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## 2022 AFGE LEGISLATIVE CONFERENCE

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# 2022 FAST FACTS



## FEDERAL PAY FAST FACTS

- It's time to restore the purchasing power of federal wages and salaries. Since 2011, federal pay has gone up by just 15.1 percent, leaving the inflation-adjusted value of federal wages and salaries at least 9.2% lower than it was a decade ago, using data from the year ending December 31, 2021.
- AFGE supports The FAIR Act, bills introduced by Representative Gerry Connolly and Senator Brian Schatz that provide a federal pay raise of 5.1% for 2023 as a means of restoring federal employee living standards.
- The boundaries of local pay areas should be unified for the General Schedule and Federal Wage Systems. Pay area boundaries for both systems should be governed by commuting rates, which is the definition of a local labor market. Retaining old boundaries for hourly workers creates enormous inequities between the two pay systems.
- Some lawmakers and contractors posing as "good government" experts continue to push for a new white collar pay system that allows managers and political appointees to decide whether and by how much to adjust each federal employee's pay. They would also reallocate pay from the bottom of the scale in order to fund raises at the top, trying to recreate the vast pay inequities that prevail in the private sector.
- Such an approach inevitably results in politicization, inconsistency, inequity and discrimination in pay, just as it did during the George W. Bush era NSPS experiment at DoD. One crucial virtue of the GS system is its objectivity. Salaries are set for particular jobs, not individuals, so there is little discrimination in pay based on race, gender, or other non-merit factors.
- The only problem with federal pay comes from a failure to fund market comparability rates. So-called pay for performance schemes are just Trojan horses for redistribution of payroll from the bottom to the top and open the door to discrimination and politicization in pay.

## ATTACKING THE CIVIL SERVICE FAST FACTS

- Under the slogan of “employee accountability” some politicians are pushing schemes that undermine the civil service by reducing or eliminating open competition for jobs, due process and union representation for federal employees. They want to make it easy to hire and easy to fire federal employees.
- On the hiring end are calls for “direct hiring” and “excepted service” hiring that avoid veterans’ preference and open competition.
- On the firing end is rhetoric about the difficulty of getting rid of “poor performers” and “wrongdoers.”
- Advocates of this kind of change wrap themselves in the banner of “good government” but the truth is that weakening or undermining the civil service makes “good government” impossible.
- Transparency, accountability, and protection from corruption and politicization are the rationales for civil service protections. These principles are the foundation of the merit system. If these protections are weakened, government will be less transparent, less accountable, and more of a spoils system than merit system.
- The 115th Congress passed a bill that drastically altered the right to appeal adverse actions and terminations at VA. It superseded CBAs, shortened timeframes and lowered evidentiary standards for managers. Representative Connor Lamb (D-Pa) has introduced H.R. 6682, the Protecting VA Employees Act to repeal the law that undermines civil service protections. A DoD pilot limits all attorneys and cybersecurity workers to terms of two to eight years. Non-renewal of a term is a firing with no appeal right, no accountability for corrupt personnel practices.
- Bills that target just one agency or one group of federal employees within an agency do not mean that civil service protections for everyone else are safe. In each case, the bill is a first step toward undermining the apolitical civil service and expanding privatization of government work.

## FEDERAL RETIREMENT FAST FACTS

- The past administration threatened to force all FERS employees to pay 7% of salary for their annuities. In the private sector, 96% of workers with traditional pensions pay nothing toward this benefit.
- Elimination of the FERS supplement was proposed by the Trump administration, as was the elimination of FERS COLAs, and reductions in CSRS COLAs, as well as a change in the basis for annuity calculation from high 3 to high 5. These changes would have applied to all current FERS employees.
- There are already three tiers under the Federal Employees Retirement System (FERS). Tier One is for those who entered the system from its inception in 1986 through 2012. They pay 0.8% of salary for their pension, along with 6.2% of salary for Social Security. This totals 7% of salary, the same amount federal employees paid for the Civil Service Retirement System (CSRS) that FERS replaced.
- Tier Two is for those who entered the system in calendar year 2013. They pay 3.1% of salary for their pension, along with 6.2% of salary for Social Security. This cut offset \$15 billion for the extension of unemployment insurance benefits. Although this was a temporary expense, it was a permanent cut to these employees' compensation.
- Tier Three is for those who entered the system in 2014. They pay 4.4% of salary for their pension and 6.2% of salary for Social Security, 3.6 percentage points more than Tier One and 1.3 percentage points more than Tier Two. As unjustified as these increases are, House Republicans have proposed having no FERS annuity at all for new hires.
- Congress should repeal the retirement cuts affecting those hired after 2013. The federal government should neither follow nor accelerate declining living standards for this generation or the next.

## SOURCING FAST FACTS

- Congress should continue the moratorium on the use of OMB Circular A-76 until OMB rewrites it to correct its many flaws, especially those that burden in-house cost calculations with double counting and other disadvantages in the cost comparison process.
- The moratorium should also continue until agencies comply with Congress's mandate that they inventory their service contracts so that the numbers and costs associated with the contractor workforce becomes known for purposes of budget planning and learning how much inherently governmental work has been improperly outsourced.
- Agencies should manage their in-house workforces by budgets and workloads—rather than arbitrary constraints, like caps, freezes, and cuts. If agencies have work to do and money to pay for that work, then they should be allowed to use federal employees if that would be consistent with law, cost, and policy.
- Hiring freezes and/or arbitrary constraints on the number of civilian federal employees force managers to use contractors, even when they cost more or the work is inherently governmental.
- If the Congress wants to reduce the cost of the federal government's overall workforce, it should decide which functions should no longer be performed and then reduce the relevant in-house and contractor workforces accordingly. Federal employees are the least expensive workforce the government employs. Replacing cost-effective federal employees with expensive contractors is a waste of taxpayer dollars.
- It is widely acknowledged that contractors cost more, particularly for long-term services; consequently, the quickest way for the Congress to reduce the cost of the federal government's overall workforce is to replace contractors with more cost-efficient federal employees.

## COLLECTIVE BARGAINING FAST FACTS

- President Biden issued an EO during his first week in office that rescinded the previous administration's EOs regarding collective bargaining and attendant union rights.
- Compliance with EO 14003 has been uneven among federal agencies, with some agencies refusing to re-open contracts replete with Trump-era provisions.
- At DHS, Secretary Mayorkas instructed the Administrator of TSA to do as much as he could administratively to treat Transportation Security Officers (TSOs) as if they had full rights under Title 5, equivalent to those guaranteed to most other federal employees.
- To date, TSA has engaged in what can only be called malicious compliance, delaying Title 5 collective bargaining rights and GS locality pay unless and until Congress provides massive amounts of new funding. The TSA Administrator has refused to share with the union data used to create cost estimates that seem to be designed to derail the policy.
- These maneuvers by the TSA administrator reaffirm the need for Congress to pass H.R. 903 and S.1856, the Rights for the TSA Workforce bill, that codifies full Title 5 rights for TSOs. This bill would end the second-class status of the TSO workforce and eliminate the politics that determine whether airport screeners have the same or inferior rights as compared to other federal workers.
- Healthcare professionals in the Department of Veterans Affairs, hired under Title 38, likewise have their collective bargaining rights subject to the political preferences of different administrations. As such, the Trump administration eliminated the ability of Title 38 employees to perform their union representational duties on official time and drastically narrowed the subjects on which they could negotiate. To preserve these rights, Congress must pass H.R. 1948 and S. 771, the VA Employee Fairness Act of 2021.

