

Federal Prevailing Rate Advisory Committee

641st FPRAC

Janice R. Lachance, Chair, Presiding

Thursday, September 15, 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

Mandy Laughlin, Army

Ophelia A. Vicks, VA

Labor Members:

Craig Norman, MTD

Jacqueline Simon, AFGE

Richard Loeb, AFGE

Carisa Carmack, NAGE

Felicia Neale, ACT

Staff Specialists and Visitors:

Brenda Roberts, Designated Federal Officer, OPM

Ana Paunoiu, OPM

Samantha Bono, OPM

Ernesto Rodriguez, 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
Dale Troll, MTD
Travis Kielty, ACT
Brandon Craft, NAGE
Peter Wahnnon, NAGE
Aaron Weekly, NAGE
Drew Friedman, FNN

Recording Secretary:

Mike Eicher, OPM

[Transcript prepared from digital audio produced by FPRAC.]

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I. Opening Announcements and Introductions

Chair Lachance: Good morning, everyone. I hope everyone was able to join, and it's good to see all of you. I want to welcome everyone to the 641st meeting of the Federal Prevailing Rate Advisory Committee. It is s September 15th, and it's 10 o'clock so we can officially get started. The meeting is being held virtually, and it is going to be recorded, as is our usual practice. A verbatim transcript will be provided to all the members of the Committee for your review at the next meeting.

My name is Janice Lachance, I chair this Committee, and we need to start with introductions so that we have everyone who is on the meeting on the record. Let's start with the Management members. OPM?

Mr. Allen: This is Mark Allen from OPM staff.

Mr. Lynch: Hi. This is Chris Lynch, DoD. I'm sorry. I'm still having camera problems. I'm sitting in for Nancy Speight.

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

Ms. Laughlin: Good morning. This is Mandy Laughlin with Army, and I have Ms. Jee Young Kang as well on the line.

Chair Lachance: Great. Welcome. Air Force?

[No response.]

Chair Lachance: Maybe Air Force will join us in a bit. The VA?

Ms. Vicks: Good morning. This is Ann Vicks with the VA, and Sheila Willis is joining me.

Chair Lachance: All right. Let's move now to the Labor members of the Committee. Metal Trades.

[No response.]

Chair Lachance: Okay. We can go back to this.

Mr. Allen: Hey, Paul, you're on mute, I think.

Chair Lachance: Oh.

Mr. Norman: This is Craig Norman from the IAM, International Association of Machinists Union.

Chair Lachance: Great. Thank you so much. Let's see. AFGE. I see Richard.

Mr. Loeb: Hi. It's Richard Loeb of the AFGE. Jacque is on as well.

Ms. Simon: Hello. Jacque Simon, AFGE.

Chair Lachance: Okay. NAGE.

Ms. Carmack: Carisa Carmack from NAGE.

Chair Lachance: Terrific. And ACT.

Ms. Neale: Good morning. This is Felicia Neale representing ACT this morning.

Chair Lachance: Thank you. Are there any staff who were here who should introduce themselves?

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

Mr. Eicher: Mike Eicher, OPM.

Ms. Bono: Samantha Bono, OPM.

Mr. Rodriguez: This is Ernesto Rodriguez, OPM.

Chair Lachance: Terrific. Great to have all of you.

We do have Brenda Roberts here in the room with us, and she is the Designated Federal Official under the Federal Advisory Committee Act so she will be joining us today.

And are there any guests who are here today?

Mr. Wahnnon: Yes. There's Peter Wahnnon from the Monterey Wage Survey Area.

Chair Lachance: Great. Thank you.

Mr. Fendt: And this is Karl Fendt from DoD Wage and Salary, and I have a couple staff members. Ms. Wlezien, Ms. Nguyen, and Ms. Abiera are also on the line.

Chair Lachance: Terrific. Thank you, Karl.

Ms. Meriwether: Hi. And this is Rosemary Meriwether from the Defense Civilian Personnel Advisory Service, Employment and Compensation Policy.

Chair Lachance: Great. Thank you. Welcome. Anyone else?

Mr. Kielty: Hi. Yes. This is Travis Kielty with ACT. Sorry. I was a little late getting the internet set up here.

