

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

617th FPRAC

SHELDON FRIEDMAN, Chairperson, Presiding

Thursday, November 17, 2016

Room 5526
Office of Personnel Management
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM
Jim Davey, DoD
Jason Munro, Air Force
Gary Buck, Army
Stephanie Boyd, VA [via phone]Labor Members:Jacque Simon, AFGE
Candace Archer, AFGE
Robert Shore, NAGE
Jeff Beltran, ACT**Staff Specialists and Visitors:**Brenda Roberts, Designated Federal Officer, OPM
Madeline Gonzalez, OPM
Jim Brady, DoD
Eric Clayton, DoD
Arleen Romba, VA [via phone]**Recording Secretaries:**Mike Eicher, OPM
Ana Paunoiu, OPM

[Transcript prepared from digital audio produced by FPRAC.]

C O N T E N T S

	<u>Page</u>
I. <u>Opening/Announcements</u>	
• Introductions.....	3
• Announcements.....	4
– January 2017 meeting - January 12 (2nd Thursday of the month)	
– FPRAC’s FY 2016 Federal Advisory Committee Act (FACA) Report, 617-OC-1	
II. Review of the Minutes of the 616th Meeting.....	4
III. Old Business.....	9
a. Letter from the National Association of Government Employees, Dated March 9, 2016, Requesting FPRAC Reexamine the Placement of Wage Grade Employees Working in Shawnee County, KS, 611-NAGE-1	
– Review of Shawnee County, Kansas, 612-MGT-1	
– Additional Information on Shawnee County, Kansas, 614-OPM-1	
– Supporting Documentation from Topeka WG Employees, 614-NAGE-1, 614-NAGE-2, 614-NAGE-3, 614-NAGE-4, 614-NAGE-5, 614-NAGE-6, 614-NAGE-7	
– Additional Information on the Topeka, Kansas, Wage Area, 615-OPM-1	
b. Definition of Forsyth and Mecklenburg Counties, North Carolina, to a Nonappropriated Fund Federal Wage System Wage Area, 614-MGT-1	
– Additional Information on Forsyth and Mecklenburg, North Carolina, 616-OPM-1	
c. Definition of Pitt County, North Carolina, to a Nonappropriated Fund Federal Wage System Wage Area, 614-MGT-2	
– Additional Information on Pitt County, North Carolina, 616-OPM-2	
d. Definition of Brown County, Wisconsin, to a Nonappropriated Fund Federal Wage System Wage Area, 616-MGT-1	
IV. New Business.....	7
a. Additional information on Pitt County, North Carolina, 617-OPM-1	
b. Additional Information on Brown County, Wisconsin, 617-OPM-2	
c. Review of the San Antonio, Texas, Federal Wage System Wage Area, 617-MGT-1	

P R O C E E D I N G

CHAIRMAN FRIEDMAN: Good morning, everyone. Welcome to this, our 617th meeting of the Federal Prevailing Rate Advisory Committee. My name is Sheldon Friedman, Chair of the Committee, and as we always do, let's go around the room and introduce ourselves, starting today with you, Mark.

MR. ALLEN: Mark Allen with OPM.

MR. DAVEY: Jim Davey with DoD.

MR. MUNRO: Jason Munro with Air Force.

MR. BUCK: Gary Buck, Department of Army.

CHAIRMAN FRIEDMAN: And this side here?

MR. BELTRAN: Jeffrey Beltran with ACT.

MR. SHORE: Rob Shore with NAGE.

CHAIRMAN FRIEDMAN: And I think we have a member on the phone.

Anybody on the phone?

MS. BOYD: Stephanie Boyd with VA.

CHAIRMAN FRIEDMAN: Thank you. We are hoping for the arrival of a couple more Labor members, but meanwhile, let's also have the other folks in the room introduce themselves, please, Brenda, starting with you.

MR. ROBERTS: Brenda Roberts, OPM, Designated Federal Officer.

MR. BRADY: Jim Brady, DoD.

MR. CLAYTON: Eric Clayton, DoD.

MR. EICHER: Mike Eicher, OPM.

MS. PAUNOIU: Ana Paunoiu, OPM.

