. I think it is a unique opportunity, and I would hope most of the members of the Committee agree with that.

Jacque?

Ms. Simon: I just wanted to go to OMB and make the case for the boundaries as well.

Chair Lachance: I think we can come up with a working group position that might make that possible. So let's see what the working group has to say on that, but we are going to pick that up as soon as we meet again.

So with these caveats and with this commitment to deal with the other issues as well going forward, is there consensus from the Committee to make this recommendation to the OPM Director?

Ms. Speight: DoD concurs.

Chair Lachance: Thank you, Nancy.

Ms. Vicks: VA concurs.

Chair Lachance: Thank you. I am seeing nods. Do I hear any objections?

[No audible response.]

[Simultaneous speaking.]

Chair Lachance: All right. We will proceed with this. Thank you all very much for your help, and I appreciate the work that the working group has already done, and I look forward to the work that you are going to do. It is not going to get any easier, but I think this is a great first step.

There are no other items under New Business. Would it be in order for us to adjourn at this point, or does anybody else have anything else they want to raise?

Ms. Simon: I'd like to just ask one more thing, if that is—as you have updated data and information on that spreadsheet on how many people and by what amount wage grade employees would be affected by lifting the maximum amount of pay adjustment, if you would share that with us.

One of the problems when I was going through it with some AFGE folks, the very first line on the spreadsheet we have is from Anniston, Alabama, where our national president was local president for many, many, many years, and the numbers were really not accurate there in terms of numbers of wage grade employees.

Mr. Allen: I think they're around 2,000. There are around 2,000 employees in the wage area, Jacque. I think the issue there again is that there are three different wage schedules, one for Birmingham—or covering Birmingham, Alabama, locality pay area, the Anniston-Gadsden wage schedule. It gets very confusing.

Ms. Simon: Okay. Well, as much detail as you could possibly share, we'd appreciate it.

Mr. Allen: It may be beneficial if we just reorder it so that it's by wage area rather than by wage schedule number.

Ms. Simon: Okay.

Mr. Allen: That would show all three of the schedules, and for Anniston-Gadsden, it will show up to be around 2,000 people.

Ms. Simon: Yeah. That's what he thought.

Mr. Allen: Yes, he's right.

Ms. Simon: Okay.

Chair Lachance: I'm seeing nods. I think that would be appreciated across the board.

Is there a motion to adjourn from one of you?

Ms. Simon: I move to adjourn.

Mr. Allen: And I'll second.

Chair Lachance: Great. Any objection?

[No audible response.]

Chair Lachance: All right. Thank you, everyone, and Jacque and Rich, please tell the folks from Butner, we appreciated them being here.

Mr. Allen: I think they're still on.

Chair Lachance: You're still on. Okay. Goodbye. Thank you for being with us.

Thanks to everyone.

[End of recorded session.]