



DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-1
6600 MELOY DRIVE, SUITE 134
FORT BENNING, GEORGIA 31905



PECP-SCR-H

1 December 2007

SUBJECT: Fort Benning CPAC Staffing Update 12-2007

1. This publication is issued to ensure the Fort Benning commanders, managers, supervisors, and employees are kept informed of employment and staffing issues. Future updates will contain updated information on specific employment topics (i.e., compensation, recruiting procedures, travel entitlements, classification issues, NSPS implementation information, etc.) and will be issued on a monthly basis.

This document is an apercu of articles written by CPAC staff [members] as well as information excerpted from various sources which include, but is not limited to, the Government Executive Newsletter, FedWEEK, the Federal Manager's Daily Report, and the ABC-C Newsletter.

2. **From the Desk of the Director**. This note is to call your attention to a few, upcoming changes to this publication. My staff and I hope that you have been and will continue to be satisfied with the information we have been providing via this venue; however, we see a few opportunities for improvement. As such, we will soon incorporate revisions that we feel will enhance our publication. A short explanation of each of those additions/changes follows.

In the very near future, this newsletter will be issued under a new title. The name of our "new face of news" will appropriately be unveiled in January 08 with the advent of the New Year as it signifies a new beginning. Rest assured we will continue to strive to provide pertinent, up-to-date articles that are of interest to the Fort Benning serviced population. As always, if there are topics you would like to see addressed, please call those items to my attention.

Additionally, a section of the newsletter will be dedicated to Non-Appropriated Fund (NAF) HR topics. Even though we regularly expend many hours in executing NAF-related actions, I feel we have not dedicated enough white space to sharing information in this arena. This section, which will be called the NAF Corner, will highlight various NAF topics of particular importance.

As incorporated in this issue for the first time, I will continue the "Just Before Press" section for inclusion of late arrival articles.

Finally, periodically I will utilize "From the Desk of the Director" to personally address/highlight apropos topics.

2. **Report Praises OPM's Workforce Planning.** The Office of Personnel Management has taken significant steps to address concerns about leadership and workforce management raised by the 2004 Federal Human Capital Survey, but could improve a morale gap between General Schedule and Senior Executive Service employees and centralize its workforce planning, according to a new report from the Government Accountability Office.

"The results of the 2004 FHCS and the responses of the focus groups [convened in response to the survey] showed that OPM employees were most concerned with leadership and leadership's ability to deal with staff about policies and performance," the report (GAO-08-11) noted. "Employees identified additional problem areas for OPM, including lack of management support, inadequate training for supervisors and managers on performance culture and accountability, and a lack of senior executive interest in and respect for employees."

GAO identified interpersonal skills as a key area where managers and supervisors needed to improve, and issued a requirement that senior executives, managers and supervisors develop plans to close those competency gaps, according to the report.

"Each individual plan identified mandatory and elective training reflecting the specific needs of the individual and addressing any gaps in the target area of interpersonal skills," GAO said. "OPM has developed an agency-wide supervisory training curriculum that includes a mix of classroom and Web-based courses such as Interpersonal Skills, Front-Line Leadership and Dealing With Poor Performers."

OPM also is integrating interpersonal skills requirements into its long-term workforce planning, GAO noted.

"The position-based succession planning position profiles for each executive, manager and supervisor include an action plan to prepare the pool of potential internal successors," the report stated. "Plans may include training, professional conference, developmental assignments and other opportunities."

The report praised the consistency with which OPM was planning for future leadership development.

1 December 2007

"Our review of 93 of approximately 330 succession planning position profile documents showed that nearly all the sampled documents had been updated within the past year," the report noted. "Our review also confirmed that all of these included an estimation of the prospective successor pool for at least five years out, with two citing the need to begin developing the candidate pipeline at least 10 years in advance."

These steps are particularly important, GAO said, because the results from the 2006 FHCS showed significant gaps between how SES and GS employees view OPM's leadership.

"In both 2004 and 2006, OPM's SES responses were substantially more positive than non-SES responses for the statement 'I have a high level of respect for my organization's senior leaders,'" GAO said. "While OPM has taken steps to address the lack of overall and cross-divisional communication and issues related to employee views of senior management, this gap between SES and GS-level response remains a challenge."

GAO recommended that OPM formalize an agency-wide review of workforce planning, which currently takes place primarily at the divisional level.

"By operating at a division level without a well-documented agency-wide evaluation process ... OPM's top leadership may be missing opportunities to identify, and address, weaknesses in its workforce planning and succession efforts," the report noted. "For example, it was not evident that OPM can identify whether it is optimizing its investment in training and development by making the appropriate level of investment and prioritizing funding across divisions so that it addresses the most important needs."

The report said training was an area that needed particular improvement, as OPM fell 11 percentage points below the rest of the federal government in the category "the workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals." Only 39 percent of OPM employees said the office examined their training needs, as opposed to 51 percent of workers in the rest of government.

OPM also curtailed spending on all discretionary activities by 5 percent in fiscal 2007 to help pay for retirement systems modernization, cutting training funding, and may make further cuts in fiscal 2008, GAO added.

OPM plans to incorporate GAO's findings and recommendations into its workforce planning.

"While our progress and accomplishments to date are noteworthy, we acknowledge that our work must be ongoing, and we must sustain and build upon our current momentum," OPM director Linda Springer wrote in her response to the report. "We appreciate the insights and recommendations provided in the report, as these will be useful in shaping both ongoing and planned human capital management initiatives within the agency."

3. **Rising Expectations**. More than a year ago, about 20 employees from the Government Accountability Office began meeting in the basement of Holy Rosary Church in Washington, charting their plans to bring in the first union in the agency's 86-year history.

On Sept. 19, the plan came to fruition. Out of an eligible bargaining unit of 1,800, analysts voted 897-445 to join the International Federation of Professional and Technical Engineers, giving employees the ability to negotiate with management over pay and other personnel policies. And in an era when human capital reform and pay for performance in the federal government seem inevitable, the case at GAO indicates how older and even younger generations of employees are increasingly seeking a voice in the way management decisions are set.

The union effort started with great uncertainty on the part of GAO employees, who were unaware that they could even have a union, says Jonathan Tumin, a senior analyst who started the campaign. Employees began looking to other legislative branch agencies for advice, ultimately leading them to seek representation with the Congressional Research Service's elected union - IFPTE.

Analysts' efforts were a response to sweeping personnel changes in 2005, when Comptroller General David M. Walker reassigned 800 of 1,200 senior analysts to a lower pay category and froze cost-of-living increases for many. "It all came down to employees feeling that their careers, which are partly connected to what they're paid, were being put in jeopardy," Tumin says. "We knew we needed some sort of legal protection to prevent us from being at the whim of management."

Still, Walker has defended his position on the personnel changes, arguing that a study conducted by consulting firm Watson Wyatt in 2004 found that many GAO analysts were overpaid relative to employees with comparable skills and experience at other agencies and outside government. But the study, now undergoing congressional investigation, was criticized by Charles Fay, a professor of human resource management at Rutgers University, who argued that it showed significant problems ranging from the fact that only executives

were involved in producing it to the "ambiguous and confusing" documentation of the study process and the resulting pay structure.

Regardless of whether Walker's personnel reforms had merit, however, many employees had felt betrayed and unappreciated for their work, says Robert Kershaw, a senior analyst who joined GAO in the 1970s. But what had begun as an effort involving many senior employees like Kershaw eventually evolved into an organizing campaign involving all analysts as a result of a July 18 agreement between IFPTE and attorneys representing GAO. That agreement provided, at the urging of Walker, that all 300 temporary entry-level employees working in the agency's Professional Development Program be included in the bargaining unit.

"Our mission at GAO is transparency and accountability," says Chris Langford, a PDP employee who voted in favor of the union. "We believe the way we can achieve that mission at GAO is through organizing this union."

Langford says while most temporary employees do not object to pay for performance, they feel the current system lacks transparency and adequate communication. Many PDP employees feared that some of the issues that affect senior analysts could resurface when they faced placement in a permanent position, he says.

Many PDP employees are interested in creating a standard for 360-degree feedback performance evaluations, which would give employees the opportunity to review their managers. "Some employees may be great analysts, but that doesn't mean they should be a manager," says one PDP employee who requested anonymity. "There's no way to communicate that."

Walker has pledged to bargain in good faith. "While I believe that we have made great progress, it is true that some of our human capital reforms have been challenging and controversial, and I realize that not all [employees] have agreed with some of our changes," Walker says. "While I may not always agree with certain comments that I have received, I have considered them all in making changes and respect the varied opinions and the individuals and organizations who express them."

Meanwhile, IFPTE's approach to GAO, especially its efforts to reach out to younger employees, has been unique in the federal government. For the last year, many employees' offices were decorated with red, white and blue stickers bearing the words "band together."