MS. GONZALEZ: Madeline Gonzalez, OPM.

MS. ROMBA: Arleen Romba with VA.

CHAIRMAN FRIEDMAN: Okay. We asked people about the date for the January meeting and proposed January 12th, which would be the second Thursday, not the third. The reasons for that relate to the holiday on Monday of the third week as well as the holiday on Friday, Inauguration Day for the new President. Nobody squawked, so January 12th will be the date of our January meeting. Please make a note of that in case you have third Thursday on autopilot somewhere.

Also, we circulated the Federal Advisory Committee Act (FACA) report for FPRAC for fiscal year 2016, just for your information. Nothing in there will shock you, I don't think, but if you are having trouble falling asleep, you might want that near your bed stand so you can study it. Are there any questions about it?

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. Well, one thing we can do with the number of folks in the room is approve the transcript of our last meeting. Are there any additional corrections or changes that people want to tell us about beyond those you've already told us about?

[No audible response.]

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

[No audible response.]

CHAIRMAN FRIEDMAN: Okay. It's adopted. Thank you.

We don't have a quorum for decision-making yet. I have not heard from missing

members about either non-attendance or being away. Why don't we—yes, Mark.

MR. ALLEN: I would call everybody's attention to the maps.

CHAIRMAN FRIEDMAN: Thank you. Yes. Okay.

MR. ALLEN: OPM staff had developed a set of maps some years ago, which became outdated as a result of changes in metropolitan areas and some changes in wage area boundaries, and the version of the software that we had been using to create the maps is no longer supported by our operating system, so we had to get a new version of the software.

So I'd like to thank Ana and Mike for all the effort they've put in, and the many, many hours spent putting these maps together.

So we got the appropriated fund wage area maps with the metropolitan area definitions as of 2015. That was the last update that OMB did for those.

We've also got the non-appropriated fund wage area maps, updated as of today.

Then we also have the GS locality pay area boundaries that are overlaying on top of the Federal Wage System wage area boundaries.

So I hope everybody finds these useful, and it also gives a good perspective on the scope of the pay system when we got this many maps to deal with.

CHAIRMAN FRIEDMAN: Thank you, and thank you to Mike and Ana for the hard work on this. We appreciate it.

At one point, we talked about putting these on the website, which Mark says is a difficult and costly project. It's too bad because it would be nice to have them up there.

MR. ALLEN: The main issue is that these maps were developed with the purpose of being analytical aids for discussions of this Committee rather than being displayed objects just showing the boundaries of a wage area. So there's a lot more involved—or there would be a lot

more involved if OPM were to try and put them on our website, plus there are a lot of maps as well.

CHAIRMAN FRIEDMAN: Well, so we could—go ahead, Rob.

MR. SHORE: Well, I can just give an update on the Old Business, that issue from NAGE—

CHAIRMAN FRIEDMAN: Sure.

MR. SHORE: —the letter, just because it's been a little while.

CHAIRMAN FRIEDMAN: Yeah.

MR. SHORE: And, essentially, there were a number of questions that some members had asked the gentlemen who had called in. Due to differing schedules, basically I have received a decent amount, I guess, some answers to some of the questions last week, which I am in the process of going through putting everything together, and I am planning to submit hopefully to Madeline in the next week or so, so that everybody will have time to look at them before the December meeting, see if they bring up any other questions. Then, hopefully, we can move forward either way, maybe either December or January.

CHAIRMAN FRIEDMAN: Is there any other discussion that people want to have on any other issues this morning?

MR. ALLEN: Since we have three New Business items, I can just go ahead and give a brief introduction for those.

CHAIRMAN FRIEDMAN: Okay.

MR. ALLEN: Two of them have to do with additional information that we were asked to provide at the last meeting. I'll see if I can find it all here.

Okay. The first item is 617-OPM-1, which has to do with Pitt County, North

Carolina. There was a request for information at the September 15th meeting, and this one had to do with the permanent or temporary status of two Federal employees at the VA Canteen Service. It turned out that when we had first introduced this proposal, one of the employees was permanent and one was temporary, and we heard back from VA that there is an intent—or rather there was an intent—to make the temporary employee a permanent employee.

