The U.S. Department of the Treasury

Creating Labor-Management Forums to Improve Delivery of Government Service

Implementation Plan --March 2010

Office of the Deputy Assistant Secretary for Human Resources/ Chief Human Capital Officer Office of Human Capital Strategic Management

Department of the Treasury Implementation Plan for Creating Labor-Management Forums to Improve Delivery of Government Service

Overview.

The Department of the Treasury is organized into two major components, the Departmental Offices and the bureaus. The Departmental Offices are primarily responsible for policy formulation, while the bureaus are primarily the operating units of the Department. In addition, there are three independent inspector general organizations within the Department. Throughout this plan, the term bureau will be used interchangeably to refer to Departmental Offices and bureaus. These component organizations vary significantly in mission, size and workforce composition. For example, the United States Mint is primarily a manufacturing operation with large numbers of wage grade employees, while the Office of Thrift Supervision is composed primarily of white collar and professional employees involved in the regulation of thrift associations. The largest organization within the Department, the Internal Revenue Service, has a varied workforce, including wage grade, clerical, administrative, and professional employees. As a result of these significant variations in mission and communities of interest, no labor organization is certified by the Federal Labor Relations Authority as an exclusive representative at the Department-wide level. The organizations with collective bargaining units certified by the Federal Labor Relations Authority are summarized as follows:

Departmental Offices

Departmental Offices (Treasury's headquarters), are primarily responsible for policy formulation and the overall management of the Department.

Bureaus

Bureaus employ 98 percent of the Department's work force and are responsible for carrying out specific operations assigned to the Department.

The Alcohol and Tobacco Tax and Trade Bureau (TTB) collects excise taxes on alcohol, tobacco, and firearms that are lawfully due the government, protects consumers of alcoholic beverages through voluntary compliance programs that are based on education and enforcement to ensure a fair marketplace, and assists industry members in understanding and complying voluntarily with federal tax, product, and marketing requirements.

The Bureau of Engraving and Printing (BEP) designs and manufactures highquality notes and other financial documents that deter counterfeiting and meet customer requirements for quality, quantity, and performance. **The Bureau of the Public Debt (BPD)** borrows the money needed to operate the federal government through the sale of U.S. Treasury marketable, savings, and special purpose securities. In addition, it accounts for and services the resulting public debt and provides reimbursable support services to federal agencies.

The Financial Management Service (FMS) provides central payment services to federal program agencies, operates the federal government's collections and deposit systems, provides government-wide accounting and reporting services and manages the collection of delinquent debt owed to the U.S. Government.

The Internal Revenue Service (IRS) is the largest of the Department's bureaus and it determines, assesses, and collects tax revenue for the federal government.

The Office of Chief Counsel, Internal Revenue Service (IRS Counsel) plays a central role in the administration of the Federal tax laws. Attorneys provide guidance on the correct legal interpretation of the tax laws, represent IRS in litigation, and provide all other legal support the IRS needs to carry out its mission of serving American taxpayers.

The Office of the Comptroller of the Currency (OCC) charters, regulates, and supervises national banks to ensure a safe, sound, and competitive banking system that supports citizens, communities, and the economy.

The Office of Thrift Supervision (OTS) charters, examines, supervises, and regulates federal and many state-chartered thrift associations in order to maintain their safety and soundness and compliance with consumer laws, and to encourage a competitive industry that meets America's financial services needs.

The United States Mint (US Mint) designs, produces, and issues circulating and bullion coins, numismatic coins and other items, Congressional gold medals, and other medals of national significance. The United States Mint maintains physical custody and protection of the nation's gold assets.

Labor organization recognition in each of these organizations is summarized in Table 1 of the appendix.

Although there are no exclusive representatives recognized at a Department-wide level, the Department has recognized the National Treasury Employees Union (NTEU) as a national consultation partner with national consultation rights under the provisions of the Federal Service Labor-Management Relations Statute. The Department consults with and considers the views of NTEU regarding proposed Department-wide policies affecting bargaining unit employees' conditions of employment.

A number of organizations within the Department have existing labor-management forums. (Existing forums are summarized in Table 2 of the Appendix.) To promote a more positive labor-management climate, this plan envisions using these existing labor-

management forums, with modifications as necessary, to meet the requirements of Executive Order (EO) 13522, Creating Labor-Management Forums to Improve Delivery of Government Services. At levels of exclusive recognition where no such forums currently exist, forums will be established to meet the Executive Order requirements. In light of significant variations in organizational missions, diversity of bargaining unit composition, highly decentralized management policies, and past practice, this plan does not envision the creation of a Department-level labor-management forum. Similarly, no Department-level forum was established pursuant to EO 12871, Labor-Management Partnerships, signed by President Clinton in 1993. The Department believes that issues will continue to be most effectively raised and addressed by labor and management through forums at the level of exclusive recognition. This approach will ensure labor organizations representing employees in a particular bureau have the opportunity to work together with organizational management to craft solutions appropriate to that particular bureau. In this way, issues will have been fully vetted in the appropriate organizational context, prior to being raised to the Department level in those matters that might implicate Department-wide policy changes. In the case of complex issues having Department-wide impact, it may be appropriate to establish ad-hoc labor-management teams from time to time, representing the multiple labor-management forums, to provide Department-level policy officials with briefings and recommendations on the particular issues.

Implementation Plan.

Baseline Assessment of the Current State of Labor Relations:

Upon approval of this plan by the National Council on Federal Labor-Management Relations (National Council), the Department will conduct a Department-wide baseline assessment of the current state of labor relations as required by the Executive order and consistent with the National Council's guidance.