The union also posted several videos to its Web site (www.gaoanalysts.org) showing all generations of GAO employees speaking about the value of a union. And a group of employees launched their own Web site (www.gaounion.net), providing analysts an opportunity to address questions or concerns with the organizing campaign. "We come from professional and technical backgrounds, and we're intrigued by all the new tools available to communicate with workers," says Paul Shearon, secretary-treasurer for IFPTE.

How having a union at GAO will affect the agency's personnel policies and mission is ultimately up to employees, says Julie Clark, general counsel for IFPTE. Employees are electing representatives and writing a constitution with the goal of having a strong working relationship with Walker, IFPTE officials say.

No matter what happens in the coming months, the union's efforts already are having an impact outside the watchdog agency.

So much momentum has built up around the GAO organizing campaign that judges, lawyers and engineers are contacting IFPTE almost daily for information on union representation, according to Shearon. "Anytime you're able to get Ph.D.s to vote for a labor union, it gives a lot of legitimacy to unionization in the federal workforce," he says.

In September, the AFL-CIO hailed the GAO victory as a harbinger of new interest in unionization among professional white-collar employees. "More and more white-collar workers are turning to unions for a voice on the job," says Paul Almeida, president of the Department of Professional Employees. "GAO is indicative of that."

4. **Goal-setting, Training Called Keys to Telework.** Telework only will be successful and widely adopted across the government when agencies and managers establish clear goals for what the practice can do for them and what teleworkers are expected to achieve, witnesses recently told the House Oversight and Government Reform Federal Workforce Subcommittee at a hearing.

"There are some goals that are not necessarily unique to an agency" that telework can help accomplish, testified Bernice Steinhardt, director of strategic issues for the Government Accountability Office. "Recruitment, retention and employee morale -- every agency has some efforts to attract a skilled workforce.... reducing congestion and energy use might be a governmentwide goal."

Most of things agencies need to focus on are "rather mundane, frankly," said Daniel Green, deputy associate director of the Center for Employee and Family Support Policy at the Office of Personnel Management. "It's things like managing to results, and that an employee understands that they're responsible for their work, and that doesn't change whether they're working remotely or working in the office."

Margaret Peterlin, deputy undersecretary of Commerce for intellectual property, said the Patent and Trademark Office's telework program has been successful because of the agency's high expectations and clear metrics -- such as number of cases processed -- for measuring employee performance.

"We trust our employees to do what is required of them, without micromanaging observation," Peterlin said. "The principles of communicating expectations and managing by results are, we believe, requisites for a functional telework program."

Stanley Kaczmarczyk, principal deputy associate administrator in the Office of Governmentwide Policy at the General Services Administration, said GSA helps keep standards for teleworkers high and enhances information security at the same time by requiring all employees to complete the same technology training.

"Everyone gets annual IT training," Kaczmarczyk said. "There are technological solutions, like virtual private networks, so you can work from home and retain the same security as you can in the office. The policies are in place, the technology is there to support it, and the issue is the same if you're working from the office as if you're working from another location."

Peterlin said having managers and employees undergo training together helps ensure that expectations are clear on every level.

"Our managers and our employees participate in the telework training program, and that gives us additional confidence," she said.

Steinhardt said she thought one challenge in promoting telework as part of a performance culture was the perception that it was a reward for employees rather than a means of increasing efficiency.

"Everyone in an organization needs to understand that they're working toward something," Steinhardt said. "Telework shouldn't be viewed as an employee reward. It should be regarded as a tool to achieve an organizational goal."

Managers need to be held accountable for what the organization is going to try to accomplish through telework."

Rep. John Sarbanes, D-Md., said he thought that performance management issues should not be a barrier to telework.

"If managing to results is done properly, that is easily overcome as an objection," he said.

Sarbanes and subcommittee chair Danny Davis, D-Ill., plan to introduce legislation requiring every agency to develop a telework policy. Sarbanes attached a similar amendment to Energy legislation now pending in the Senate.

Other barriers are more systematic than cultural. OPM's Green said that between 2005 and 2006, the number of federal employees who agencies reported as teleworking fell by almost 8,000, due in part to problems in measuring exactly who is working away from the office.

"Agencies are developing internal systems to improve their data collection," Green told the panel. "OPM has continued to refine the yearly survey tool, based on agency feedback and our own observations about the data.... We have also been working with payroll service providers as they routinely update their systems to maximize the use of the time and attendance systems to track telework."

Steinhardt said telework adoption varies across agencies in part because they have differing definitions of which workers are eligible.

"Every agency sets its own programs and policies to local circumstances, but there shouldn't be widely disparate terms for basic things like eligibility," she said. But even if technical barriers were resolved, she said, the question of performance management would remain critical.

"Frustration is likely to continue until agencies bring a more results-oriented approach to managing their telework programs," she said. "Everyone is looking to telework to yield a whole variety of benefits. Agencies are looking to telework to recruit and retain a skilled workforce, to ease traffic congestion, to provide for continuity of operations. But all of these aspirations have never been translated into program goals. No one is managing to them. No one is setting targets for them."

5. **DHS Touts Success in Senior-Level Hiring.** The Homeland Security Department hired above and beyond its projected targets for fiscal 2007 and increased its leadership capacity by 17 percent, the agency's top personnel official recently reported.

Marta Brito Perez, chief human capital officer for DHS, said in an interview with Government Executive that the department added more than 70 senior executive positions in fiscal 2007, bringing its total number of authorized high-level positions to 722.

Of those, all but 73 are filled, and those are under active recruitment, she said.

"We have virtually no vacancies in the department," Perez said. "I don't understand why there seems to be this perception that there are a lot of vacancies in the executive ranks."

A July report by the House Homeland Security Committee concluded that 138 of 575 senior-level jobs at DHS were vacant as of May 1. The report said the vacancies were "a critical homeland security issue that demands immediate attention."

Last year, Perez and human resource directors from all agencies across DHS met for a two-day retreat and established 47 priorities for fiscal 2007. The priorities, all of which were met, included streamlining the hiring process and creating a standard framework for measuring competencies, Perez said. The department met its targets for new hires and replaced many departing employees to offset attrition, Perez said.

For example, the Transportation Security Administration hired 11,245 transportation security officers, well beyond its target of 10,300 hires.

U.S. Customs and Border Protection had a goal of adding 646 protection officers, but hired a total of 2,327 to offset attrition. But Colleen Kelley, president of the National Treasury Employees Union, said Monday that despite success in gaining new hires, CBP's attrition rates were too high. "Every port that I'm aware of is losing officers faster than they're hiring them," she said. "It's just a constant revolving door."

To address attrition, the department has implemented a "career paths" initiative designed to facilitate movement and retain experienced DHS employees. For example, DHS studied the agency with the highest attrition rate -- the Transportation Security Administration -- and encouraged officers who might

have otherwise left TSA to move elsewhere, such as Customs and Border Patrol. In fiscal 2007, 486 transportation security officers moved to other DHS occupations, Perez said.

"Rather than losing them to the outside, this is a way to keep the talent in the department," Perez said.

Kelley noted that while the career paths initiative is commendable, it is also critical for the department to focus on hiring and retention rates at CBP. "Morale at the agency is very low," she said. "[DHS officials] know what the issues are, but they don't pay attention to them."

Meanwhile, DHS also has implemented a strategy aimed at increasing diversity in the senior ranks. "Our [diversity] levels are good, but they're not exactly where we want to be," Perez said.

For occupations at the GS-15 level or below, Perez said, DHS is far above the government average in its numbers of African-Americans and Hispanics. At the senior levels, the department hired 21 executives in August and September, of which 9 percent were African-American women, 4.5 percent were Asian women and 9 percent were Hispanic males.

Still, success at Homeland Security comes at a price, and fiscal 2008 may not be as bright, Perez said. The House version of the fiscal 2008 Homeland Security appropriations bill blocks funding for personnel reforms, providing only \$3 million for a human capital survey. Likewise, the Senate version of the bill includes \$5 million for human resources, far below the \$15 million the president requested in his fiscal 2008 budget proposal.

"On the one hand, you hear the Hill criticizing us, but they're going after the exact programs that can improve employee morale, training and performance management," Perez said. "All the things we're doing to improve the areas where we're being criticized is exactly what [lawmakers] are going after."

DHS is finalizing its goals for 2008 and expects to complete them by December, Perez said. At the end of 2008, the department plans to implement a pay-for-performance pilot project that will focus solely on employees who work in intelligence.

If DHS is apportioned adequate funding, Perez said she hopes to begin integrating information technology systems and boosting training programs for employees. "For next year, we'll continue investing in our people," she said.

"Whatever funding we do get, we will have good metrics and good stories to tell on how the money was spent."

6. Most Agencies See Downgrades in E-Gov Progress Ratings. The majority of federal agencies have not met a deadline for developing data breach notification policies, causing all but five of them to see downgrades in e-government progress in the latest President's Management Agenda score card issued by the Bush administration.