Does anybody on VA know if that's happened yet?

MS. ROMBA: I do not have confirmation of the effective date, but I could verify that it was—that the request was submitted to the servicing HR office.

MR. ALLEN: Okay. The implication of that is if the employee does become a permanent employee, if OPM were to implement a regulation, which is probably still a few months away from happening, to move Pitt County, then that employee would also be covered by pay retention along with the current permanent employee.

So any questions about that one?

[No audible response.]

MR. ALLEN: Okay. The next item is 617-OPM-2. We were asked to provide some additional information about Brown County, Wisconsin. So we looked up the grade levels for the four employees stationed in Brown County, and it turns out, this one is actually kind of interesting. There are actually four wage schedules that are currently applicable in the Lake, Illinois, non-appropriated fund wage area, and there was some concern that moving the four employees from Brown County to the Lake, Illinois, RUS schedule would result in a decrease in their pay. Because of the State minimum wage law in the State of Wisconsin, all four of those schedules are actually the same at the bottom of the wage schedule—the first few grades of the wage schedule. So there would actually be no decrease, no call for pay retention for those

employees if FPRAC recommended and OPM approved the original Management recommendation, so basically no change for the status of those people.

And if it's okay with everybody, I could just hold off on the San Antonio wage area.

CHAIRMAN FRIEDMAN: I think you may as well.

MR. ALLEN: Yeah. Since it was something that AFGE had asked for.

CHAIRMAN FRIEDMAN: Any other business we should address at our meeting this month?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, is there any objection to adjourning?

MR. DAVEY: I make a motion to adjourn.

CHAIRMAN FRIEDMAN: Yeah. Okay. Is there a second—we actually don't need it. I read my Robert's Rules of Order this morning. According to Mr. Robert, you don't actually need a motion to adjourn, but I'm happy to have one, if you want.

MR. ALLEN: It used to be that Gil Bateman liked to make a motion.

CHAIRMAN FRIEDMAN: Okay. All right.

MR. DAVEY: And I would second. This is many years ago.

CHAIRMAN FRIEDMAN: Well, you know, we can do it. I'm happy to do it.

MR. DAVEY: I just like my name on there.

CHAIRMAN FRIEDMAN: So, basically, if there's no objection, we can adjourn, and hearing no objection, we are adjourned. So everybody have a really good Thanksgiving.

[Whereupon, the meeting was reconvened this same day, November 17, 2016.]

CHAIRMAN FRIEDMAN: Okay. Well, we're back in session. We will undo the

motion to adjourn and all that stuff. Let's have our AFGE representatives introduce themselves for the recorder, please.

MS. ARCHER: Candace Archer.

MS. SIMON: Jacque Simon, AFGE.

CHAIRMAN FRIEDMAN: Thank you.

So when we were meeting just now, we had gotten up to Old Business. Rob, now, I understand that you want to defer this issue until next meeting—

MR. SHORE: Correct.

CHAIRMAN FRIEDMAN: —or do you want to enter into a discussion of it now?

MR. SHORE: I think it makes more sense to defer it until the next meeting. As I said, I will have answers to some of the questions that were posed that people can then look at, and we can move forward at that point.

CHAIRMAN FRIEDMAN: Okay. So that brings up item (b) under Old Business. I actually have a procedural suggestion, if people are receptive, which is that we consider that and item (c) sort of together. I made myself a little handy-dandy chart.

Mark, I believe you had summarized the New Business items that pertain to (c) under Old Business.

MR. ALLEN: Yes. That is correct. Do you want me go over that again, just briefly?

CHAIRMAN FRIEDMAN: Sure.

MR. ALLEN: Basically, there was one employee who was a temporary employee, and we understand from VA that they've initiated the personnel action to make that person a permanent employee. So if the Management proposal is adopted, that person would be covered

by pay retention rules along with the other permanent employee who is at the VA Canteen location service there.

CHAIRMAN FRIEDMAN: Okay. If people will indulge me for a minute, I just want to—I guess it would have been helpful if I had circulated this little chart that I'm looking at, and if we can't resolve this today, I'll do it for the next meeting.

