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SUBJECT: Fort Benning CPAC Staffing Update 8-2007

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 a compilation of articles written by CPAC staff 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. Insurance Companies and Congress Push Long Term Care Insurance.

Private insurance companies and the federal government are renewing efforts to encourage individuals to buy long term care (LTC) insurance. This comes at a time when these policies, designed mainly to pay for nursing home, assisted living costs and home health care costs, are expensive and frequently difficult to understand.

Congress has also done its part in trying to make LTC insurance more attractive and affordable. Starting in 2010, consumers will be able to use annuities and life insurance policies tax-free in order to buy LTC insurance. Other incentives will allow buyers to shelter their assets and still qualify for Medicaid, the federal government's program that pays for nursing home care for the poor.

LTC insurance has been available for nearly 30 years but in recent years some policyholders have been adversely affected by insurance companies who had under priced their policies suddenly increased their premiums (some companies by as much as 60 percent) to existing LTC insurance policyholders. The increase in premiums has caused many consumers to complain that they may not be able to afford the insurance and could lose their policies.

The Federal Long Term Care Insurance Program (FLTCIP), a LTC group insurance program available to federal and postal service employees and annuitants and members of the uniformed services, has not raised its premiums during its first five years. Employees and annuitants, as well as certain members of their families, are allowed to apply for the insurance at anytime. There has not been an FLTCIP open season in five years, nor has there been any announcement by the Office of Personnel Management (OPM) of any future FLTCIP open seasons.

Employees and annuitants pay the entire cost of the FLTCIP premiums, without any contributions from the federal government. Employees and annuitants should consider comparing the cost of the FLTCIP with the cost of a private LTC insurance policy. LTC insurance is sold today by large stable insurers including John Hancock Life Insurance Company, Northwestern Mutual Life Insurance Company, Metropolitan Life Insurance Company, MassMutual Financial Group and Gentworth Insurance Company.

Many financial advisors recommend that individuals who can afford LTC insurance should consider it, especially if they want to leave their estate to their heirs. Statistics suggest that 25 to 50 percent of the elderly will require some form of LTC.

While most retirees today will most likely not incur substantial LTC expenses, some retirees will be affected with large costs. Nationwide, nursing home costs average \$74,000 annually. In the more expensive areas of the country such as Washington, D.C., the Northeast and California, nursing home costs can be over \$100,000 annually. Home care costs average about \$20 per hour.

LTC insurance policies can be expensive, ranging from less than \$750 a year in premiums for individuals who buy them when they are in their forties to more than \$6,000 a year for those who buy them when they are in sixties. Since premiums are "entry-aged" based, the younger one is at the time of purchase the cheaper the premiums. Someone who purchases LTC insurance in their forties could end up paying tens of thousands of dollars in premiums before they need it. Statistically speaking, most individuals who require LTC will be in their late 70's or early eighties.

LTC insurance policies are generally most appropriate for people who have a net worth of between \$500,000 and \$2 million. Individuals with a net worth exceeding \$2 million can in many cases self insure. But they may want to consider LTC insurance in order to preserve as much of their estate as possible.

Medicaid may be the only option for LTC insurance for the very poor, those with a net worth of less than \$500,000. Access to Medicaid-eligible nursing homes generally requires an individual to be impoverished. Congress has enacted new laws making it harder for a person to disburse their assets in order to qualify for Medicaid coverage.

Although Congress has made it more difficult for individuals to qualify for Medicaid, it has also encouraged people to buy LTC insurance through new legislation passed in 2006. Starting in 2010 individual annuity owners will be able to take money out of their annuities, tax-free, in order to buy LTC insurance. Under current law the accrued earnings withdrawn from an annuity are subject to ordinary income tax rates, as high as 35 percent. The new law allows consumers to exchange an annuity for an LTC insurance policy, without triggering a taxable event. This is an excellent alternative for federal retirees in their 70's or older, when LTC insurance policy premiums can be exceedingly expensive.

3. **Department of Defense (DoD) Student Loan Repayment Program.** The DoD Student Loan Repayment Program is a management tool to facilitate the recruitment and retention of highly qualified candidates. In order to utilize the benefits of this Program, the requesting official must prepare a written determination that, in the absence of the student loan repayment, the activity would encounter difficulty in filling the position or retaining an employee in that position. For recruitment purposes, the determination must be made *before* the employee enters on duty in the position for which loan repayment is to be authorized. Determinations for retention purposes must be based on the high or unique qualifications of the employee or the special need of the activity for the employee's services and an assessment that, in the absence of offering loan repayments, the employee would be likely to leave the Federal service. This determination must be based on a written description of the extent to which the employee's departure would affect the agency's ability to carry out an activity or perform a function that is deemed essential to the agency's mission. An activity may not offer to repay a student loan for an employee who is likely to leave for a position in another branch of the Federal government.

Federal Agencies are authorized to repay \$10,000 per employee for any one calendar year and \$60,000 in aggregate per employee. Because the loan repayment amount is considered taxable wages, the lending institution will only receive the after-taxes amount. This needs to be factored in when determining the total amount of incentive to approve.

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In general, to qualify for consideration of this incentive, an employee must be on a permanent appointment. The circumstances under which consideration is given to term or temporary employees are limited. Employees approved to receive this incentive must sign a minimum service agreement of three years which begins on the date the employee signs the agreement. In the event an employee fails to complete the period of service specified in the agreement, he/she must reimburse the Department for the full amount of benefits received. Some exceptions do apply.