A May 22 Office of Management and Budget directive ordered agencies to develop and implement data breach notification policies for personal information in the government's possession within 120 days. The agencies were instructed to meet privacy and security requirements, such as reducing the use of Social Security numbers and beefing up encryption.

Agencies that did not complete all the requirements identified in the memo received a downgrade in their e-government progress on the fourth-quarter PMA score card, released Monday. Twenty-one of the 25 agencies rated received downgrades in e-gov progress.

Still, only one agency, the Justice Department, was downgraded in the category of overall e-gov status. Six agencies were upgraded in their status rankings. On the traffic-light-style rating system, seven agencies earned green status scores, four were given red and the rest were rated as yellow.

In announcing the latest score card, OMB pledged to continue to work with agencies "to help them strengthen their information security and privacy programs, especially as they relate to the protection of personally identifiable information."

The other four PMA initiatives -- performance management, competitive sourcing, human capital and financial performance -- showed significantly less movement in grades for both current status and progress. No agency changed its status in the financial performance or performance management categories and only the General Services Administration changed its human capital status, improving from yellow to green.

The score card, reflecting the fourth quarter of fiscal 2007, showed mixed results for competitive sourcing, under which agencies put federal jobs up for competition from private companies. Two agencies improved their status from last quarter, while two regressed. Progress scores were similarly mixed, with four agencies improving and three falling back.

"While agencies have shown great progress in implementing these requirements, there remains a lot of work to be done," Clay Johnson, OMB's deputy director for management, said. "Over the last six years, federal employees have developed significant new employee, financial, cost, investment and performance management skills, and we want to ensure federal agencies continue to improve each year as a result."

7. Panel Sets Course for Army Contracting Overhaul. A special commission charged with reviewing Army expeditionary contracting has determined that extensive reform is urgently needed to ensure that future in-theater contracts are effective, efficient and transparent.

The commission, led by Jacques Gansler, former undersecretary of Defense for acquisition, technology and logistics, recently leased its report after briefing Defense Secretary Robert Gates, Army Secretary Pete Geren and the House and Senate Armed Services committees. According to Gansler, who held a press briefing at the Pentagon Thursday, the commission conducted more than 100 interviews and found general consensus on the primary issues and need for reform.

The report set out four key areas of reform: contracting personnel; organization and responsibility; training and tools; and legislative, regulatory and policy assistance. Gansler called personnel reforms the most important of the four. "Contracting -- from requirements definition through contract management -- is not an Army core competence, but it should be," he said.

Despite the contracting workload multiplying by seven in recent years, the report found that the civilian and military contracting workforce is stagnant or declining. Only 3 percent of the Army's contracting personnel are active-duty military. While the problem of insufficient acquisition personnel is a department-wide concern, it is particularly pronounced in the Army, the commission found.

Despite far lower numbers of procurement actions, the Air Force has a significantly larger military acquisition workforce than the Army. The Air Force staffs 67 percent of the Joint Contracting Command in Iraq and Afghanistan, according to the report, and the Air Force is handling many of the most complex contracts.

The commission recommended that the Army augment military contracting personnel by 400 and civilian personnel by 1,000 -- representing about a 25 percent increase. The report also advised a 583-person increase in Army

personnel at the Defense Contract Management Agency to specifically support Army contracting operations.

While adding people is crucial, the commission stated that career development is as important to ensure that the contracting workforce is qualified and competent. The report recommended that Army military personnel -- both officers and enlisted -- start their contracting careers significantly earlier than they now do and that there be higher-level positions to ensure promising career opportunities.

Since future wars are likely to be similarly expeditionary and dependent on contractors, the role and importance of contractors should be taught in military courses and colleges. Combat exercises should also include contracting events, the commission said.

In addition to personnel changes, the commission advocated creating a single Army Contracting Command responsible for making contracting, from requisition to close-out, a "high-quality core competence." The report acknowledged that this change likely would not come about quickly, but said it is crucial to addressing both the in-theater acquisition problems that have plagued the Army recently, and contracting and weapons-buying Army-wide.

The Army Contracting Command would help synchronize contracting across the multiple commands now responsible for acquisitions. It also would create a single authority for policy interpretation of service and weapons contracting issues, the commission said.

A number of the report's recommendations -- including waiving certain set-asides and provisions in order to allow rapid, local buying -- would require legislative action, and Gansler said the Armed Services committees were receptive to the proposals.

Rep. Ike Skelton, D-Mo., chairman of the House Armed Services Committee, said in a statement that Congress will seriously consider the commission's recommendations and that some are even addressed in this year's Defense authorization bill, currently in conference negotiations.

"The commission's report confirms my sense that the problems are systemic as well as individual, and the fact that acquisition reform must be a priority," Skelton stated.

Sen. Joseph Lieberman, I-Conn., chairman of the Homeland Security and Governmental Affairs Committee, said "We must also develop a cadre of highly

trained acquisition personnel who can be deployed quickly to respond to the needs of a military operation abroad or to assist in the response to a natural disaster at home." Lieberman said pending contracting reform legislation introduced with Sen. Susan Collins, R-Maine, (S. 680) would address this need, and he urged the full Senate to take up the bill quickly.

Gansler said while some of the recommended reforms are long-term, others could and should be implemented quickly, including providing benefits for civilian contracting personnel in-theater, reorganizing existing personnel and authorizing five Army contracting general officers.

8. Pilot Project on Handling Veterans' Employment Complaints Called Inconclusive. A demonstration project designed to study which of two federal agencies is better suited to investigate military service members' complaints about their federal employment rights was inconclusive and merits further review, members of a Senate committee recently said.

Congress created the demonstration project in 2004 after criticism from several Guard members and reservists that the Labor Department's Veterans Employment and Training Service took far too long to investigate alleged violations of the 1994 Uniformed Services Employment and Reemployment Rights Act at federal agencies. The law is designed to protect veterans from employment discrimination resulting from their service.

"As our troops are returning home from battle, many of them seek to return to the jobs they held prior to their military service," said Senate Veterans' Affairs Committee Chairman Daniel Akaka, D-Hawaii. "I must admit to being particularly upset at the volume of claims related to federal service."

Under the project, the Office of Special Counsel and VETS were assigned shared responsibility for receiving and investigating federal sector USERRA claims.

A Government Accountability Office report issued in July did not reach a conclusion about which is better suited to handle the cases. George Stalcup, director of strategic issues at GAO, testified Wednesday that data problems at both agencies affected GAO's ability to draw conclusions.

"Data limitations at both agencies ... could adversely affect Congress's ability to assess how well federal USERRA claims are processed and whether changes are needed," Stalcup said.

Still, representatives from OSC and VETS pleaded their case for sole responsibility.

OSC Deputy Special Counsel James Byrne testified that giving OSC sole oversight would remove the burden from VETS, freeing it to focus on providing quality services to USERRA claimants in the private sector. Additionally, Byrne said, federal claims often have a mix of other potential violations that would fall under OSC's jurisdiction, such as prohibited personnel practices.

But Charles Ciccolella, assistant secretary of Labor for veterans' employment and training, testified that the GAO report clearly indicates the Labor Department resolves cases faster than OSC. Unlike OSC, which has only a headquarters and four field offices, VETS positions USERRA investigators in each state and territory, he said.

Lawmakers seemed intent on extending the current setup. "It is not clear to me that results of the demonstration project and the GAO report provide sufficient evidence to permit this committee to decide on the proper jurisdiction of these claims," Akaka said. "I believe that a good case can be made for retaining jurisdiction by both VETS and OSC."

If members choose to extend the demonstration project, then they should set clear goals, Stalcup said. "Legislation creating the current demonstration project was not specific in terms of the objectives," he said.

Mathew Tully, an Army Reserve officer and attorney who represents many federal reservists with USERRA claims, testified that should the demonstration project continue, GAO should also consider the number of service members who represent themselves or seek private counsel and go directly to the Merit Systems Protection Board.

During the demonstration project, Tully, Rinckey & Associates investigated and prosecuted before the MSPB a total of 1,802 cases, more than four times the combined number of cases that VETS and OSC handled over the same period, Tully said. Of the cases handled by the law firm, 73 percent of veterans were awarded the remedy they were seeking, he added.

But if the decision must be made between VETS and OSC, Tully said OSC is better positioned. "The Department of Labor has built a reputation over the last 13 years of poor investigative work [and] poor use of investigative tools," Tully said. "I have no doubts that if [OSC] is allowed to continue to investigate and prosecute USERRA claims that their reputation will grow."

Committee members and witnesses noted that better preventative measures also are needed. Byrne said OSC has an outreach program to educate managers on USERRA issues, but acknowledged that such programs are typically not implemented until after a violation is recognized.

Tully recommended giving OSC disciplinary authority so that federal supervisors are held personally accountable for USERRA violations. "Personal liability is the ultimate deterrent," he said, "and its implementation would have a profound effect on those unsavory individuals who might otherwise commit a USERRA violation."