Chair Lachance: That's okay. We're still in COVID mode, and things take time.
Anyone else?

Mr. Wahnnon: I believe Mr. Brandon Craft from the Monterey Wage Survey.
Brandon, are you there?

Mr. Craft: Yeah. This is Brandon Craft from Monterey Wage.

Chair Lachance: Great.

Mr. Wahnnon: And possibly Aaron Weekly from the Monterey Wage Survey Area.
Aaron, are you there?

Mr. Weekly: This is Aaron Weekly.

Mr. Wahnnon: We've got all three of us from the Monterey Wage Survey Area.

Chair Lachance: All right. Thanks very much.

Mr. Wahnnon: You're welcome.

Chair Lachance: Anyone else?

Mr. Allen: I believe we have Drew on from the Federal News Network who is here to observe. You can introduce yourself, Drew, if you'd like to.

[No response.]

Chair Lachance: Maybe she stepped away for a moment. We'll see if she pops back in.

Mr. Allen: Okay.

Chair Lachance: Before moving to the business of the Committee, I did want to note that FPRAC held its first working group meeting to consider potential recommendations for reforms of the Federal Wage System on August 4th, and we are going to be meeting again today right after this public meeting.

We don't have any other announcements on the agenda this morning, but would anyone like to make any announcements that aren't already on the agenda?

[No response.]

II. Review of the Minutes of the 640th Meeting

Chair Lachance: Hearing none, we can move to review the transcript of the last public meeting, which was held on June 16th of this year. Are there any changes that anyone wants to bring to our attention?

[No response.]

Chair Lachance: If not, do I hear any objection to adopting the transcript of the last meeting?

[No response.]

Mr. Allen: No objection.

Chair Lachance: No objection. Thank you, Mark.

Is there a second to no objection?

Ms. Simon: Second.

Chair Lachance: Thank you. Great. So, hearing no objection, the transcript is adopted. Thanks, everyone.

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

f. Letter from the American Federation of Government Employees, Dated July 5, 2022, Requesting FPRAC Review a Proposal to Consolidate Shenandoah National Park under Washington, District of Columbia (DCB) Wage Schedule, 640-AFGE-1

Chair Lachance: Now, there are a few items under Old Business on the agenda that remain on the agenda, although the working group is considering the possibility of new recommendations for reforming the Federal Wage System. So rather than reading through all of the Old Business items, is it still the Committee's consensus that action on these items could be deferred for the next few months while the working group is meeting, or do any of you want to say anything about the items this morning?

Ms. Carmack: This is Carisa Carmack from NAGE. As we kind of established a little bit earlier—and I think there was also a document sent around to the Committee members yesterday—I've got some of the members from the Monterey-Salinas area who are willing to provide some testimony today and have provided some written testimony in regards to the Old Business that's listed. I think it might be (c). I don't have it in front of me.

Chair Lachance: Yes, it is. And, Carisa, why don't we open that topic to give them an opportunity to make any statements or provide testimony.

Under Old Business—and it is item (c). Good memory, Carisa. —letter from National Association of Government Employees requesting FPRAC reexamine the placement of Wage Grade employees working on the Salinas-Monterey area and review of the Salinas-Monterey, California, wage area, and a request for abolishment of the Monterey-Salinas wage area. And as Carisa has spoken, this was introduced by

NAGE. Carisa, do you have any updates, or do you want to turn it over to your members from that region?

Ms. Carmack: I'm going to go ahead and turn it over to the members from the region to give us an update.

Chair Lachance: Great. I'm going to ask you all a favor. When you speak, could you please introduce yourselves at the top of any comments you make? We need that for the public record, and we want to be sure we get it right because for some people we only see phone numbers. So the folks from the Salinas-Monterey area, please go ahead.

Mr. Wahnnon: Yes. This is Peter. I'm sorry. There's a plane flying over me at the moment. It's kind of hard to hear anything.

Chair Lachance: That's okay. I was inviting you all, when it is quiet, if you would like to go ahead and present your testimony. Please give us your full name, though, before you speak or make any comments so we can have it for the record.