Approving authority has been delegated to Commanders of Major Army Commands, and in the case of MEDCOM and TRADOC, it has been further delegated to the installation level. Managers and supervisors who are interested in utilizing this incentive should prepare the written determination and forward the packet through the chain of command for concurrence and then forward to the appropriate approving authority. Once approved, coordinate with the Civilian Personnel Advisory Center (CPAC) for processing procedures.

Regulatory and statutory guidance on the DoD Student Loan Repayment Program can be found in Section 5379 of title 5, United States Code (U.S.C.), and Part 537 of title 5, Code of Federal Regulations (CFR). Repayment is limited to outstanding federally insured loans made by educational institutions or banks, and other private lenders as made or insured under the Higher Education Act of 1965 or titles VII or VIII of the Public Health Service Act.

4. **House Passes Tougher Rules on Job Competitions.** The House recently passed a financial services spending bill for fiscal 2008 that includes provisions giving federal employees a better position in job competitions with contractors.

Section 738 of HR-2829 includes language that excludes health care and retirement costs in cost comparisons and gives federal employees the same rights as contractors to appeal contracting decisions to GAO.

It would also allow agencies to determine which employees to review for privatization and when to do so, checking OMB's influence over the process.

The White House issued a policy statement saying the section would delay, complicate and undermine competitions, create uneven protest rights, as well as marginalize quality considerations in deciding competitions.

The administration threatened to veto the bill but due to other provisions contained within it relating to Cuba and abortion-related matters. The bill passed by a vote of 240 -- 179 making a veto override unlikely.

5. Survey Finds Federal Government Must Hire Nearly 193,000 New Workers to Fill Mission Critical Jobs. The federal government is hiring, and if your background is in security, you're at the top of Uncle Sam's most-wanted list according to a new report -- Where the Jobs Are: Mission Critical Opportunities for America, released in July by the Partnership for Public Service. The report outlines government-wide projected hiring needs through 2009 and is based on a survey of 34 federal agencies representing nearly 99 percent of the federal workforce.

The survey finds nearly 193,000 mission critical jobs need to be filled in the next two years, including 62,863 security and law enforcement related jobs. The number of compliance and enforcement hires is up nearly four-fold compared to 2005 figures -- and include 27,243 new border patrol agents, customs officers, immigration agents, food inspectors, criminal investigators and airport screeners.

According to the report, two key factors are driving the federal government's hiring projections for the next two years:

- The need to keep Americans safe. More than 83,000 jobs need to be filled at agencies charged with protecting and securing the nation -- 47,897 jobs at the Department of Homeland Security and 35,505 jobs at the Department of Defense;
- The need to replace hundreds of thousands of retiring federal workers. Nearly one-third of the 1.6 million full-time federal workforce is expected to retire or resign in the next five years.

"This 4th of July, or any day, I can think of no better way to display one's patriotism than to work for our country. This report confirms that the job opportunities are there. People just need to seize them," said Max Stier, president of the Partnership for Public Service.

In addition, the report finds the federal government needs to hire:

- More than 23,000 nurses and nursing assistants, along with physicians, pharmacists and occupational therapists to fill 35,350 medical and public health jobs.
- Biological scientists to address the threat of bioterrorism. The Department of Agriculture projects 2,462 hires and the Department of Homeland Security expects to hire nearly 1,000 workers.
- Transportation security officers for 22,329 jobs at the Department of Homeland Security.
- More than 8,300 contracting experts at the departments of Defense, Homeland Security and other agencies.

- Accountants, tax examiners, auditors, and budget and financial analysts to fill 21,248 jobs at the IRS, Department of Treasury and other agencies.
- IT experts for at least 11,562 positions.
- Attorneys, paralegals and other legal positions to fill 9,691 jobs at the Department of Treasury and other agencies.
- Air traffic controllers to fill 15,004 jobs at the Department of Transportation over the next 10 years.

Additional report highlights, for the job seeker:

- The federal government offers recruitment bonuses, retention incentives, relocation incentives and graduate school scholarship. And, they offer student loan repayments -- up to \$10,000 per year for a total of \$60,000 in exchange for at least 3 years of service. The Department of Justice leads agencies in student loan repayments, granting 3,073 repayments at more than \$27 million.
- There are jobs for every interest and skill, with more than 2,000 separate job categories at 15 cabinet-level agencies, 20 large and 80 small agencies.
- Jobs are available all over the world. About 86 percent of federal jobs are located outside of Washington, D.C. and more than 50,000 are stationed abroad. Areas with the highest numbers of federal workers include Norfolk-Virginia Beach-Newport News, Baltimore, Philadelphia, Atlanta, San Diego, New York City, Chicago, Salt Lake City, Oklahoma City and Los Angeles.
- The federal government values diversity. About 17.6 percent of all workers are African-American, 7.6 percent are Hispanic, 5.2 percent are Asian/Pacific Islanders and 1.9 percent are Native American.

To find federal job vacancies go to OPM's site <http://www.USAJOBS.gov> and for job seeker tips visit <http://www.makingthedifference.org>, the Partnership's site for students interested in federal careers.

6. **Pentagon Adds "Don't Leave," to Don't Ask, Don't Tell.** The Department of Defense press office has issued a statement on its "don't ask, don't tell" policy on sexual orientation in the military saying that those separated under it could and should continue government service.

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Those dismissed under the policy "have the opportunity to continue to serve their nation and national security by putting their abilities to use by way of civilian employment with other federal agencies, the Department of Defense, or in the private sector, such as with a government contractor," the statement said.