If you look at the Management recommendation for Pitt County, it's based on distance. If you look at it for Mecklenburg and Forsyth, it's based on organizational relationship, although in the case of Forsyth County, both point in the same direction.

Currently, the Pitt County people, the decision had been made provisionally by the VA to use organizational relationship because it's a satellite of Durham, which is in a different wage area. Here, we have Eastern North Carolina with four NAF wage areas.

I guess the only thing I would say—and just one other data point I would throw out there is that I do believe, Mark, you said the last time we were talking about this that in regards to Mecklenburg County, the Management recommendation is based on organizational relationship, but that it would not cause heartburn if the distance criterion was used for that one.

MR. ALLEN: Yeah. That's correct.

CHAIRMAN FRIEDMAN: I don't want to put words in your mouth, but I think that's what you said.

MR. ALLEN: Yes. It's a close call, either way, I think.

CHAIRMAN FRIEDMAN: So the only thing I would throw out is I don't know how—it seems to me, unless there's some argument that I'm missing—we're talking about Eastern North Carolina—it probably would make sense to either decide based on distance or organizational relationship for both of these cases. I'm not sure how you could justify doing one

one way and the other the other way. Maybe there is a way, and I just throw that out there.

With that, any discussion?

[No audible response.]

MR. ALLEN: Do you want to caucus?

Management members would like to caucus, just very briefly.

CHAIRMAN FRIEDMAN: Okay.

[Management members go in caucus off the record.]

CHAIRMAN FRIEDMAN: We are back in session after the caucus. Is there a report from the caucus?

MR. ALLEN: Yes, Mr. Chairman. The Management members would like to defer a decision on this until the next meeting in December. We certainly see the merits of going with distance primarily in these cases. We need to have VA check with their local facility in Mecklenburg County just to confirm a couple of things there. We should be able to wrap this up in December.

CHAIRMAN FRIEDMAN: Any objection to deferring this on the Labor side?

[No audible response.]

CHAIRMAN FRIEDMAN: It's been deferred.

That brings up item (d) under Old Business, which I'm hoping might not be too hard to deal with, now that we've got the latest updated information. Definition of Brown County, Wisconsin. There are actually—had you summarized that one earlier, Mark? I can't remember.

MR. ALLEN: Yeah. I'll just go over that briefly again.

There was some question about the pay impact for those four employees in Brown

County. We did not have the wage schedules attached to the original Management proposal that would show everything that would happen. So we did take a look at it and found that due to the State minimum wage law in the State of Wisconsin, all four of those schedules at the lower grade levels are actually the same, so there would be no impact on the employees, just moving them from the schedule they're currently paid from to the one that they should be paid from.

CHAIRMAN FRIEDMAN: So, in the Lake, Illinois, non-appropriated fund wage area, there are actually four separate schedules because there are four different GS locality pay areas that overlap it in various parts, but for the pay grades that we are focusing on, all four of those schedules are the same because of the local minimum wage law.

So, therefore, the change from the Milwaukee schedule to the RUS schedule would not affect anybody in any way, apparently, and we did confirm as well that the Green Bay GS folks are paid RUS locality pay, as we expected.

Given all of that, is there any objection to adopting the proposal to—what did we originally call it? It's assigning Brown County, Wisconsin, to the Lake, Illinois, NAF FWS wage area, the RUS sub-schedule, as the appropriate one. Any discussion, I guess, I should ask first? Any discussion of this one?

[No audible response.]

CHAIRMAN FRIEDMAN: Any questions?

MR. SHORE: Mark, do you know which union represents these employees?

CHAIRMAN FRIEDMAN: The original document says no union, but I don't—that's what it says on the 616-MGT-1.

MR. ALLEN: Yes. That is correct. No bargaining unit for those people.

CHAIRMAN FRIEDMAN: We have VA on the phone, if they want to add to

that. Who's on the phone?

MS. GONZALEZ: Stephanie.

CHAIRMAN FRIEDMAN: Stephanie, are you there?

MS. BOYD: Yeah. Let me—I'm not sure—let me look at this. I need to look at the e-mails to see if we provided information on this one.

CHAIRMAN FRIEDMAN: The original document says no union.