Mr. Wahnnon: Yes, ma'am. This is Peter Wahnnon, and I'll kick things off. So I think the most important thing that we want to stress to FPRAC is the WGs out here, we make up less than 1 percent of all the Federal and Uniform military servicemembers in Monterey, yet the GSs out here get the highest cost-of-living adjustment in the USA, and the military servicemembers get the fourth highest basic allowance for housing in the USA. And it's really due to the cost of living in this area. I think the median home price in the City of Monterey right now is sitting at \$1.2 million. Our median rent prices is at \$2,600, and most people that work here at public works don't even make \$2,600 in a paycheck.

We lose a lot of people. We have a really high turnover rate, and it's really hard to accomplish the mission that the Navy set forth for us because of these factors. And I think a lot of this is really due to the data we get from our wage surveys. We just don't get good data. As a matter of fact, the last one, I've seen the numbers that Mr. Allen sent over, and we really dispute that. We dispute a lot of the information on there. We think that D.C. passed this kind of—I don't know how to say it without sounding accusational, but we just don't agree with what they said that we got.

Myself, Mr. Craft, and Mr. Weekly were all on the previous, the 2022 wage survey, and we can only recall getting data from 12 businesses at most. So we don't know where those numbers came from, but we don't think that they're—we don't think the data we get is ever going to be good enough to give us the kind of wages that we require to actually live and work in this area.

And if you guys like, we can go into more detail about how the wage survey went. I don't know if you guys read the written statement that was submitted.

Chair Lachance: I know I did. So I think probably most of the Committee members did as well.

Mr. Wahnou: Okay. Would you guys like to hear our experiences with it or—

Chair Lachance: Feel free if you want to put those on the record. That would be just fine.

Mr. Wahnou: Okay. I could pass this off to Mr. Weekly to start with because he was on the survey the entire time, and he can just kind of give you his impression on how things went.

Chair Lachance: Great. Thank you.

Mr. Wahnnon: Mr. Weekly, are you there?

Ms. Carmack: Peter, it looks like he's on but might be muted.

Mr. Wahnnon: Okay. He might be busy. I guess I can start.

So I've been on the wage surveys—oh, by the way, this is Peter Wahnnon again.

Chair Lachance: Thank you.

Mr. Wahnnon: I've been doing the wage surveys since 2016, and up until this year, I do believe everything has been pretty standard procedure. But this year I think the COVID pandemic really kind of threw a wrench in the work. It just didn't seem like the survey went in any fashion the way it was supposed to go.

If you guys have read my written statement, all we did the entire time was go from one closed business to another closed business to another closed business to another closed business. They had no really—they have no idea who was there, who wasn't there. It didn't seem like they did any work prior to us—or prior to the survey starting, I should say, and when the survey was over, they were adamantly insistent that we kept just dozens of survey documents as pending. Even though we had signed the final statement saying that the survey was done, they were sending us emails after the survey was over telling us that they were going to change the refusal codes for businesses that they couldn't get ahold of prior or during the survey. They were telling us that they had to accept data from these guys after the survey was over, and we just really don't have any confidence in the process. I thought we were supposed to be there with them to verify the data. And for them to change anything after the survey was over, we're just not sure, you know, if the process is ever even going to work for us.

We don't know what they're doing. We don't know who they're getting data from. We don't know what businesses they're going to, and I think if you expand even beyond—I mean, I could go on about the survey probably all day, but even if you'd expand beyond that, just to the dynamics of our county, we are definitely more tied into the Bay Area than—well, going back to 2000 when the last time we submitted this, it seemed like FPRAC was under the impression that we weren't really that tied into it. But the Tri-County Area, which is us, San Benito, and Santa Cruz Counties, we're definitely tied into the Bay Area in a lot of ways, and a lot of people from the Bay Area live in Monterey. So it's really the Bay Area—the San Francisco wage area really ends in Monterey. If you guys note the commute patterns documents that I submitted with the written statement, you can see that.

But I'm not sure about my colleagues. I think they're having issues connecting to Teams. I actually—I tried. I couldn't do it, so I called in.

I guess what I'd like to do now is just kind of open myself up to questions from you guys, if you guys have any for me.