The Service Members Legal Defense Network said it's the first Pentagon statement encouraging lesbian and gay former military personnel to continue federal careers.

"In its new statement, Pentagon leaders clearly acknowledge that lesbian and gay Americans make important contributions to our national security and that our country is better off when their skills are employed, not turned away," said Steve Ralls, director of communications for SLDN.

7. **U.S. Savings Bonds Conversion Factors**. Under certain circumstances, U.S. Savings Bonds owned by someone who was at least 24 years old on the bond's issue date may be redeemed tax-free to pay for qualified higher education expenses of the taxpayer, the taxpayer's spouse, or a dependent. "Qualified higher education expenses," for this purpose, include contributions to a qualified tuition program.

Therefore, you can convert a qualifying U.S. Savings Bond to a 529 savings account for yourself, your spouse, or your dependent without paying income tax. However, a conversion of a U.S. Savings Bond to a 529 savings account for a grandchild would not qualify for exclusion from income unless the grandchild was a dependent for whom the grandparent claims an exemption.

To effect the conversion, you'd cash in the qualified U.S. Savings Bonds and, in the same year, fund the 529 savings account with the proceeds. Attach Form 8815 to your federal income tax return to calculate the tax exclusion for the interest on the Savings Bonds.

8. **The Best Jobs: Government Employee or Government Contractor?**

There's good news on both sides. Government agencies and contractors alike have plenty of jobs to offer and good salaries to go with them. Both are looking for qualified, well trained, security-cleared candidates. So what's the better choice when you're in the market for a new defense industry career?

Federal agencies and contractors actively target the best match for the job. But they shouldn't be the only ones doing that. The most successful transitions are made by those who take into account their own ideas about job satisfaction –

which means everything from salary to skill match, geographic location to professional goals.

Civil Service Careers

Despite the headlines about government outsourcing, the Federal government continues to be the largest employer in the nation, hiring an estimated 300,000 new employees every year. When considering a government job, there are plenty of agencies out there. But they don't all operate the same way. Some have different pay scales, others have a higher proportion of professional opportunities, and some have higher rates of employee satisfaction, all indicators that can help you find the best fit.

Just as an employee can help you learn more about a company, civil servants can tell an agency's story. In April, the Partnership for Public Service released the 2007 rankings of federal agencies, a report based on an Office of Personnel Management survey of 221,000 federal workers. They rated each agency on issues of pay, benefits, job satisfaction, work/life balance and agency leadership.

"Basically we looked at whether the employees recommended the agency as a good place to work, how satisfied they were in their jobs and how satisfied they were with the organization," said John Palguta, the partnership's vice president of policy. "The reason people go to work for the government is because they want to do something meaningful and make a difference. They want to make good use of their skills and be engaged in mission accomplishment."

A snapshot of the findings shows that when it comes to skill and mission match, employees of the Nuclear Regulatory Commission, Equal Employment Opportunity Commission and Department of Veterans Affairs give the highest scores. Those who work for the NRC, NASA and the State Department give the highest ratings for their supervisors and leadership. On the issue of work/life balance, the NRC is still on top, along with the Securities and Exchange Commission and General Services Administration. On pay and benefits, those working for the Federal Deposit Insurance Corporation, NRC and the Securities and Exchange Commission are the most satisfied.

"Many people don't know that FDIC, for example, doesn't use appropriated funds," said Palguta. "Instead, they charge fees to banks. Self funding agencies can generally pay more."

As a rule, government pay scales operate on grade levels and a bit by geography. A GS-14 or 15 in Los Angeles can earn an annual salary of

\$127,000 to \$145,000, while in Phoenix, that position pays from \$116,000 to \$137,000. Mid to upper-career level GS-10s and 12s can earn \$67,000 to \$88,000 in San Diego, and about \$5,000 a year less in the Dayton area.

The bottom line? People don't enter civil service to get wealthy. They want good pay but they want their work to matter. They're not looking for easy jobs – in fact, those with a lot of demands placed on them are the most satisfied workers. In general, government workers want to use their skills and make a difference while they use them. These are all reasons for choosing civil service and for the growing number of contract employees who retire, then return to work as civil servants.

“Most candidates interested in working for the government fully understand three clear benefits,” said Evan Lesser, co-founder and director of ClearanceJobs.com, a secure website designed to match security-cleared job candidates with top defense industry employers. “First, is the issue of job security. Compared to contractors, Federal agencies are less subject to budget funding shortfalls and cancelled or re-bid contracts. Second, job seekers see a more structured promotion ladder. And third, working for the nation's largest employer means excellent health and retirement benefits.”

Contractor Careers

Just as the government is the biggest employer, it is also the biggest buyer of products, purchasing everything from high information technology to insect repellent, and everything in between. Government outsourcing and new technologies drive the contractor industry – the sellers of the products the government buys. In fact, outsourcing will be one of the fastest-growing segments of the federal information technology budget alone over the next five years. According to INPUT, a Virginia based company that provides market analysis of government and business, the information technology budget for government outsourcing will grow to more than \$17 billion by FY 2009.

So what does this mean for would-be contract employees? Job availability, good starting salaries and promotion potential are key.

Mike Borgia served 10 years in the Marine Corps as a flight engineer. He opted for the contract industry when he separated from the service, and is now a C-130 Production Operations Manager for Boeing, based in San Antonio. His skills and military service afforded him the chance to step immediately into a job with

McDonnell Douglas in 1990, and he stayed on when the company merged with Boeing.