9. **Likely 2009 Raise Figure Comes in at 3.4 Percent.** If history is a guide, federal employees will be in line for a 3.4 percent pay raise in 2009, based on figures released last month by the Labor Department.

From September 2006 to September 2007, the change in the Labor Department's Employment Cost Index was 3.4 percent, a figure that President Bush is likely to use as a basis for his pay raise recommendation when he releases his 2009 budget proposal in February.

For the past several years, federal employees have received raises equal to those granted to their military counterparts. Under a 2004 law, military salaries must be increased annually at a rate equal to the change in the ECI for the private sector's wages.

That same law, the 2004 National Defense Authorization Act, previously tacked on an additional 0.5 percent to the change in the cost index to determine the overall military raise. But the law called for raises from 2007 on to be equal to the ECI, without the extra bump.

Contrary to the 2004 law, however, Congress is poised to approve a 2008 pay raise for military and civilian personnel of 3.5 percent, 0.5 percent higher than last year's change in the ECI. The 2008 raise still awaits final approval, as Congress completes the appropriations process.

Meanwhile, military and civilian personnel may be on track to receive the additional 0.5 percent bump through 2012. Under the House version of the fiscal 2008 Defense authorization bill, military members would get a guaranteed pay raise of 0.5 percent above the ECI from fiscal 2009 through fiscal 2012. The provision, if passed in conference committee and signed by President Bush, likely would give federal labor unions an edge in pushing for an equivalent raise for federal civilian employees.

Although the ECI has become the de facto basis for the civilian pay raise, another law on the books is supposed to dictate civilian pay. In 1990, Congress passed the Federal Employees Pay Comparability Act, which established a formula to close the gap between the government and the private sector.

The complex formula would have granted civilian employees an average pay hike much higher than the raises they have received since its passage.

But FEPCA has not been implemented as intended. Instead, each year the president uses a loophole that allows him to override the formula and propose a much lower pay raise. Congress then typically pushes for pay parity between the civilian and military workforce.

A chunk of the 3.4 percent pay hike employees would receive in 2009 if the change in the ECI is used, would be allocated for locality pay.

At the Defense Department, however, across-the-board increases will not be so exact for some employees. Sophisticated new pay systems at Defense and other agencies give management broader discretion in setting pay, effectively providing them the ability to override the 3.4 percent figure.

In 2009, the Pentagon plans to give certain employees in the National Security Personnel System raises based on the quality of their work. For those employees, the government-wide raise will go to pay pools and will be distributed based on the performance ratings.

10. **Union, Law Firm Partner to Pursue Reservists' Benefit Claims.** The American Federation of Government Employees has teamed up with a New York law firm to help federal employee reservists collect thousands of dollars in back pay.

The union and Tully, Rinckey & Associates will co-represent about 10,000 AFGE members who claim they were improperly charged leave for reserve duties, even if such duties occurred on weekends, federal holidays or other days when they were not regularly scheduled to work.

"Our partnership with AFGE shows true national leadership within the legal field by attorneys within our firm," said founding partner Mathew Tully. "The opportunity to connect with such a respected union and assist thousands of members is one which we are proud to have."

By law, federal employee reservists are given 15 days of military leave annually, with the ability to carry any unused leave into the following year. But prior to a 2000 amendment, the government's standard practice was to charge reservists with military leave for every day they were on reserve duty, even if a portion of the leave occurred on days when they were not regularly scheduled to work. This forced many federal employees to dip into annual and sick leave and leave without pay to perform reserve duties.

In 2003, the U.S. Court of Appeals for the Federal Circuit ruled in *Butterbaugh v. Department of Justice* that the government's practice of charging military leave constituted the denial of a benefit of employment in violation of the 1994 Uniformed Services Employment and Reemployment Rights Act.

AFGE, which brought the *Butterbaugh* suit, experienced a surge of claims from union members after the decision, said Joe Henderson, assistant general counsel for AFGE. "Obviously, the claims we initiated were the tip of the iceberg . . ." Henderson said. "We thought [the partnership] would be in the best interest of our members, especially with the facilities this law firm has developed in moving these claims."

The federal circuit also ruled in August that one of Tully's clients -- retired civilian Air Force mechanic Jose Hernandez -- was entitled to back pay for improperly charged leave from 1980 to 2001. The court affirmed that the Merit Systems Protection Board has the authority to order relief for violations of USERRA, even for service prior to the law's enactment. As a result, federal employee reservists now can seek credit for improperly charged leave dating back to 1980.

Tully estimated that 300,000 federal employees could be affected by the Hernandez decision, with the average amount of compensation per employee totaling more than \$3,000.

"Our firm is completely dedicated to the protection of veterans' rights," Tully said. "This is only the beginning."

The Senate Veterans' Affairs Committee will hold a hearing Wednesday to examine how the Labor Department and the Office of Special Counsel have been enforcing the USERRA law

11. **A Price to Pay**. When Kathrene Hansen, executive director of the Greater Los Angeles Federal Executive Board, tallied up the things that would have made her job easier during the wildfires that swept through Southern California

recently, a change in locality pay for the Los Angeles area was near the top of the list.

"We can't recruit because we can't compete with the pay in a very expensive area," Hansen said.

The strain caused by disruptions in traffic and displacement of federal employees whose homes were burned or threatened by the fires pushed already understaffed agencies near the breaking point, she said.

"Most of our agencies have a 20 percent vacancy rate," Hansen said. "When you're staffed at bare bones, and you have even 10 percent of your workforce who can't get to work, it's very hard to keep those offices running."

Mercer Human Resources Consulting found in its annual survey that Los Angeles was the 42nd most expensive city in the world in terms of cost of living. New York was the only American city to beat Los Angeles on the list, earning the 15th spot.

And yet, the Office of Personnel Management's projections of potential locality pay rates in 2008 show that the increases for federal employees in Los Angeles would be smaller than those for employees in Buffalo, N.Y.; Hartford, Conn.; Milwaukee; Phoenix; and Sacramento, Calif., to name a few cities.

Locality pay isn't based on cost of living, but rather on private sector salaries. The 1990 Federal Employees Pay Comparability Act was implemented in 1994, with the goal of narrowing the divide between federal and private sector pay in areas where the gap was more than 5 percent, and closing the gap within nine years.

But the Federal Salary Council reported in September that as of March, the pay gap between Los Angeles federal employees and private sector employees was 52.58 percent. Only four cities had higher gaps: Boston, New York, San Francisco and Washington, D.C.

Hansen said it's not just the private sector with which federal agencies can't compete. In Los Angeles, they struggle to keep up with state and local employees' salaries as well.

During the wildfires, one of those pay gaps was particularly notable, she said: Because federal firefighters make less than their state and local counterparts, the Los Angeles area has fewer federal firefighters than it needs. Such a gap might

be less important during contained fires when state and local firefighters could pitch in.

But in fires as widespread as the ones that tore through California this fall, Hansen said, "when you're totally dependent on mutual aid, the state and local efforts are focused on nonfederal properties and protecting structures, so the fires on federal property are being dealt with by an understaffed force."

This isn't the first time that the Los Angeles Federal Executive Board has expressed a need for changes in locality pay. But Hansen said she hopes that this year's wildfires will finally make the need clear.

"We've been trying to tell Washington D.C. that for many years," she said. "Maybe that will open their eyes."

12. **Gen X Execs.** The nonprofit sector has boomed over the past three decades, growing faster than either the government or for-profit business. According to Independent Sector, an association of nonprofits, 1.9 million such groups are registered with the Internal Revenue Service, a doubling over the past 25 years.

In the 1990s, with government downsizing, more public-service-minded college graduates turned to nonprofits for their careers. Those Gen X grads are now in their 30s and 40s and some already are rising into the executive ranks.

A case in point is Michelle Rhee, the new chancellor for the District of Columbia Public Schools -- perhaps the toughest superintendent job in the nation. Rhee, a 1992 graduate of Cornell University, went on to get her public policy master's at the Kennedy School of Government at Harvard and taught for three years in Baltimore. In 1997, she founded a nonprofit called The New Teacher Project, which places top-notch teaching talent in public schools with some of the country's most impoverished students. Rhee's organization has placed more than 10,000 teachers with students deeply in need of them.

Washington Mayor Adrian Fenty convinced Rhee to take the top schools job this year based on her successful track record heading up the nonprofit. She brings a results-oriented, service-minded, nonideological approach to her job.

"My primary goal is to improve academic achievement for all students," Rhee said in her first letter to parents. "DCPS will focus intensively on instruction and activities that lead us to that goal. In every classroom, you will see a renewed focus on proven and effective teaching strategies. You will also be able to track

your student's progress through a new system of interim assessments. If a student faces challenges, we will know before the end of the year. Our teachers will be able to address those needs immediately."