Mr. Allen: Thanks, Peter. I do appreciate you and your colleagues joining the meeting this morning and expressing your concerns. I would also acknowledge that we're quite well aware that the pandemic has really thrown a wrench in how private-sector operations are working. Most blue-collar workers, most hourly workers showed up to work during the pandemic, but what's likely happened, it's that people working in offices like human resources people and companies, they haven't been available to meet in person in a lot of cases.

Our DoD friends can speak to this in more detail regarding the specifics about the Salinas-Monterey wage survey conducted most recently.

But I'd also say the concerns you're raising are ones that the Committee has agreed to look into in great depth in a non-public working group setting, so we can dig into data and see what's going on and with how the Federal Wage System is currently functioning. That's why the Chair was saying at the start of this meeting that we have a working group established to determine if there are reforms to how the Federal Wage System is functioning that they Committee may want to recommend.

My suggestion is that we should take a look as a Committee at the written information you provided and discuss that in more detail in a working group setting.

Several issues you're touching on overlap and are among the different topics of discussion that the working group is likely to be considering.

So, Karl or Chris, do you have anything you wanted to add at this point?

Mr. Lynch: Hi. This is Chris Lynch. I wanted to introduce Karl Fendt, and I think he has more information on more of the specifics of the Monterey situation, and so I'd like to turn it over to him to provide his insights. Karl?

Mr. Fendt: Yeah. Thank you, Chris, and thanks, Mark. And, Mark, I foot-stomp that Mr. Wahnnon, Peter, we can definitely talk more in a working group setting or offline to make sure that all your concerns are addressed appropriately. But from a very overarching standpoint, based on getting back with the team and reacting to your concerns, we did confirm that the survey was adequate for this most recent cycle meeting. It had enough samples in the appropriate grades to be adequate.

Also, I did want to confirm with you that the survey—all of the survey data was approved by the LWC to include the Labor members, and the two companies that you addressed in your report in question, I confirmed with the team again and my central office staff, that since they did not have Labor approval, we did not use those for pay-setting purposes.

Mr. Wahnnon: Well, thank you for that—oh, I'm sorry. This is Peter Wahnnon again. Thank you for that, Chris.

The thing that concerns us about the document that Mr. Allen sent over—and I know I can't state business specifically, but the heavy truck driver observations made on—we know what businesses those came from, and the three of us, all of us individually, went to those businesses. And we know that we did not get data from any heavy truck drivers. That's the thing that—that's kind of the red flag right there for us. We don't know where those heavy truck drivers came from, because none of us signed off on data for any of those businesses. I think that's the concern that we've had kind of from the get-go.

The DCPAS survey takers' lack of transparency with us—you know, we can do without the threats from them, without the intimidation from them. They don't have to tell us that it doesn't matter if we sigh something because they're going to use it anyway and we're only making it harder on ourselves. The general sentiment of doing a wage survey is actually really stressful.

But even beyond that, I would kind of like to get FPRAC's thoughts on, I mean, just all the other Federal employees out here get higher cost of living. I'd like to know what you guys think about how come the WGs don't.

Mr. Fendt: From the standpoint of pieces that related to the wage survey, Peter, I'll extend again if you would like to reach out to me directly, I may be able to set up a meeting with the staff to address any additional concerns about the survey process, but I'll let Mark speak to the overarching concerns about the increases regarding WG versus GS.

Mr. Allen: Thanks for that, Karl. The Federal Wage System is not really a cost-of-living system. It's one that measures local labor costs, and it's something we'll be looking into in greater detail in the working group to see how far off the wage schedules actually are from pay and prevailing wage levels.

I took a quick look this morning. I believe there's a pay gap in the Salinas-Monterey wage area, but I'm not entirely sure how much it is.

Karl, do you know how much that was?

Mr. Fendt: Hold on, Mark. Let me pull up the comp sheet really quick. I think we actually are over the prevailing rate, but let me double-check that.

Mr. Allen: Okay.

Mr. Wahnon: Looking at the—the only job that really matches anything that we do here at public works—and I'm sure you—I'm not sure you guys know, but we're actually a really small—I think there's 32 billets there. The only job that matches anything we do here is maintenance mechanic, and that one is—it's considerably higher than what our maintenance mechanics get. It's actually right in line with what the maintenance mechanics get in the San Francisco wage area.