“A career with a defense contractor was my preference,” said Borgia. “First of all, they’ll hire you on the spot if you have what they want. No paperwork, no waiting. The salaries are also higher in contracting. And you have more control of your own destiny.”

Borgia’s career path with Boeing has included travel to Japan for training and certification in lean management, the opportunity to serve as the Boeing consultant with El-Al Airlines, and promotion to a senior management position. In addition to earning a six figure income, Borgia cites other indicators that make the contracting industry appealing.

“Your performance is the single thing that moves you through your career path,” he said. “It can never be stifled by pay grade levels. You’re also always on the cutting edge of the newest technologies. Most of the research and development of these technologies is done in the contractor industry then sold later for government use.”

As for job security in contracting compared to civil service, Borgia doesn’t think there’s too much difference.

“The government has gotten tighter and we’ve seen base closures which affected civilian jobs. If you’re good at what you do, the contract industry is going to have a job for you.”

Other Indicators to Consider

Comparison data between government and contracting careers is largely anecdotal. Organizations that assist in placing job seekers often see the junior to mid-level talent pool leaning toward defense contracting jobs for the higher salaries.

“As contractors offer more competitive benefits, job seekers (particularly those with security clearances) are looking more at base salaries,” said Lesser. “On ClearanceJobs.com, contractors pay top dollar for security-cleared candidates because they know that if they can’t staff their projects within government mandates, their funding will go away.”

Another factor often cited when comparing government and contract industry jobs is difference in mission - federal agencies have always been a great fit for those with administrative, policy and institutional skills, while those with hard skills have been more drawn to contractor jobs. However, according to Lesser, that may be changing.

"The number of open, high level subject matter expert, policy and senior analyst positions at contracting companies has doubled in the past two years," he said.

That information backs up another trend industry watchers are seeing - the increase in the movement of workers going back and forth between government agencies and contractors. Benefits are becoming more portable, those with contracting backgrounds make easy transitions into federal jobs, and likewise, civil servants have a knowledge base to take with them into contractor positions. The prediction - a healthy infusion of talent on both sides.

9. **Low Tech Leaders**. In mid-June, the Pentagon was forced to take as many as 1,500 of its computers offline due to the latest in a long line of cyberattacks on military systems. Afterward, Defense Secretary Robert Gates was asked about its effects -- for example, whether or not his own e-mail had been affected.

Nope, he responded. "I don't do e-mail. I'm a very low-tech person."

The following week, President Bush met with Estonian President Toomas Hendrik Ilves at the White House. After their discussion, Bush said they had "talked about an interesting subject, and one that I can learn a lot about, and that is the cyberattack that makes us all vulnerable." Estonia, he noted, had recently endured a highly publicized wave of such attacks, and was considering setting up a "center of excellence" to share its knowledge.

When the secretary of Defense acknowledges that he works in the technological dark ages, and the president of the United States says he has a thing or two to learn about the potentially crippling effects of cyberattacks, isn't it cause for at least a little concern? After all, we're well over a decade into the Internet revolution. Is it too much to ask at this stage that top federal leaders have at least a working knowledge of technology?

For many, the answer is no. "Why should the head of DoD spend hours fooling with e-mail?" wrote one reader of GovernmentExecutive.com's Fedblog in response to a post on the issue. "That's what he has office assistants for! I want him to be thinking of the big picture, not wading through volumes of e-mail."

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Others responded that Bush, Gates and other leaders have good reason to avoid the trappings of technology. "We now live in a culture of investigate, probe and conjure allegations," wrote one respondent. "These are the modern strategies of political warfare when there are honest policy debates. The chief weapon in all of this is e-mail traffic."

But Gates didn't say he avoided e-mail because he didn't have the time, or was worried about leaving electronic bread crumbs all over the place. He said he didn't because he's a "very low-tech person." That's a big difference.

Consider that Gates' statement came just a week after Government Executive's Bob Brewin reported that both the Army and the Air Force had issued solicitations seeking industry help in developing the capacity to launch "offensive information operations" - that is, cyberattacks of their own. The very future of U.S. military strategy rests heavily on a new theory of operations known as "network-centric warfare."

Of course, technological literacy is hardly a make-or-break issue for the leaders of the military. Gates and Bush, after all, don't need to be experts on information warfare and the risks of cyberattacks to the United States. That's what they have thousands of employees for. And using e-mail regularly wouldn't give them that expertise anyway.

But it would certainly help them put things in context. And it just might make them more efficient, too. After all, even if you have an assistant to screen your messages, wouldn't it make more sense to have them forwarded to you electronically, rather than printing out and exchanging what must be thousands of pieces of paper?

When it comes to technology, at this stage even the people at the tippy-top of the organizational chart ought to have at least some knowledge of its importance to everyday government operations. It's difficult to imagine that someone who isn't even familiar with how e-mail works would be able to understand the real-world effects of cyberattacks and make informed decisions about how to counter them - and launch your own, if necessary.

If leaders send the message that technology is someone else's problem, they take a very real risk. On the other hand, if they cultivate an interest in and knowledge of technological issues, their efforts will have positive ripple effects down the chain of command. Everybody wants to stay a step ahead of the boss when it comes to technology, just to be able to impress him or her. Why not raise the bar by improving technological literacy -- starting at the top.

10. **Extent of Government Unionism Varies Greatly.** The public sector is the "growth industry" for labor unions, with membership in government employment about five times greater than it is on private payrolls.

That's the conclusion of new research by Professors Barry T. Hirsh of Trinity University and David A. Macpherson of Florida State University, both highly respected experts who run the Unionstats.com Web site.