Rhee took the assignment after Fenty promised to give her wide-ranging authority to revamp one of the most intransigent and mismanaged bureaucracies in government -- exemplified by the fact that no one could tell her how many people actually worked in central administration positions when she arrived. Rhee's tenure will be a good test of whether the skills she and her fellow Gen-Xers amassed in the nonprofit sector will translate into effective results in government.

Are there rising Gen X execs around to help federal bureaucracies become more effective? In April, Peter Ronayne, dean of faculty at the Federal Executive Institute, released a paper titled "Getting the X Into Senior Executive Service."

Ronayne noted that Generation X is underrepresented in the civil service, in large part because of downsizing in the 1990s and low esteem for government among that age group. He says Gen-Xers largely are seen as impatient with bureaucracy. They expect rapid career advancement. They are focused on the practical. They are skeptical of closed-door proceedings, and they value transparency.

Rhee is exhibiting each of those qualities. Witness her demand for broad authority, her focus on teaching as the key to academic achievement, and her promise of clear tracking of student progress for parents and teachers.

Ronayne estimates that 325 Gen-Xers have entered the federal Senior Executive Service -- out of the more than 6,000 executives. Rhee's experience in a federal-style bureaucracy could help answer two questions: Are Gen-Xers ready to lead government agencies? Are government agencies ready to be led by Gen-Xers?

13. **Performance-Based Contracts Found to be Risky for Industry.** A research firm has concluded that performance-based acquisition -- touted by the Bush administration as its preferred contracting model -- may prove too risky and expensive for many potential vendors.

The Reston, Va.-based firm INPUT released a report this week noting that vendors who want to do business with the government may face steeper bid and proposal costs and vague contract requirements as agencies struggle with implementing performance-based acquisitions.

Performance-based acquisition defines contract work in terms of required results instead of how work is to be accomplished or how many hours of work are to be performed. The initiative focuses on assessing accomplishments against measurable standards and uses those standards and financial incentives to encourage competitors to offer innovative and cost-effective proposals.

The Office of Management and Budget has pushed performance-based acquisition since 2001. A May 22 memorandum from Paul Denett, administrator of OMB's Office of Federal Procurement Policy, encouraged agencies to use performance-based acquisition for 45 percent of contract actions worth more than \$25,000 for fiscal 2007, which ended Sept. 30. The eligible actions included new contracts, task orders, modifications and options.

OMB has offered help on implementing the technique, including an online guide called Seven Steps to Performance-Based Service Acquisition. The administration also has directed agencies to training programs at places like the Federal Acquisition Institute. But INPUT and the Acquisition Advisory Panel -- established under the 2003 Services Acquisition Reform Act to review and recommend changes to acquisition laws and regulations -- have concluded that agencies need further guidance.

"To streamline PBA guidance, significant work lies ahead," the report noted.

From the industry perspective, the bid and proposal process for performance-based acquisitions is an enormous drain on resources, INPUT said. As a result, smaller companies may be less inclined to absorb risks that come with making a bid, giving the larger, well-established companies an edge. To avoid this unfair advantage, agencies must provide a clear profit motive for a diverse group of vendors, according to the report.

Stan Soloway, president of the Professional Services Council, an industry association, said if agencies write solid statements of work and provide potential vendors with all necessary information, then performance-based acquisition could be beneficial to both government and industry.

"I think small and mid-tier businesses would see it as a great opportunity to be innovative, to propose and generate innovation rather than be contained in predesigned box," Soloway said. "It gives them an opportunity to demonstrate an agility."

Companies should be careful in assessing relative risk, because if agencies do not clearly delineate expectations or maintain their requirements throughout the project, "risk does shift inordinately to the company," Soloway said.

INPUT warned vendors to be wary of contracts with vague performance measures or poorly defined requirements that are not standardized across the organization. Those could make it difficult or impossible for contractors to satisfy their agency customers. INPUT recommended that government and industry avoid these situations by managing healthy relationships and aligning objectives and performance measures.

With uncertainty surrounding new performance-based contracts, INPUT said, vendors may be best advised to stick with more stable areas such as government-wide acquisition contracts, multiple award contracts and the General Services Administration schedule.

14. **Report: Contracting Workforce Needs More Training.** A recent survey of the skills of the federal acquisition workforce shows that while contracting officials generally are operating at expected levels, they could benefit from additional training to bridge competency gaps.

The survey by the Office of Management and Budget's Office of Federal Procurement Policy and the Federal Acquisition Institute aimed to help determine where resources should be concentrated to improve or maintain essential skills. OMB touted the report as "the first-ever baseline analysis of the proficiency levels of the civilian agency contracting workforce."

OFPP and FAI conducted the survey between April and May and had 5,400 respondents. The vast majority fit into the desired GS-1102 contracting officer or specialist category.

For the most part, contracting personnel are proficient both in general business and technical contracting, the survey indicated. Respondents did signal, however, that they would benefit from training in several areas, including project management, defining and managing government requirements, performance-based acquisition and use of performance metrics. They also advocated training in negotiation skills, strategic planning and the effective resolution of contract disputes.

OMB is encouraging chief acquisition and human capital officers to review the survey results in preparing their Gap Analysis Report and Improvement Plans,

due Dec. 15 to OMB. In these reports, agencies must include steps they can take to address shortfalls in skills.

"This survey is a comprehensive review of our workforce and will guide strategic development and succession planning efforts," said OFPP Administrator Paul Denett, in a statement. "Agencies have a unique opportunity to identify specific organizational competency gaps and are using this information to develop plans to close those gaps."

The demographics of the respondents indicated that existing weaknesses will be exacerbated by a looming retirement wave.

Of the GS-1102 level respondents, 64 percent of the contracting officers were 46 or older, and 52 percent reported plans to retire in the next 10 years. The figures were slightly lower but still significant for contracting specialists, with 49 percent of respondents older than 46 and 37 percent planning to retire in the next decade.

Many of those slated to retire were at higher skill levels. In areas requiring technical competency, 40 percent possessing proficiency levels of intermediate or greater will retire within 10 years. For the general business area, that figure rises to 45 percent.

In a memorandum to chief acquisition officers, Denett asked that, in the upcoming reports, agencies identify strategies and milestones for recruitment and retention at all levels, but specifically the GS-1102 level. "You may want to consider not only the numbers of contracting professionals required but also the competencies needed in your organization and strategies for obtaining these skills," Denett wrote.

Chief acquisition officers have consistently identified the contracting workforce as one of their primary areas of focus. They are attempting to combat existing vacancies and skill gaps and prepare for the expected retirement wave by using tools like direct hire and student loan repayment.

15. **One solution to staff shortages: Hire felons.** This article, written by Amy Doolittle, was posted in the 5 Nov edition of the Federal Times.

When it comes to hiring, the federal government prides itself on reaching out to disadvantaged segments of society: veterans, people with disabilities, and more recently, retirees. So why not felons?

The chairman of the House subcommittee on the federal work force thinks it's a good idea. "The federal government is one of the places that has not been doing enough to help give people a second chance," said Rep. Danny Davis, D-Ill. "We can't lead where we haven't been."

Davis said he's considering introducing a bill early next year to make the federal workplace more felon-friendly.

Davis said agencies should work with federally and locally funded rehabilitation programs to hire recently released felons as a way to help them reintegrate into society and reduce recidivism. Justice Department statistics show more than 50 percent of convicted felons offend again. Davis thinks giving some of them government jobs could reduce that number.

"We are contradictory in our practices," he said. "We talk redemption, but the way we treat individuals does not show that we believe in providing redemption."

To make such a program work, Congress would need to direct agencies to cordon off a certain number of nonsensitive jobs — such as mail room, janitorial or maintenance work — for ex-offenders, he said. Such a program would likely start off as a pilot program.

"We could have a test program to see how it works," said Davis, chairman of the Oversight and Government Reform subcommittee on the federal workforce, Postal Service and District of Columbia. "I think the way you get things going is you work up enough awareness, interest and concern about it."

Current Office of Personnel Management rules do not specifically block released felons from federal jobs, but a felony conviction can be considered in the hiring decision.

Cook County model

Cook County, Ill., where Davis is from, instituted a pilot program in 2004 requiring 100 county jobs be secured for ex-offenders.

That project, called the Re-entry Employment Demonstration Pilot Program, secures yearlong, paid intern positions for 100 first-time, nonviolent offenders who have completed a state-certified rehabilitation program. If they successfully

complete the internships, ex-offenders are eligible to move into full-time, county employment.

Helen Mitchell, a Davis staff member, said a federal program would likely mirror the Cook County program, which she helped develop.

“In order for it to really have some legs in the private sector, it needs to happen at the federal level,” she said. “There’s no reason ex-offenders can’t be instrumental in the federal government in the mail room or any other blue-collar job they can easily transfer into.”

Just like the Cook County plan, a federal program likely would partner with rehabilitative outreach organizations, such as Goodwill Industries. These groups provide counseling, education, housing and supervision to recently released offenders to keep them drug-free while helping them connect with public-sector jobs.