And really you're talking—when you're at Navy Postgraduate School, which is where we're at, it's 15 minutes to the Santa Cruz County line. It's 20 minutes to the San

Benito County line and 25 minutes to the Santa Clara County line. And any one of those county lines you cross, you're in the San Francisco wage area. You know, we have guys from—there's people from Palo Alto, the Palo Alto VA Hospital that come into Monterey to work at the Marina VA Clinic, which is just 8 miles away from us, and they get San Francisco wages.

I mean, this—our ties into—into the San Francisco wage area, I believe, just in my opinion, should be enough to bump us in there just because of how close we are to them.

I know that the Federal Wage System is data-driven, and the thing that I would like FPRAC to consider is that for us in this area, we cannot sustain a workforce to continue the mission. I mean, we have the Secretary of the Navy coming out here telling us that they're just going to throw money at this place, at Navy Postgraduate School, because that's how critical it is to the Navy's mission to success, and yet we're just kind of limping along at public works having to contract out a lot of work. And it just seems to me the Navy could save a lot of money just by hiring more WGs at a slightly higher rate than spending a lot more money to hire contractors who have little to no oversight.

Mr. Fendt: So, Mark, just to answer your question, we actually have a negative lag situation in Salinas of about 2.5 percent, meaning the locality is pushing the rates above market rate.

Mr. Allen: Okay. What happens there is—something we'll all need to talk about in the working group—is that the pay cap and the floor increase provisions that are put in place annually by appropriations legislation, the wage schedule is off.

So regardless of—I'm not dismissing what you're saying, Peter, because it's important, but it's a fact that regardless of what the wage survey shows, regardless of what wage data are collected, the increase goes into effect is whatever the GS increase is for the San Jose-San Francisco locality pay area for Monterey County.

I mean, it's a good idea for the committee in the working group setting to dig into that kind of thing systemwide and see what—how far we've departed from the prevailing rate principle and see if we can come up with recommendations to try and fix that.

And we'll also be discussing wage area definitions and how wage areas are defined.

So, Jacque, I see you have your hand up.

Ms. Simon: Yeah. I just wanted to know if you knew off the top of your head. Is Monterey in the San Francisco-San Jose GS locality?

Mr. Allen: Yes, it is.

Ms. Simon: Okay. So this falls into our other bigger issue on limiting GS localities to no more than one wage area. This would solve the problem if we equalized the boundary of the two pay systems for local labor markets.

Mr. Allen: Right. Yeah, you're right, Jacque. It would place employees in all of Monterey County under the San Francisco wage schedule.

Ms. Simon: Right. Okay.

Mr. Allen: And there would be other effects like San Joaquin I think, or—

Ms. Simon: Right, right. And I think this is just one more among many examples of one pay system using commuting data to define a labor market, which is the right way to go about it, and then there's the FWS system that is based on some probably

antiquated rationales for these separate wage areas. And I think that, you know, the speaker didn't talk about recruitment issues. You know, every single day, I get a phone call from some AFGE local, often prisons, talking about these kinds of issues and really bad recruitment and retention problems, terrible turnover. Anyway, I think this would solve a lot of our problems, and it would also base our boundaries for the wage areas on a more rational basis, you know, the basis of defining a local labor market by commuting data.

Mr. Wahnnon: This is Peter again. So the pay caps was brought up the last time when we presented in November, and I've thought about it since then. And I don't understand how WGs in the San Francisco wage area with GSs that make the same amount of money as GSs in the Monterey wage area—how come the WGs in San Francisco have a higher pay cap than the WGs in Monterey, even though the GSs both make the same amount of money? That's one thing I've never understood.

Ms. Simon: Well, that's one of the things we're talking about.

Another thing I'm just going to throw out there that I hear sort of underlying what you're asking right now, I think it would be a lot easier for people to see the differentials if there were, like the GS system, a schedule for base wages and then local differentials on top of that. And you'd be able to see it more clearly. It would be more transparent.