The level of union density isn't homogenous among the government sectors or among the states, though union density in public employment has been relatively constant since the modern era of record keeping began in 1983.

In 2006, 17.4 percent of federal government workers were union members, compared to 30.2 percent of state and 41.9 percent of local government employees, according to Hirsh and Macpherson.

The figure for federal workers includes the 807,500 Postal Service workers, 63.3 percent of whom were union members in 2006.

Census Numbers

Hirsh and Macpherson derived their information by analyzing the U.S. Department of Labor's Bureau of Labor Statistics (BLS) annual summary of information about employment and union membership from the Current Population Survey, conducted by the U.S. Census Bureau.

The BLS Summary contains national figures for the total workforce and breakdowns by industry and occupation. For the past several years this release has contained a table with state-by-state data, but the data are consolidated, without industry- and occupation-specific numbers.

Declines in 2006

The BLS release for 2006, issued in January 2007, reported a total drop in union membership in 2006 of 326,000 members and a decline in union density from 12.5 to 12.0 percent of workers. Most of this loss was on private payrolls, where unions lost 274,000 members and density fell from 7.8 to 7.4 percent of the workforce.

Unions of government workers lost 52,000 members, and density fell from 36.5 to 36.2 percent.

The differences in public-sector union density in the states range from a low of 8.2 percent in South Carolina to a high of 68.8 percent in New York.

Variations Among States

The state public-sector unionism figures need a few words of caution. They include all public employment--federal, state, and local. A large federal presence in a state could distort the numbers.

Other distortions are possible. In Ohio, for example, even though almost 43 percent of government employees are union members, public-sector union membership constitutes only about 44 percent of all union members, because unionism in the private sector is so much more robust than the national average.

Conversely, in North Carolina, where public-sector union density is only 10.8 percent, 54 percent of all union members are government employees, because there are few private-sector union members.

Public-Sector Unionism by State		
State	2005 - 2006 Change in Public Percent Union	2006 Public Percent of Total Union
Alabama	-2.0%	56.4%
Alaska	0.8%	59.6%
Arizona	6.5%	51.5%
Arkansas	-2.6%	36.8%
California	-1.2%	51.5%
Colorado	-1.0%	43.9%
Connecticut	-4.5%	56.1%
Delaware	0.9%	53.2%
Florida	0.3%	61.2%
Georgia	-2.5%	35.3%
Hawaii	-2.5%	49.4%
Idaho	0.8%	46.5%

Illinois	0.9%	41.4%
Indiana	-0.4%	31.7%
Iowa	-1.9%	46.1%
Kansas	4.5%	45.1%
Kentucky	-2.3%	29.0%
Louisiana	1.6%	38.7%
Maine	3.5%	62.3%
Maryland	-0.8%	56.4%
Massachusetts	0.8%	50.2%
Michigan	-2.2%	39.5%
Minnesota	-0.6%	48.1%
Mississippi	-2.4%	42.0%
Missouri	-1.1%	25.7%
Montana	6.3%	65.4%
Nebraska	-1.4%	53.7%
Nevada	4.7%	25.4%
New Hampshire	-4.9%	62.8%
New Jersey	0.2%	53.7%
New Mexico	-4.7%	56.6%
New York	-0.1%	50.7%
North Carolina	2.1%	54.0%
North Dakota	-3.4%	58.1%
Ohio	-2.5%	44.0%
Oklahoma	3.2%	55.5%
Oregon	-0.4%	53.6%
Pennsylvania	2.5%	48.9%
Rhode Island	1.9%	56.1%
South Carolina	0.8%	45.7%

South Dakota	1.2%	61.1%
Tennessee	4.6%	55.9%
Texas	-1.3%	51.6%
Utah	2.3%	58.3%
Vermont	2.2%	62.6%
Virginia	-2.0%	38.4%
Washington	4.9%	47.3%
West Virginia	1.7%	41.8%
Wisconsin	4.1%	47.4%
Wyoming	0.3%	42.8%

Also, the figures are subject to the statistical and sampling errors of all survey data. As a result, particularly in lower-population states where the sample size is necessarily smaller, the figures can change dramatically from year to year without reflecting any real underlying change.

With those words of caution in mind, the accompanying table shows the state-by-state changes in public-sector union density between 2005 and 2006.

Government's Dominance

An undercurrent of these changes in union density in the different sectors is the extent to which the entire union movement is composed of government workers. During the union heyday of the 1950s, about 5 percent of all union members worked for government. By 1983 that figure had risen to 32.4 percent, and in 2006 it was 48 percent.

It seems inevitable that in the not-too-distant future a majority of all union members will work for government. That is already the case in several states. How this shift is influencing the political and economic positions of organized labor is open to speculation.

11. **Patience May Be Prudent.** Over seven out of every ten Americans receive their Social Security checks as soon as possible, often at age 62. However, by delaying the start of benefits, you may receive more money and enjoy a better retirement.

To see how this might play out, consider three workers who can retire at 62 with a monthly check of around \$750. One takes the early payment; one waits nearly four years, when monthly payments begin at \$1,000 per month; the third worker waits until 70, for a maximum benefit of around \$1,300 a month..

Assume all three workers live until age 90. Here are the results, before any inflation adjustments:

- * Starting at age 62, this worker receives about \$250,000 in total benefits.
- * Starting closer to 66, the second retiree receives around \$290,000.
- * Waiting until age 70 to start, in 20 years this worker receives over \$310,000 from Social Security. Even factoring in the time value of the early payments, this worker will come out ahead if benefits continue past age 87. Taking a later payout at a higher rate also will produce a better result for a surviving spouse.