Goodwill Industries-Suncoast, based in St. Petersburg, Fla., runs two ex-offender rehabilitation programs — one with state funds and one with federal funds. More than 90 percent of the 700 or so ex-convicts it places into jobs each year successfully finish their counseling programs and are eligible to get jobs with local businesses, said Chris Ward, the organization’s marketing manager. Goodwill does not track how many people it places in jobs get in trouble with the law again.

Although Goodwill Industries has never worked with the federal government as an employer, Ward said such an initiative would be more than welcome.

“They could be a big contributor of jobs,” she said. “Why not?”

Chance to reform

Davis said his legislation would likely not bar felons from working at agencies with sensitive missions, such as the CIA, but would rather bar them from specific jobs.

"You can cut the grass at the CIA without needing a clearance, you can clean windows," he said. "It's more the categories of jobs that they should probably not be allowed to do."

Nearly 650,000 people are released from state or federal prisons each year, the Justice Department says. Because most are convicted or reconvicted on relatively minor offenses such as drug abuse charges, and not for violent crimes, Davis said, giving them the chance to reform is key to avoiding long-term problems and serious crime.

"What we are working at here is convincing society that these people are worth giving a second chance," he said. "Government should be taking the lead."

Depending on the offense, felons are blocked by law from working in a business that sells weapons or directly with children and the elderly. Beyond such restrictions, the Equal Employment Opportunity Commission considers barring a person from employment because of a felony conviction a form of discrimination. Davis introduced earlier this year the Second Chance Act to expand felon re-entry education grants and programs. He said he's trying to convince the House and Senate leadership to help him get the bill passed before Congress takes its December break.

16. **Rigid Pay Systems Listed Among Top Workforce Challenges**. Rigid pay systems and leadership skills gaps are among the challenges agencies will face as they seek to offset a talent shortage expected over the next decade according to top government officials and an outside observer.

At a breakfast sponsored by the Georgetown University Public Policy Institute and the management and consulting firm Accenture, representatives from three agencies and a nonprofit group agreed that federal officials should immediately begin planning for how they will address such challenges.

If that doesn't happen, "rather than getting the best of the brightest, we're going to end up with the best of the desperate," said John Palguta, vice president for policy and research at the nonprofit Partnership for Public Service.

Palguta said the keys to preventing a potential talent drain include replacing the decades-old General Schedule pay system, reforming the hiring system and ensuring managers have the right skills. "If you put all of that together, the

government will be very successful," he said. "If we don't pay attention to all those things, we're going to have some problems."

Michael Dominguez, principal deputy undersecretary of Defense for personnel and readiness, said the government would have difficulty meeting the challenge. "I anticipate some problems," he said. "I can't say with high confidence that we're poised for success."

Still, all panelists agreed that the General Schedule is too rigid and needs to be replaced with a more performance-based, market-sensitive pay system. "Any system that's based on tenure is not going to produce the kind of results that are really going to move an organization forward," said Kevin Mahoney, associate director of the Office of Personnel Management.

Dominguez touted pay reforms under the National Security Personnel System at the Defense Department, noting that one key to building a successful compensation system is top officials emphasizing exactly what they want to achieve. "It's about realigning your organization around observable outcomes," he said. "That's a leader thing, not a civilian personnel manager thing."

Dominguez said Defense has a problem with pay for high-ranking officials. "Our executive compensation schedule for senior executives is way underpriced for the value we get from those people," he said. "We need to jack that up."

Sallyanne Harper, chief financial officer and chief administrative officer at the Government Accountability Office, noted that in addition to implementing a pay-for-performance system, intern programs and student loan repayments are a major boost to recruiting for GAO. She also recommended that the government work out an accommodation to allow retirees to return to federal service on a part-time basis.

Compensation and other human resources initiatives are worthless unless accompanied with solid leadership, Palguta said. Panelists agreed that in addition to more flexible pay systems, agencies must have dedicated managers who can ensure employees have clear performance expectations and goals aligned with missions.

"I think we have a growing consensus ... that in government, you can have the best technology, all the infrastructure and even the budget, and none of it works unless you have the right people in place," Palguta said. "I think leaders are starting to understand that."

17. **Consumer-Driven Care**. The jury is still out on whether high-deductible health plans are in general a good option for federal employees. But with the open season for benefits elections quickly approaching, it could be helpful to understand and determine whether such a plan is right for you.

High-deductible health plans and the savings accounts that accompany them provide greater flexibility and discretion over how enrollees use their health care benefits. These plans feature lower monthly premiums than traditional ones, but in exchange, have higher annual deductibles.

The Office of Personnel Management started offering high-deductible plans in the Federal Employees Health Benefits Program in 2005. During the open season for 2008 benefits, which runs from Nov. 12 to Dec. 10, there will be 32 high-deductible plans offered, compared to 29 during the last open season.

High-deductible plans also feature health savings accounts or health reimbursement arrangements. The savings accounts allow enrollees to set aside tax-free dollars for their health needs, and the money invested rolls over from year to year regardless of whether participants switch plans or leave the federal government.

If you are enrolled in Medicare, you are not eligible for a health savings account. Under Internal Revenue Service standards, the maximum amount a federal employee can deposit into a health savings account in 2008 is \$2,900 for singles and \$5,800 for families. The capped amounts include the deposits that carriers may automatically insert into your account.

Aetna currently has the most popular high-deductible plan in FEHBP, having enrolled more than 60 percent of all federal high-deductible plan participants. The Aetna plan provides 100 percent in-network preventative care for medical, dental and vision and has lowered its premiums by 17 percent for 2008.

"Our HSA is a great plan that is priced very competitively," said Tom Bernatavitz, vice president of the federal government sector for Aetna. "It's a personal frustration to me that more individuals don't take the opportunity to enroll in a plan that could really benefit them their entire lives."

Aetna's high-deductible plan biweekly rates for non-postal employees will be \$30.92 for singles and \$67.72 for families in 2008. The plan automatically inserts an annual amount of \$750 for singles and \$1,500 for families into participants' savings accounts.

Deductibles in 2008 will be \$1,500 for singles and \$3,000 for families. The most that enrollees would have to pay in a year (catastrophic maximum), including the deductible, is \$4,000 for singles and \$8,000 for families.

Enrollees in Aetna's high-deductible plan can also expect to receive additional dental and vision benefits. For dental, cleanings and X-rays are covered at 100 percent in-network, and for vision, routine eye exams are completely covered, with enrollees receiving an eyewear reimbursement of \$100 every 24 months. The plan also offers a massage therapy discount.

Currently, 96 percent of enrollees in Aetna's high-deductible plan have rolled-over balances in their savings accounts, Bernatavitz said. The current average balance is \$1,300 for singles and \$1,750 for families, he said.

Meanwhile, Blue Cross Blue Shield will launch its first high-deductible plan next year as a pilot project in four locations -- Ohio, Minnesota, Tennessee and Kansas City. The plan, called the consumer basic option, is a sub-option of Blue Cross' basic plan and holds the same premium and benefits as the basic option.

"We're doing the pilot in a limited area primarily because of the complexity of the [high-deductible] product," said Jena Estes, executive director of program integrity for the Blue Cross Blue Shield federal employee plan. "Before we launch a broad offering of the product, we want to at least test it, learn from it and evaluate the needs of the members as to whether it works for them."

The plan's biweekly rates for nonpostal employees for 2008 will be \$39.13 for singles and \$91.66 for families. Blue Cross automatically inserts an annual amount of \$900 for singles and \$1,800 for families into participants' accounts.

Deductibles for the Blue Cross plan will be \$2,900 for singles and \$5,800 for families. The annual deductible and the catastrophic maximum are set at the same dollar amount.

Still, some employee groups strongly oppose high-deductible plans, arguing that they could result in higher premiums and reduced benefits for employees enrolled in more comprehensive, traditional offerings. According to a 2005 Government Accountability Office report, most participants in high-deductible plans are younger, healthier and better educated than those in comprehensive plans.

As part of the pilot, Blue Cross plans to examine whether a high-deductible plan could affect the cost and benefits of more traditional plans, Estes said. "It's not

really for every consumer," she said. "It serves as a financial tool, and some can potentially save on their health care long term."

The following Web sites may be able to help you to better determine whether a high-deductible plan is right for you:

Office of Personnel Management

Aetna HSA Calculator

GEHA HSA Calculator

18. Partnership Launches Campaign to Recruit Graduates into Public Service. The Partnership for Public Service has launched an education campaign to recruit college graduates into public service. Called "making the difference," the campaign kicked off at hundreds of colleges and universities and is based on the partnership's two-year experience with OPM through their joint "call to serve" recruitment initiative.

The call to serve effort identified cost-effective and sustainable ways to promote federal service on campus, such as email, which students have responded well to, PPS said.

It has also released a report outlining what Congress, agencies and campuses can do to better recruit students.