They're baked in right now because of the fact that everybody gets the same annual pay increase, but unlike the GS where you can say, okay, this locality has 20—you know, a 20 percent locality differential and this next one has a 23 percent and this one has a 19 percent, you don't see that with the Wage Grade. So you can't see the

comparison quite as clearly. And I guess that would take a law change to make that happen, wouldn't it?

Mr. Wahnon: So this is Peter again. So it sounds like when the GSs started getting—when the GSs in Monterey started getting localities from San Francisco, our pay was already lower than San Francisco's Wage Grade area to start with.

Ms. Simon: Your base wages, yes.

Mr. Wahnon: Yeah. And so we can only—

Ms. Simon: That's why you make less.

Mr. Wahnon: —make so much—I think I understand what you're talking about.

Ms. Simon: Your base wages were lower. You're getting the same raise for the last 15 years or so, but you'll never catch up. You'll never catch up unless we equalize the boundaries of the two pay systems.

Mr. Wahnon: I understand.

Chair Lachance: Thank you for that, Jacque. It sounds as though what I'm hearing—and please, if any other Committee members have a comment or a question, please let us know, but it sounds as though this situation does fall under what the working group is considering, that it is the Committee's consensus that we should discuss it there and be able to come back to NAGE and to these workers from Monterey and get back to them with a response once the working group has completed its tasks.

Ms. Simon: I think the answer to that is yes. However, the reason why I was responding, you know, this is our public meeting, and a lot of the members want to make sure that we haven't just forgotten this issue and that it is, in fact, at the top of mind and it is, in fact, being discussed at every FPRAC meeting.

A lot of times people think that this issue has just been swept under the rug and is no longer salient. Of course, it really is. It's constantly being raised, and people are suffering as a result of our failure so far to resolve it. And that's just why I'm bringing it up in this meeting because this meeting is the public meeting. This is the one that our members can actually look at the transcript or call in and listen, and I want them to be able to feel secure in the knowledge that this subject is not forgotten. It's very much, you know, at the center of what we're trying to work on.

Mr. Wahnnon: This is Peter, and I just want to tell you guys that we really appreciate that.

Chair Lachance: I appreciate that too, and I think Jacque speaks for the entire Committee in saying that it is something that we do want to discuss and work on, and that, hopefully, we can resolve not only the particular situation here but wherever this impacts across the country.

Mr. Allen: I see Paul has his hand up.

Mr. O'Connor: Hi. Can you hear me?

Mr. Allen: Yep.

Mr. O'Connor: Oh, good. I fixed my microphone. Metal Trades. I agree with Jacqueline, and all of you now are saying the same thing that this is a systemic problem that needs to be resolved, and until it's resolved, there will be absolutely frustration and a divide between the GS and the Wage Grade as far as pay equity.

I have never—in every instance where Wage Grade locality—not locality, but the wage area for FWS is different from the GS, it's always to the disadvantage of the Federal Wage employee, always. This is a systemic problem that needs to be

addressed, and, Peter, I understand your frustration, and you aren't alone. This is an issue that's been discussed by Labor for a long, long time, and I'm glad now that we're finally going to have an opportunity to sit down and have discussions about it and correct this inequity.

Mr. Wahnon: This is Peter, and I just want to say thank you.

We have a perfect example. Aaron Weekly, I'm not sure if he's got his mic connected yet, but he was a maintenance mechanic. He jumped over to the GS side. He was getting 47.1 increase cost of live, and we work side by side. So you're right. It is very, very frustrating. It does not feel equal at all.

Mr. Allen: Nancy has her hand up.

Chair Lachance: Nancy, do you want to go ahead?

Ms. Speight: I want to introduce myself. I'm Nancy Speight, the Deputy Assistant Secretary of Defense for Civilian Personnel Policy, and I wanted to introduce myself because I don't know if the unions know who I am. And I'm listening, and I'm taking in everything you say and all your concerns, and Mr. Fendt and Mr. Lynch represent me on these meetings when I'm unable to be on them. But I have been able to jump in on this one when Peter—I'm sorry. I don't know your last name, sir. —raised the concerns about DCPAS, who's the operational arm of CPP. I'm very happy to be able to talk to you with Mr. Fendt and Mr. Lynch and work out some of these issues.