12. **COLAs and the Federal Retiree: A Midterm Report**. In response to a recent article on the possible percentage increase of a 2008 pay raise for federal employees, one reader wanted to know: "How much will federal retirees get in 2008 for a pay raise?"

Technically, of course, retirees do not get a pay raise. But they do get a cost of living increase (COLA for short). Either way, it amounts to more money in the check you get from the government. The difference is that the COLA increase is determined by a formula that is automatically applied each year. A retiree will not know until late in the year how much of an increase there will be in next year's retirement check. The Department of Labor calculates the change in the *Consumer Price Index* (CPI) for urban wage earners and clerical workers from the third quarter average of the previous year to the third quarter average for the current year.

Unless you can accurately predict this rate of inflation for this index that is compiled by the Labor Department, you will not know how much of an increase you will see in your January retirement check. But you can check out the amount of inflation for the previous month and determine how that would impact your retirement check as of that month.

For example, right now, the cost of living increase for January would be 2.4 percent. That is because the consumer price index referenced above is **2.4 percent higher** than the 2006 third quarter average base index.

According to the National Active and Retired Federal Employees Association (NARFE), the rate of inflation for June was the lowest monthly inflation figure for 2007. If inflation continues to go up, your retirement check will be higher in January. If inflation should go down, the percentage of the increase, if any, will be lower than 2.4 percent.

In some years, the amount of the increase for retirees has been higher than it has for active federal employees. A number of readers refer to the annual pay increase that is routinely given to federal employees as a COLA increase. Technically, that is not correct. Congress and the Administration decide how much to increase federal pay for the coming year. Inflation may be one factor in that decision but it is hardly the only factor used and it is probably not the most important factor. In effect, the pay raise to be given to federal employees in the coming year is a political decision. That decision is not always made prior to the start of a year and, in some years, the decision about a new pay raise for current federal employees is made several months after the year has started.

Some retirees have sent in comments that the annual COLA increase does not reflect the actual changes in their expenses. In other words, the cost of products and services used by retirees may be increasing more than the rate of inflation. That is true for many or most retirees.

The cost of health insurance and medical services, for example, has been going up higher than the cost of many electronic components. Anyone shopping for a new 60 inch high definition TV set has seen prices drop dramatically in recent years. But the cost of health insurance is not directly influenced by the wage costs in China or South Korea. While the cost of many consumer goods had dropped because of globalization, that does not reduce your medical payments. Your annual COLA increase is determined by a wide variety of products and services so a retiree may find it costs more to live this year (unless a substantial portion of your expenses went for a new TV and stereo system). (See COLA's, Inflation and Planning Your Retirement)

If the final figures were calculated today, a federal retiree who receives the full COLA increase would get 2.4 percent. Chances are, active federal employees will get an average increase next year of 3.5%. Neither of these figures is final--just a stepping stone on the way to the final calculation that will not be known in either case for a few more months.

13. **How Much Money Will I Receive in Retirement?** We can determine what we will get from our CSRS or FERS annuity relatively easily. Most agencies have

Human Resource websites that will give you a good estimate as to how much you will have when you retire. When you get close to retirement, you can have a human resources specialist compute a retirement benefit for you, just to be sure.

We also have an easy way to figure out what we are entitled to from Social Security. If you are a FERS employee, chances are that your annual Social Security Statement is correct. Do be aware, however, that the benefits it lists for various ages (i.e., 62, your full retirement age, and 70) are based on the assumption that you will continue to work up until those ages, and that you will continue to make a salary similar to today's.

If, however, you are CSRS, CSRS Offset, or a FERS Transferee, you may be hit by the Windfall Elimination Penalty (WEP). The annual Social Security Statement does not factor in the WEP, so you may be entitled to less than the statement indicates. The website of the Social Security Administration (<http://www.socialsecurity.gov>) has a WEP calculator that allows you get a better handle on what you will get from Social Security.

Determining how much income we will receive from the TSP is a little trickier. If your agency provides an annual benefit statement, it almost certainly lists potential TSP income as a level-payment annuity. The problems with this are that TSP annuities are the least popular withdrawal choice and that a level-payment annuity is not indexed for inflation. How can you get a better estimate?

You can go to the TSP calculator on the TSP website (there is a link to it on the TSP homepage) and compute a different method of payment. You might want to compute an increasing-payment annuity. Even if you choose a different method of withdrawal, the amount of the increasing-payment annuity estimate will factor in an inflation increase of roughly 3% per year. You may be surprised at how much lower the increasing-payment figure will be than the level-payment figure.

You can take the advice on many financial planners who suggest that an annual withdrawal rate of 4% to 5%, increased each year by the amount of inflation will have excellent odds of lasting you for your entire retirement. Planners use Monte Carlo Simulators to come up with these percentages.

The simulator runs hundreds, or thousands, of possible investment scenarios, from the very positive to the very negative and gives odds of running out of money in a fixed period of time, usually 30 years. Assuming a portfolio that is 60% stocks and 40% fixed income investments, the odds of running out of money in 30 years at a 4% withdrawal rate is less than 5%. Using the same assumption, the odds of running out of money at a 5% withdrawal rate is less

than 10%. In addition, there is an excellent chance that you will have money left over for heirs.