MS. BOYD: Well, we currently know that they're not covered by any union—

CHAIRMAN FRIEDMAN: Any other questions or discussion?

[No audible response.]

CHAIRMAN FRIEDMAN: Is there a consensus to adopt this recommendation?

MS. SIMON: Sure.

CHAIRMAN FRIEDMAN: Okay. So we have adopted 616-MGT-1, as supplemented, regarding Brown County, Wisconsin. Thank you.

And that brings up item (c) under New Business, review of San Antonio, Texas, in particular, the aircraft maintenance workers issue that AFGE brought to our attention, and I guess I would ask the folks from AFGE and Mark, if you want to summarize.

Maybe we should start with you, Jacque, if you want to present the issue, or do you want Mark to summarize first?

MS. SIMON: Mark can summarize.

MR. ALLEN: Okay. I'll summarize it. Yeah. There had been some concerns expressed out of the San Antonio wage area about the difference in the wage schedule between the San Antonio area and the Corpus Christi area. There actually is a several-dollar-an-hour difference in the schedules.

So what we did in 617-MGT-1 is take a look at some of the statistical information on the Federal workforces in both wage areas, and we've also provided some information on wage survey rates from private sector establishments in aggregate, so that there are no confidentiality breaches in this.

So, basically, what we found was that San Antonio and Corpus Christi are about 140 miles apart. Ninety-seven percent of the workforce in the San Antonio survey area lives and works in the San Antonio survey area.

The workforce sizes, as we show on pages 2 through 5, show that there is one main employment centers for each wage area. One in San Antonio, in Bexar County with around 2,600 employees, mainly with Air Force, and one in Corpus Christi, in Nueces County, with around 2,400 employees at the main employment location, the Department of the Army.. So we give a breakdown of all of the employees in each wage area, the agencies they work for, and the unions.

There are no metropolitan area splits between the San Antonio and Corpus Christi areas.

On page 7, we describe what's been happening just lately with the San Antonio wage surveys, and they continue to meet or exceed the requirements that OPM has for maintaining separate wage areas.

In the case of San Antonio, there were 22 survey jobs that were used in developing the wage schedule, with over 3,800 matches between the survey jobs and private sector positions.

On page 8, we show what the uncapped or unrestricted hourly pay rates would be at Step 2 in both the San Antonio and Corpus Christi wage areas, and this is a clear indication of

what the market rates are as developed by DoD for the wage schedules. And there, you will see that at Wage Grade 1, there is a \$3.80-an-hour difference, and at Wage Grade 10, there is—is that \$7-an-hour difference?

CHAIRMAN FRIEDMAN: Mm-hmm.

MR. ALLEN: Okay.

On page 9, we provide some information from the survey summaries that DoD produces after they conduct wage surveys. This helps explain why the unrestricted rates are different.

We have a listing of the survey jobs that the San Antonio and Corpus Christi wage areas have in common, with the number of observations and the average wage rate for private sector occupations, and in these, although some of the average rates are higher in the San Antonio area than the Corpus Christi area, there are big differences for some of the survey jobs, upwards of 58 percent for the truck driver medium survey job, where the average rate is \$17.85 in the San Antonio area and \$28.28 in the Corpus Christi area. So, the market findings from the survey drive the difference in the wage schedules.

There are a couple of maps in Attachment 1. Attachment 2 has the regulatory analysis. The only thing to point out about this is that the Corpus Christi labor market is one-quarter the size of the San Antonio labor market. So they're not really similar areas.

And then we have the wage schedules at the end. So the Management members have recommended on the first page that the San Antonio area continue to be defined as a separate wage area.

What we usually say also in situations like these is that if there are recruitment and retention problems for certain occupations in a wage area, the agency should consider using

available pay flexibilities like special rates, if they're appropriate, or recruitment and retention incentives to address any recruitment and retention problems that may exist.

CHAIRMAN FRIEDMAN: Jacque, do you want to say anything about this issue?

MS. SIMON: Well, thanks for putting together this analysis. I want to get a chance to study it, but thank you.

MR. SHORE: Can I just ask a quick question?

CHAIRMAN FRIEDMAN: Sure.