I also come from not directly a blue-collar background. I spent 9 months in a shipyard once with my foot—feet all over the place on a cook's tour. My husband was a diver on the ship that went down—that prepared the USS Cole, and I am concerned about pay disparity. So it is important to us. I just wanted to point that out and introduce

myself to you all. You can always reach out to me as well as Mr. Fendt and Mr. Lynch. Thank you very much for the time.

Chair Lachance: That's great. Thank you very much, Nancy. I'm sure people are heartened by hearing that. Jacque?

[No response.]

Chair Lachance: I think you're still muted.

Ms. Simon: Okay. Thank you very much. I just wanted to respond. This week I had a call from somebody at an Air Force base who was linking their Wage Grade problem actually to Direct Hire Authority in DoD, and he was saying that the ability to just hire people and churn through them was masking the difficulties in recruitment and retention due to low wages. The people wouldn't necessarily last very long. They might not even last through their probationary period, but they didn't—the low wages made it possible to just, you know, constantly hire, but the people they were hiring did not have the skills necessary to do the job, and so there was just this constant churn.

And the person who called me, of course, was also quite concerned about the quality of work that was being performed, and they were not able to retain journeyman-level people, but they met the data on recruitment and retention because, of course, I was advising them to go for recruitment and retention incentives or special pay rates. And he was like, "You know what? With direct hire, we can just hire off the street every day. They'll come for a while," and we just got a constant stream of incompetence. So there are a lot of intertwined problems and an unintended consequence of keeping wages too low in DoD and elsewhere. So I just thought I'd throw that out. That was an interesting perspective shared with me this week.

Mr. Wahnnon: This is Peter. I'd just like to speak on Jacque's point. As a Wage Grade employee, I've been with the Navy, including time enlisted, for 18 years, and just in this past 2 years, I think we've had—we've spent a lot more time training new employees than we do actually getting work done. A lot of them come in, and they have no experience with the Federal Government. They have no idea how things work. We spend a lot of time, a lot more time walking people through the process than we actually do getting the work done. It can be very frustrating.

Chair Lachance: That's helpful. Karl, did you have something?

Mr. Fendt: Yes, ma'am. Thank you. I would just like to offer we do have—DoD also has this special rate authority under its purview for FWS, of course, and if churn is an issue that, Peter, you and Jacque have both alluded to, we can use that information if special rates is needed. And that is something that we can do to provide a short-term solution while we're talking about these more longer-term issues.

Mr. Wahnnon: This is Peter. That should work, but we lose people from every position. So you would basically have to give us special authority for every job we have. I think the only—the only—well, no, not even a maintenance mechanic helper. We churn through those guys as well because they're always trying to move up into a maintenance mechanic, and then the maintenance mechanics want to move up into WG-10s, and then the WG-10s want to go to white collar or they take jobs in San Jose that pay double what we make here. I think PG&E out here is hiring for \$60 an hour, and we're stuck at \$30-something. So I just think that special authority would have to be for everybody, not just one or two jobs that we can't—we really can't keep people in any jobs, basically.

Mr. Fendt: Well, we can have some additional meetings to talk about scope, which is what you're referring to. Special rates can be one specific job. It can be multiple jobs, but it is authority we have in hand, and it can provide a short-term relief if you're having work recruitment and retention issues, which church would be a retention issue. And so we're open to that discussion as your time allows.

Mr. Wahnnon: This is Peter. Yes, sir. Anything you guys can do to help, we would appreciate it.

Chair Lachance: That's great. Thank you all very much. Is there anything else on this subject?

Mr. Allen: I see Paul's hand is still up.

Chair Lachance: I'm sorry, Paul. Thank you.

Mr. O'Connor: Hi. I find this conversation refreshing that we're finally getting to what I think is the core issue. In my opinion, we're seeing a lot more discussion about special rates and Direct Hire Authority within the FWS, and I think that's because those are the only tools that allow for any type of increase in pay beyond the general survey. So it is a wider-spread acknowledgement that what we have—what exists now for process is not sustainable, and I am ready, willing, and able to dive into this and make some changes. Thanks.