14. Appeals Court Upholds Dismissal of Employee for Misuse of Computer. The Federal Circuit U.S. appeals court has upheld a decision by the Merit Systems Protection Board affirming the dismissal of a Navy GS-11 electronics specialist who by way of a Freedom of Information Act request, was found to have been maintaining a personal website at his work station during regular hours.

The website identified the employee's place of work, detailed duties he performed and demonstrated dissatisfaction with his job, according to the decision, 2007-3106.

It said the agency's Internet policy instructs employees to "refrain from usage which reflects adversely on the Department of the Navy," and "limit personal communications and Internet searches to personal time," and his supervisor removed him for using poor judgment, wasting government time, as well as making an indirect threat to a supervisor.

The decision is one of a growing body of policies regarding permissible use of government computers and related equipment for other than official business. Many agencies have adopted, in whole or in part, terms of a model policy drafted by the federal CIO council that allows for some personal use, although numerous restrictions apply even under that exception.

When MSPB sustained the employee's removal, he appealed on the grounds that the evidence against him was obtained in violation of FOIA and the agency's contract with its computer contractor.

However, the court said the contract is not in the record to evaluate, and even if it were, its violation would likely have no bearing on the employee's removal since he was not a party to the contract.

Also, the FOIA standards the employee cited were discretionary and in place to protect the agency from having to take unreasonable measures to respond to a request; rather, than protecting an employee when an agency gathers information in response to a FOIA request, the decision said.

Because MPSB's decision sustaining the employee's removal was in accordance with law and was not arbitrary, capricious, an abuse of discretion, or unsupported by substantial evidence, the appeals court affirmed the decision.

15. **Other Countries Share U.S. Government's Workforce Challenges.** The U.S. government is not alone in the need to implement pay reforms and address talent gaps, according to a recent report by consulting firm KPMG. In fact, four other major countries are facing strikingly similar requirements, the report found.

The report found that officials from the governments of five major countries -- Australia, Canada, Germany, the United Kingdom and the United States -- view problems with the management of people, funds and technology as significant barriers to improving performance. Officials named two common workforce challenges: compensation -- especially when competing against the private sector -- and a shortage of talent.

According to Mark MacDonald, executive director for government at KPMG International, officials from all five governments cited performance-oriented pay systems as a solution. He said that while all the governments have General Schedule-like pay schemes, all are experimenting with pay for performance, with Australia and the United Kingdom making the most progress.

The report was based on a survey of 254 civil servants, conducted for KPMG by the Economist Intelligence Unit, a London-based consulting firm. All respondents had management roles; 37 percent were heads of departments, financial chiefs, directors, deputy directors or their equivalents. Seventy-six of the respondents were from the United States.

MacDonald also said that all five countries are facing major skills shortages, largely because large numbers of civil servants will soon become eligible for retirement. He added that Canada, the United Kingdom and Australia all have dealt with budget deficits over the last decade, leading to reductions in the size of their workforces.

"They got rid of a lot of the expensive people," MacDonald said. "That hollowed out a lot of the middle management, and now they need to search for talent not only at the entry level but also at the middle level."

Wayne Routers, secretary of Canada's Treasury Board, said in the report that to meet the recruiting challenge, the government will need to do a better job promoting public service to recent college graduates and supporting mobility between government agencies, the private sector and academia. "It's been a tradition to spend a whole career in one or the other," he said. "That's got to change."

The survey also found governments are not always focusing on the right initiatives to improve effectiveness. "The survey suggests this mismatch is partly due to the fact that, in general, performance and efficiency measures are most often introduced as government-wide initiatives, rather than by individual agencies," the report stated.

Additionally, the survey found that governments are putting great value in public-private partnerships. But 43 percent of respondents cited a lack of skills and specialist knowledge as a major challenge in this area. Another 37 percent of respondents said that poor project management was the most pressing obstacle to implementing new initiatives.

Officials also noted difficulties in calculating the real costs of public projects as well as their benefits. Costs were a problem for 39 percent of respondents, and raising necessary funds was difficult for 31 percent, KPMG found.

MacDonald said the five governments could use the similarities to their advantage by sharing ideas and lessons learned. "We should actually take some comfort in the sense that the United States can look across the border for innovative ways of tackling problems and challenges," he said.

16. **Playing Up Performance**. There seems to be a developing consensus among federal human resources executives that scrapping the decades-old General Schedule pay system is a necessity.

"I fear that if we don't move forward with [a pay-for-performance system] at a brisk pace, the folks we've brought into the federal service and invested heavily in as our future will leave us," said Ron Sanders, chief human capital officer for the Office of the Director of National Intelligence, last week at an event sponsored by the Partnership for Public Service.

And more than half of respondents to a survey given 55 human resources officials across government said they believed pay for performance should be a long-term goal, the Partnership noted in a recent report. But the officials cautioned that such a system will require small, measured steps and that credible performance management systems and appraisals must come first.

The idea of pay as a management tool, rather than an administrative function, is hardly new. In 1978, a major civil service reform law laid the foundation for many of the pay reforms that federal employees see today. And while many government officials have touted performance-based pay as critical to agencies'

ability to compete with the private sector, there seems to be a new category of competition emerging -- other government agencies with new pay systems already in place.

"Professionals are leaving for higher-paying agencies, and then they don't want to come back," said Michele Pilipovich, chief human capital officer for the Pension Benefit Guaranty Corporation, at last week's event. "Our [pay] system doesn't allow them to come back."

Human resources leaders seem to be heeding the voice of the younger generation of employees, which demands more mobility and less rigidity in pay.