According to the report, the more students know about federal service, the greater their interest -- 60 percent of students said the more they learn about federal opportunities the more interested they are.

Campus visits have a strong impact on students, which PPS called an "invaluable tool for driving action."

However, the report called for a greater effort to streamline the federal application process, needed to capitalize on increased interest before turning away graduates.

The campaign, launched with 600 schools, includes a website - makingthedifference.org -- with an interactive internship directory, as well as monthly job and internship listings, and workshops for students and university career services staff, PPS said.

The partnership has also recently launched a speakers bureau with a grant from the Annenberg Foundation to hold talks with students on campus about federal careers.

These efforts complement financial incentives for graduates to take federal jobs including \$10,000 per year in student loan repayments, up to a \$60,000 total, in exchange for three-year service commitment.

The recently enacted College Cost Reduction Act of 2007 forgives balances due on direct student loans by borrowers who have been full-time public service professionals while paying off their loan balances for 10 years, although the clock only started running this month.

19. **OPM Issues Final Rule for Hiring of Retirees**. OPM published a final rule in the September 19 Federal Register on the criteria under which it may grant dual compensation waivers—that is, permission to rehire federal retirees without an offset between their pay and their annuities --on a case-by-case basis or to delegate waiver authority to agencies.

The rule is effective October 19, and is based on regulations proposed a year ago to grant or delegate to agencies the authority to grant dual compensation waivers in emergency situations posing an immediate and direct threat to life or property or situations resulting from unusual circumstances that do not involve an emergency, according to the notice.

The proposed rule also removed any information concerning military employees.

The head of an agency may request OPM to approve individual exceptions on a case-by-case basis to meet temporary hiring needs based on an emergency or other unusual circumstances or when the agency has encountered exceptional difficulty in recruiting or retaining a qualified candidate for a particular position, the notice said.

It said the authority to submit requests may not be transferred to an official below the agency's headquarters level.

Agencies must provide justification describing the unusual circumstances for these appointments, the notice said.

Reemployed annuitants with full salary may not elect to have retirement contributions withheld from their pay, that they may not use any employment for

which an exception is granted as a basis for a supplemental or recomputed annuity, and they may not participate in the Thrift Savings Plan.

20. MSPB Reverses Suspension For Whistleblower. The MSPB reversed an initial decision that affirmed the agency's decision upholding a 30-day suspension for charges of misconduct. See *Pedelose v. Department of Defense*, 2007 MSPB 248 (10/24/07). The appellant was an industrial engineer who with other employees' assistance submitted a report to the inspector general detailing safety problems with a tactical cargo and personnel transport aircraft. He and a coworker filed a complaint with the IG and their supervisor about the safety issues they observed in the program. Shortly thereafter, the appellant learned that his supervisor said in a meeting "since [coworker] is a probationary employee all they have to do is fire her." He advised the IG, and the next day, the agency terminated the coworker.

A few days later the appellant heard from another coworker that the already terminated coworker and two other employees were targeted by their supervisor for termination. He warned one of the employees, and in response, the employee submitted papers for retirement. Appellant's supervisor then advised this employee that the rumor was incorrect and began an investigation into who reported this misinformation because the employee refused to reveal the source. The appellant refused to participate in the investigation because he thought it conflicted with the IG investigation. He was suspended for 30 days for refusing to cooperate in an agency investigation, insubordination and failure to follow instructions. After receiving an initial decision affirming the suspension, the appellant petitioned the MSPB for review. The MSPB found in a split decision that the agency failed to prove its charges of misconduct and the agency violated the Whistleblower Protection Act (WPA).

The general rule is that an employee must first comply with an order he believes is improper and register his complaint or grievance later. Two considerations that underlie this rule are: 1) the agency and its mission may be harmed by the employee's failure to act; and 2) the employee may be mistaken in his belief.

When employees are disciplined for breaking the rule, investigations of potential crimes and serious misconduct are usually involved. Here, none of these considerations were present. The appellant did not commit a crime or engage in serious misconduct. The agency was not able to prove its misconduct charges because the appellant simply raised legitimate concerns about the investigation, sought the advice of the IG and did not get a definitive answer about whether the investigation was lawful.

The MSPB found that threatening to fire a coworker for disclosures concerning the safety of the program was a violation of the WPA, and that a supervisor's use of influence "to denigrate other staff members in an abusive manner and to threaten the careers of staff members with whom h/she disagrees constitutes abuse of authority." Additionally, the MSPB held that the appellant had a reasonable belief that his supervisor was correctly quoted about firing the coworker and that the supervisor's statement established a violation of the WPA and an abuse of authority.

Finally, the MSPB ordered the agency to take corrective action because the appellant's protected disclosure was a contributing factor in his suspension and the agency failed to show it would have taken the same action in the absence of the disclosure.

* This information is provided by the attorneys at Passman & Kaplan, P.C., a law firm dedicated to the representation of federal employees worldwide.

21. **Service Computation Date**. This article is written by benefits expert, Reginald Jones. Therefore, any references to "I" pertain to him as an author.

Over the years I've had a lot of questions about the term "service computation date" or SCD. Nine times out of 10, it's with reference to retirement eligibility. In other words, I'm being asked, "When will I have enough years to retire?" The simple answer is this: The SCD is the date on which you start counting the years of service you need to retire.

The SCD for most employees is the date on which they first enter the service. However, some of you have been on active duty with the armed forces and may be entitled to service credit for that time. If you are one of them and were employed before October 1, 1982, you'll automatically get credit for it in determining your eligibility to retire. As a result, your SCD will be moved back to an earlier date to reflect that period of service. On the other hand, if you were employed on or after October 1, 1982, you won't get any credit for it unless you make a deposit. If you do, your SCD will be adjusted accordingly.

Now, if you ever left government and then returned, the time between those two periods of employment won't count. As a result, your SCD would be moved forward so that the new SCD would only include the time that you were actually employed. The same is true if you took LWOP that exceeded six months in a calendar year. Your SCD would be moved forward the exact number of days, weeks or months needed to create a seamless service credit history.

No matter what your situation is, all you have to do to determine when you will have enough years of service to retire is to start with your SCD and move forward on the calendar until you have the right combination of service and age.

22. **Tis the Season to Know Gift Policies.** At this time of year, issues commonly arise around giving or getting gifts in the work environment. Rules are found in the Code of Federal Regulations at 5 C.F.R. section 2635; many agencies also have their own policies. In general, an employee may not give, or solicit a contribution for, a gift to an official superior, and may not accept a gift from an employee receiving less pay if the employee is a subordinate. But on occasions "where gifts are traditionally given" such as the holidays, employee may give the following to an official superior: items, other than cash, valued at \$10 or less; items such as food and refreshments to be shared in the office; and personal hospitality provided at a residence which is of a type and value customarily provided by the employee to personal friends.

Generally speaking, an employee may not solicit or accept a gift given because of his official position or from a prohibited source to include anyone who: has or seeks official action or business with the agency; is regulated by the agency; has interests that may be substantially affected by the performance of an employee's official duties; or is an organization composed mainly of such persons. A "gift" under these policies generally does not include items such as publicly available discounts and prizes, commercial loans, food not part of a meal such as coffee and donuts, and items of little value such as plaques and greeting cards.

Unless the frequency of the acceptance of gifts would appear to be improper, an employee generally may accept: gifts based on a personal relationship when it is clear that the motivation is not his official position; gifts of \$20 or less per occasion, not to exceed \$50 in a year from one source; discounts and similar benefits offered to a broad class, including a broad class of government employees; most genuine awards and honorary degrees, although in some cases an employee will need a formal determination; free attendance, food, refreshments and materials provided at a conference or widely attended gathering or certain other social events which an employee attends in his official capacity, with approval; and gifts based on an outside business relationship, such as travel expenses related to a job interview. An employee should return gifts not meeting the exceptions or contact his or her supervisor on how to dispose of them. Perishable items may be given to charity or shared by the office, with approval.

23. **Mileage Reimbursement Could Hit All-Time High in 2008.** The rate at which agencies reimburse federal employees who use their own cars for work

could go up by two cents in January, if the government continues its pattern of following the Internal Revenue Service's rates.

The IRS announced Tuesday that beginning on Jan. 1, 2008, the standard rate used to calculate the deductible costs of operating an automobile for business purposes will be increased to 50.5 cents per mile, the highest rate ever. The current rate, set at the beginning of 2007, is 48.5 cents per mile.

The General Services Administration is permitted under federal law to establish a reimbursement rate for federal employees who use personal vehicles for business, but it cannot exceed the one established by the IRS. In the past, GSA has consistently followed the IRS's lead.

GSA also is required to conduct yearly studies on the costs associated with travel and operation of privately owned vehicles. The agency is supposed to consult with the Transportation and Defense departments and federal employee organizations in determining the reimbursement rate.

The IRS mileage rate is based on an annual study of the fixed and variable costs of operating an automobile, including gas prices, oil, tires and scheduled maintenance, according to the agency. The study was conducted by Runzheimer International, an independent contractor based in Rochester, Wis.