MR. SHORE: And maybe I'm missing something. I was looking at where it says commuting patterns under Attachment 2. Is there somewhere else we're talking about commuting patterns as well? Because that only talks about San Antonio to Corpus Christi. Is there anywhere where it talks about Corpus Christi to San Antonio?

MR. ALLEN: No. We don't have that information in this package because we are thinking about whether it would be appropriate to combine it, combine San Antonio with Corpus Christi rather than the other way around.

MR. SHORE: Okay.

CHAIRMAN FRIEDMAN: What about this issue with recruitment and retention with respect to aircraft maintenance workers, Mark? Is there any information on that? Because I have to say, looking at the numbers, it would blow my mind if there wasn't something like that going on there. The cities aren't that far apart, and you're actually using—if I understand correctly—private-sector aircraft maintenance data from the San Antonio wage survey in the construction of the Corpus Christi wage schedule. Isn't that right?

MR. ALLEN: Does anybody know if there are current special rates in effect for aircraft maintenance in the San Antonio wage area?

CHAIRMAN FRIEDMAN: Or any recruitment or retention issues. Because just looking at the numbers, I was kind of struck. The survey from San Antonio shows \$26.05 as the average rate for the aircraft mechanic, and then if you look at the wage schedules, Grade 10, Step 2, \$22.01, San Antonio. \$27.21, Corpus Christi. It's kind of striking to me. The Federal employees in San Antonio are 4 bucks below the survey number, while the survey number is close to or actually a little bit below aircraft mechanic's pay in Corpus Christi.

MR. ALLEN: At OPM, we haven't heard of any need to come to OPM from an agency for the San Antonio area.

I think really what we're looking at is the Corpus Christi schedule is an anomaly because of the particular industrial establishments that are there. That's really all I can point to.

CHAIRMAN FRIEDMAN: Why do you say it's an anomaly?

MR. ALLEN: Because one would not normally expect the wage levels to be that much higher, generally speaking, between cities. It would be the cities.

CHAIRMAN FRIEDMAN: They've got oil refining. They've got a big port in Corpus Christi, probably it's a higher-wage town than San Antonio—isn't that what's going on, perhaps?

MR. ALLEN: It's possible.

CHAIRMAN FRIEDMAN: Jim Brady is nodding. Okay.

MR. DAVEY: Oil.

CHAIRMAN FRIEDMAN: Yeah. Oil and the port.

Well, anyway, we don't have to adopt anything on this one because the management report recommends no change in the status quo.

MR. ALLEN: Our intent here was really just to do an analysis to see if there were

some deficiencies possibly in either wage survey, and there don't appear to be. The system appears to be operating the way it's intended to. It's just the results between two different wage areas are different.

CHAIRMAN FRIEDMAN: Would it be possible to get information on whether there are any recruitment and retention issues with respect to aircraft maintenance workers in the San Antonio area, and/or any requests for special rates, for the Committee's background information?

MR. ALLEN: Yeah. We can look at quit rates and see if there's anything there, but we wouldn't have anything about a special rate request if it hasn't originated—

CHAIRMAN FRIEDMAN: If it hasn't actually been made?

MR. ALLEN: Yeah.

CHAIRMAN FRIEDMAN: Anything else on this one?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, we could adjourn for a second time, unless there's an objection.

MS. SIMON: [Speaking off mic.] No. I have a question.

CHAIRMAN FRIEDMAN: Yes.

MS. SIMON: [Speaking off mic.] Looking at the list of Old Business, AFGE's request to move from Monroe County, Pennsylvania, to the New York City wage area isn't on Old Business anymore.

CHAIRMAN FRIEDMAN: Well, we made a recommendation on that one already to the Acting Director.

MR. ALLEN: Yeah. It's not on the Committee's agenda. It's with OPM for

consideration.

MS. SIMON: [Speaking off mic.] Okay.

CHAIRMAN FRIEDMAN: Is there any other business this morning?

[No audible response.]

CHAIRMAN FRIEDMAN: If not, I'll say Happy Thanksgiving again, and ask: is there any objection to adjourning?

MR. ALLEN: No objection.

CHAIRMAN FRIEDMAN: Hearing none, we are adjourned. Thank you. See you in December.