According to David Marin, Republican staff director for the House Oversight and Government Reform Committee, a move away from the General Schedule and to pay for performance is inevitable over time, especially with much evidence that shows a large number of federal employees favor a culture of achievement over a system that primarily rewards seniority.

"That's not a partisan position," he said. "It's basic human nature."

Many veteran federal employees, of course, are content with the General Schedule. Combine that with federal labor unions disputing the lack of employee rights under new pay systems, and lawmakers stripping funding for the implementation of such systems at key agencies, and the process of transformation may take awhile.

Marin said that the current controversies associated with pay for performance at the Defense and Homeland Security departments will have to abate before any system can be fully successful.

"Whatever system is created to implement pay for performance must have employee input and buy-in," Marin said. "Clearly recent wounds will have to heal before we take another shot at this."

Marta Perez, chief human capital officer at Homeland Security, said last week that pay and rewarding employees for good performance is the easier half of the equation. "Pay for performance is not rocket science," Perez said. But she added that the difficult part is ensuring an agency has well-trained managers, proper resources and commitments from top leadership to the concept.

Colleen Kelley, president of the National Treasury Employees Union, said the government already has tools to consider performance in pay decisions. She argued there really is no reason to scrap the General Schedule, largely because the system already is supposed to be market- and merit-based. Managers are

not obligated under the GS system to give automatic raises to employees who have not performed well, she said.

"If they cannot [deny raises] under a structured system, the idea that they would use that authority under something that is unstructured is unacceptable," Kelley said. "This administration has done everything it could to dismantle the GS system and replace it with something else, and there's no evidence that these kinds of systems work."

17. **Government Job Listings May Not Reach Wide Enough.** The official job search portal of the U.S. government, a very effective recruiting tool by most accounts, could lose out on young job-seekers soon if it does not start sharing job listings with other Web sites, some management experts say.

USAJobs.gov, the government's centralized job-search Web site, is user friendly and easy to search, but it does not post its employment opportunities on major online job boards like CareerBuilder, Monster and HotJobs. Nor are its job openings typically searchable through popular search engines like Google, Yahoo and MSN.

The government may need to consider reaching more eyeballs given that over the next two years, agencies project they will need nearly 193,000 new workers for mission-critical jobs. That figure comes from a July 3 report on federal job openings released by the Partnership for Public Service. Nearly a third of the full-time federal workforce is expected to leave in the next five years, as the baby boomer generation retires.

"You can't expect people to know where to look," in other words, "to look at USAJobs," said Patricia McGinnis, president and CEO of the Council for Excellence in Government. "Government needs to do a better job making sure that its postings not only come up, but get more attention when a job searcher is looking for a specific job function or even job title."

Stan Paul, general manager of CareerBuilder.com's government services group, suggested that the federal government try CareerBuilder's own WorkForAmerica.com to attract more job candidates. On average, CareerBuilder.com sees 1.2 million job searches each month for government jobs.

But the Office of Personnel Management is not interested in CareerBuilder's help or the assistance of any other job board.

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"The premier site in our view is USAJobs. CareerBuilder, let me blunt, what they are, is a competitor to USAJobs," said Bob Danbeck, OPM's associate director for human resources products and services. "We usually get 8 million visits a month. In June, we had almost 9.5 million visits."

In a July 13 interview, USAJobs Program Director Steve Connelly said, "To give you some idea of the volume we're talking about" there are "in excess of 35,000 openings on the site [today]. It's an all-time record." Typically, the average number of listings per day is 24,000 on the site.

USAJobs is well-known in cyberspace and homes nationwide. The site itself immediately pops up on a Google search for "government jobs." Last year, the government started airing a series of television commercials in various areas of the country that spotlight a few of the careers available in the federal government. The TV ads are all captioned: "USAJobs.gov."

"With the videos, people are becoming more aware of USAJobs," Danbeck said. "I'm really comfortable with the fact that the site is known by people." John Palguta, Partnership for Public Service's vice president for policy, said USAJobs is a good electronic job board in terms of the first place to go for finding openings, but the content of the job descriptions leaves much to be desired. The site does not write the job announcements, leaving that responsibility to the 112 agencies that advertise their hiring needs. "Some agencies are still guilty of resorting to the use of acronyms and governmentese," Palguta said. "Each agency is kind of doing its own thing."

OPM's Danbeck said his staff is working with agencies to standardize the descriptions of generic positions like accounting professionals and administrative assistants. Just this month, USAJobs presented examples to agency personnel officers.

In the fall, USAJobs will offer a feature similar to the college community's "common application" -- one form that can be sent to a number of admissions offices. The site will permit aspiring federal workers to save up to five supporting documents that they can then submit to multiple agencies for multiple jobs. Still, the government's current online recruiting methods are not built to withstand the coming wave of federal job openings, McGinnis said.

The Partnership for Public Service's take is that there is a big benefit to having one site where the public can view all government positions, but it also would

make sense for individual agencies to publicize on through non-government job boards, as needed.

"The federal government must do a better job of attracting a higher percentage of Gen-Y, and must also target experienced managers, IT engineers and other professionals that will be in high demand," McGinnis said.

18. **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. 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 contractor employees. The final course of the fiscal year is scheduled for **17-21 September 2007 and will be conducted from 0800 to 1630** in building #6, classroom #225. The point of contact for this course is Ms. Stephanie Carpenter, Fort Benning CPAC, 545-2681.

19. **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

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

20. **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.

21. **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

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employees, to ensure the accuracy of their data. If assistance is needed, please contact project e-mail account at echelp@asamra.hoffman.army.mil.

22. **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.

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