Chair Lachance: Thank you.

Karl, your hand is still showing. Did you have something else?

Mr. Fendt: Oh, sorry, ma'am. I need to take that down.

Chair Lachance: That's okay. Carisa?

Ms. Carmack: Sorry. No.

Chair Lachance: All right. I think we have a path forward. I appreciate everyone's focus on this, and I think your timing was very good because it did bring to light some of the issues that we want to discuss in the working group, so thank you all for your time and the effort that you put into preparing your testimony. I appreciate it, and I know everyone else on the Committee does as well. You are welcome to stay for the rest of the meeting or say goodbye if that is better for you, but we appreciate the time that you took to be here.

Mr. Wahnnon: Yes, ma'am. This is Peter. I just want to thank you guys for listening to us and taking everything into consideration, and I'm going to say my goodbyes.

Chair Lachance: Great. Thanks very much.

Mr. Allen: Thanks, Peter.

We scheduled the working group meeting to start at 10:45. I would suggest we just start that working group meeting maybe 5 or 10 minutes after this public meeting is over.

IV. New Business

a. Redefinition of Shenandoah National Park, 641-MGT-1

Chair Lachance: I think that makes sense so we can get to this next item.

We do have one New Business item that's under (a), item (a) under New Business. It's Document 641-MGT-1, which is a proposal regarding Shenandoah National Park. Mark, do you want to introduce that item for discussion?

Mr. Allen: What brought 641-MGT-1 to the table here is a request from AFGE to take a look into the wage area definition for Shenandoah National Park because there are two groups of employees under the Federal Wage System who work pretty close

together. Shenandoah National Park—and we put a map in the package as Attachment 1. It shows where the park is. It runs basically along the spine of the Blue Ridge Mountains for approximately 100 miles, and the only FWS employees who work at the park are in Madison and Page Counties. About half the people who work at the park under the Federal Wage System are in Madison, and the other half are in Page County. Those two counties are right next to each other.

Up until around 2017, both of those counties were in the Hagerstown-Martinsburg-Chambersburg wage area. Around that time as a result of changes in OMB-defined metropolitan areas, OPM redefined Madison County only to the Washington, D.C., wage area based on an FPRAC recommendation. AFGE has recognized here and brought to our attention is that there's an inequity between how the employees in neighboring counties who work at park are paid. 641-MGT-1, I think, in a pretty simple and elegant way is going to fix that problem if the Committee adopts the recommendation.

We're recommending that all of Shenandoah National Park be redefined to the Washington, D.C., wage area as an area of application. The parts of the park that are beyond Madison and Page Counties don't have any Federal Wage System employees in them, but we think this is a good idea to redefine the entire park and the park only. We're not recommending the entire counties be redefined. I just wanted to get the Committee's sense of it, whether the members think this is the right thing to do.

Ms. Simon: Mark, do we have precedent to just change the boundaries of a wage area to include a Federal installation rather than county lines?

Mr. Allen: Yes.

Ms. Simon: Okay, okay.

Mr. Allen: The problem here was that we redefined Madison and not Page back in 2017, but that was driven by OMB metropolitan area change, and at that time, the Committee didn't recognize that it would cause problems for the employees in Page County. This would remedy that. It would just place everybody on the same wage schedule.

Ms. Simon: Okay. So are you going to move to adopt this?

Chair Lachance: Yes. Do we have consensus?

Ms. Simon: I think we do.

Chair Lachance: Okay. I hear no objections. Great. This is terrific. It looks as though we've been able to resolve that issue, and now we can move on to our working group meeting, since there are no other items under New Business. It is in order for us to adjourn. Is there a motion to adjourn?

Mr. Loeb: Motion to adjourn.

Mr. Allen: And I'll second.

Chair Lachance: Great. Anyone opposed?

[No response.]

Chair Lachance: I thought that would be nice and quiet. So, hearing none, we will officially adjourn. Why don't we regroup at - It is now 10:52. Shall we make it 11?

Mr. Allen: Sure.

Chair Lachance: Okay. Why don't we all come back at 11 on the link that Committee members had been sent yesterday.

[End of recorded session.]