In June, the National Treasury Employees Union called for a mid-year rate increase, noting that high gas prices were placing "an especially high burden on those who must drive to perform their work, including employees of the IRS and other agencies of the federal government."

NTEU President Colleen Kelley said Wednesday that she plans to send a letter to GSA Administrator Lurita Alexis Doan asking for immediate action in extending the higher mileage reimbursement rate to federal employees. "I will ask GSA to act before Jan. 1, so federal employees can benefit from this higher rate at the beginning of the new year," Kelley said.

According to federal travel regulations, employees may use personal vehicles for official travel if they obtain permission from their agency. The reimbursement rates apply only to authorized means of travel.

The mileage reimbursement does not pertain to employee transfers or relocations. Those are designated as a transportation expenses, rather than allowances for the cost and operation of a vehicle, according to GSA.

24. **Human Resources (HR) for Supervisors**. The HR for Supervisors Course is highly recommended for all Department of Army civilian (DAC) and military supervisors of appropriated fund (APF) civilian employees who supervise at least 3 appropriated fund DAC employees. The course is 40 hours long and is intended to help the supervisor in performing his/her HR management duties. In addition to teaching the participants about HR regulations and processes, the course introduces them to the automated HR tools. Completion of this course can enhance the supervisor's confidence and performance. The course includes the following modules:

- Overview of army CHR (includes coverage of Merit System Principles and Prohibited Personnel Practices)
 - Staffing
 - Position Classification (includes an introduction to CHR automated tools such as CPOL, ART, Gatekeeper and FASCLASS)
 - Human Resource Development
 - Management Employee Relations
 - Labor Relations
 - Equal Employment Opportunity

The course includes lectures, class discussion and exercises. Additionally, there is a pre and post test administered at the beginning and end of the course. The course does not address supervision of non-appropriated fund (NAF) or contract employees. The course dates for FY 08 are highlighted below. Each class **will be conducted from 0800 to 1630** in building #6, classroom #225. The point of contact for the December course is Ms. Loraine Lester, Fort Benning CPAC, 545-5553. Course registration information will be disseminated not less than 3 weeks from course start date.

DATE

- 3 – 7 December 2007
- 3 – 7 March 2008
- 2 – 6 June 2008
- 15 – 19 September 2008

25. **RPA and ART Workshop**. The Fort Benning CPAC HR specialists are available to conduct RPA and ART desk-side walkthroughs and/or workshops to assist managers/supervisors and new DCPDS account holders with accessing and using DCPDS, ART, initiating RPAs, creating Gatekeeper Checklists, forwarding and tracking RPAs, generating reports and printing SF 50s. Training can be accomplished via individualized sessions or activity specific workshops

upon request. If you desire training of this nature, please contact your servicing HR specialist to arrange for scheduling.

26. **Job Aids Available on the Web**. Lotus ScreenCams (how-to-movies) are available to assist DCPDS users with DCPDS, Army Regional Tools (ART), Oracle 11i and other automation tools. ScreenCam movies ART Logon, Ghostview, Gatekeeper, Inbox Default, Initiating an RPA, Logging On, Navigator, RPA Overview and RPA Routing are available on the web at: <http://www.chra.army.mil/>. Click on HR Toolkit and then click on the name of the movie to download or play it. Managers/supervisors and administrative personnel responsible for initiating RPAs are encouraged to review this site and check out these new tools. ART Users Guide has been updated and provides descriptions of and instructions for using tools available in ART, including such tools as Employee Data, Inbox Statistics (timeliness and status information about personnel actions), Organization Structure (information about positions in various organizational elements), and many more tools. It is intended for use by managers, resource management officials, administrative officers, and commanders as well as CPAC and CPOC staff members. There is both an on-line and downloadable Word version (suitable for printing).

In addition, to the ART Users Guide, there is a Defense Civilian Personnel Data System (DCPDS) Desk Guide which provides how-to information about tasks and functions that end users might need to perform in DCPDS, such as initiating a Request for Personnel Action (RPA) and creating a Gatekeeper Checklist. The ART Users Guide and the Desk Guide can be accessed from the CHRA web page at: <http://www.chra.army.mil/>, by clicking on HR Toolkit. In addition to these tools the Fort Benning CPAC staff is available to assist you in accessing DCPDS, ART, initiating RPAs, creating a Gatekeeper Checklist, forwarding and tracking RPAs, generating reports and printing an SF 50. If you have any questions or need assistance, please contact your servicing HR specialist to arrange a time so we can come to your office to help you.

27. **Emergency Contact (Next of Kin) Database**. Information on the Emergency Contact Database is located on the Civilian Personnel on Line (CPOL) website <http://www.cpol.army.mil/>. It can be accessed from the CPOL homepage by clicking on the link for "Emergency Guidance and Resources," and then clicking on "Emergency Contact Database" Managers need to keep reminding their civilian employees of the need to have their current emergency contact information on file in the Emergency Contact Data Base. In addition, supervisors and managers are required to conduct periodic validations with employees to ensure the accuracy of their data. If assistance is needed, please contact project e-mail account at echelp@asamra.hoffman.army.mil.

28. **Fort Benning CPAC Homepage.** Please log on to our website at <https://www.benning.army.mil/Cpac/Index.htm>. If you have suggestions on ways to improve or recommendations for information to add, please contact the undersigned.

29. **Just Before Press**.....

Key Interest Rate Set. The interest rate the government uses for various purposes related to federal retirement programs--including the rate of return on "voluntary contribution" accounts available to CSRS employees-- will be 4.75 percent in 2008, down from 4.825 percent in 2007.

In addition to serving as the rate of return for voluntary contributions accounts, the figure is used as the rate of interest charged to employees who need to make payments to capture credit for service for which either no retirement deductions were made or for which deductions were withdrawn at a break in service (note: the repayment after withdrawal option is not available under FERS).

The rate also applies to any needed payments to capture military service credit time in order to avoid the "catch-62" penalty that otherwise can reduce certain annuity payments for those with military service in their computations.

VC Program Is Not an Urban Myth. Voluntary contribution accounts are available only to CSRS and CSRS-Offset employees; those employees may invest an amount equal to up to 10 percent of their career federal basic pay in such accounts, where the money earns interest tax-deferred until withdrawn. Withdrawals are allowed either as lump-sums at any time or as annuities at retirement. Although the voluntary contributions program has existed for many years, many employees still are unaware of it, as are many personnel officials. Some employees who have expressed interest in opening such accounts report they have been met with either blank stares or outright statements that no such program exists. Also, there is a degree of confusion with the Thrift Savings Plan; some employees have been told that the TSP superseded the VC program. In fact, the two programs are separate and participation in one does not affect the other. To open a VC account, file form SF 2804 at the address on the form.

Leave Sharing Changes Proposed. In the October 15 Federal Register OPM proposed several changes involving emergency leave sharing programs that the government sets up in response to disaster situations such as the destructive 2005 hurricanes. The rules would: allow the transfer of leave from pre-existing leave banks into emergency leave-sharing programs; end the practice of

returning partial unused leave days to their donors; and allow judicial branch employees to participate in emergency leave sharing programs."

The Social Security Earnings Limit. Retirees receiving a Social Security benefit are always checking to see if their income has exceeded the earnings limit. The same is true of FERS retirees who are receiving the special retirement supplement (SRS), which approximates the Social Security benefit they earned while covered by FERS, and is payable until age 62 when they become eligible for a Social Security benefit. Each group is concerned because exceeding the limit will cause their Social Security benefit or SRS to be reduced or eliminated.

If you are under the Social Security full retirement age (65 and 10 months), the reduction is \$1 for every \$2 in earnings above the limit, which is \$12,960 in 2007 and will be \$13,560 in 2008. In the year you reach your full retirement age, it's \$1 for every \$3 above a different limit, \$34,440 in 2007 and \$36,120 in 2008. Beginning in the month in which you reach full retirement age, there is no limit. You can earn as much as you want.

What most retirees don't realize is that the earnings limit applies only to earnings from wages or self employment. Income from other sources, such as your annuity, investment earnings, interest and capital gains don't count.

Further, there's a special rule for those of you who retire before the end of a calendar year. It's called "the first year rule." No matter how much you earn before you retire from your job, you'll still get a full Social Security check or SRS payment for any whole month in which you are retired.

Of importance to those who retire at the very end of the year is the fact that the Social Security Administration doesn't count income earned in that year but paid out in the following year against the earnings limit. In effect, income counts when it is earned, not when it is received. Examples of what wouldn't count against the earnings limit include a final salary check, a bonus, or a lump-sum payment for unused annual leave.

BLANCHE D. ROBINSON
Human Resources Officer
Fort Benning CPAC
Phone: 545-1203 (Coml.); 835-1203 (DSN)
E-Mail:
blanche.d.robinson@us.army.mil