This plan will utilize the components outlined below in establishing a baseline assessment.

- 1. In consultation with the Department's bureaus, which in turn will consult with their respective labor organizations, a Department-wide survey will be developed and administered to assess employee, union, and management perceptions regarding the current labor-management relationship.
- 2. The following labor-management information, while not conclusive evidence of the state of the labor-management relationship, will be informative when considered in concert with other relevant information, and will be collected and analyzed:
 - a. The number and general type of unfair labor practice (ULP) charges filed with the Federal Labor Relations Authority (FLRA), by labor

organizations or management; the general nature of the charges, and the disposition of the charges to include withdrawal, dismissal or issuance of a formal complaint by the FLRA. (If labor-management forums are effective, the number of charges and the number of formal complaints are expected to decline.)

- b. The number of union or management initiated grievances alleging violation of the terms of the parties' collective bargaining agreements, to include a description of the resolution of such grievances. (If the labor-management forums are effective, the number of grievances disputing contract language is expected to decrease.)
- 3. The existence of any labor-management forum(s) and their overall goals or functions. (See Table 2 of the Appendix.)
- 4. The existence of agreements to bargain over permissive subjects set forth in 5 U.S.C. 7106(b)(1). (See Table 3 of the Appendix)
- 5. The existence of an executed collective bargaining agreement between the parties, or if no agreement, the amount of time spent negotiating and the success of those negotiations. (See Table 4)

Establishment of Labor-Management Forums:

The Department will promulgate policy requiring the establishment of labor-management forums at the level of exclusive recognition throughout the Department. This policy will require:

- 1. The full implementation of the Executive Order requirement to include the establishment of labor-management forums, or the modification of existing forums. The policy will require that forums be scheduled to meet at least quarterly.
- 2. Submission of bureau implementation plans to use existing forums, or establish additional forums. Each plan must include:
 - a. Copies of existing formal charter(s), or other form of agreement(s), if any, that will be used to meet the requirements of the Executive Order, outlining the purpose, membership, and frequency of forum meetings.
 - b. A description of the outreach and consultation with labor organizations to establish forums where none currently exists, or to modify existing forums, to fully implement the Executive Order.
 - c. A description of how the forum will determine the impact forum activities have on collective bargaining obligations; specifically, the circumstances under which a forum may enter into a binding agreement to implement a

particular proposal or otherwise agree that formal bargaining is not required.

- d. A description of the process the forum will undertake to identify concerns affecting the workforce, e.g., options for improving employee satisfaction, increasing employee retention, the fairness and impact of employee performance management and recognition programs. These initiatives or improvements must include appropriate milestones, targets, and metrics as required by the Executive Order. (To be most effective, forums should not be used for the resolution of individual grievances, but rather should focus on systemic processes or improvements.)
- e. A description of the process the forum will undertake to develop missionlinked initiatives and process improvements. These initiatives or improvements must:
 - (1) Link to bureau organizational performance goals;
 - (2) Include appropriate milestones and targets;
 - (3) Include appropriate metrics as required by the Executive Order, and consistent with National Council guidance, ideally linked to quantitative measures.
- f. A description of the mechanism the forum will use for resolving disputes over recommendations from either side regarding the functions of the forum, e.g., the agenda and topics appropriate for pre-decisional involvement. This process will not be used to resolve disputes over the substance of pre-decisional input from unions. The description should identify any facilitation services the forum may use to promote full, open, and productive discussions.
- g. A description of the bureau plan for devoting sufficient resources to the implementation of the bureau implementation plan.

Consultation With Labor Organizations on The Department's Plan:

The Department consulted with labor organizations over this plan as follows:

- 1. The Department provided a copy of the draft plan to the National Treasury Employees Union (NTEU) as the sole labor organization that has been afforded national consultation rights. The Department requested NTEU's comments and offered to meet and discuss the draft plan with NTEU officials upon request.
- 2. The Department provided a copy of the draft plan to each Bureau having certified bargaining units. Bureaus were required to consult with their respective labor organizations at the level of exclusive recognition and provide the Department with written comments that accurately reflect the views of the labor organization and management regarding this plan

3. Comments were evaluated and changes made to this plan as appropriate. See Table 6, Summary of Comments and Disposition.

Copies of the final plan will be provided to bureaus and labor organizations upon submission to the National Council.

Resources to Implement the Plan:

Recognizing the diverse and decentralized structure of the Department, particularly in the area of labor relations, this plan envisions that most of the activity, and thus the resulting resource requirements, will be at the bureau level. Accordingly, this plan requires that bureau implementation plans address the allocation of sufficient resources to the implementation of their specific plan.

At the Department-level, one full time position is currently dedicated to Department-wide policy, oversight and guidance on labor and employee relations programs. Additional attention is provided as needed by supervisory levels above this position. It is not anticipated that the Department-wide oversight of this plan will require significant additional resources. However, in the event additional resources are needed, the Department may detail employees to provide additional support.

Potential Pilot Projects to Bargain over Subjects Set Forth in 5 U.S.C. § 7106(b)

For an effective pilot, it is critical that both labor and management agree on the specific elements of the pilot and the standards by which the pilot will be evaluated. At present, as reflected in Table 5 of the Appendix, no potential pilot programs have been agreed to by both labor and management at the level of exclusive recognition. To encourage the greatest consideration of pilots, this table provided the opportunity to identify pilots where the parties would agree to resolve bargaining disputes through the Federal Service Impasses Panel's statutory procedure, as well as those potential pilots where alternative procedures would be agreed to in lieu of the statutory process, including either binding or non-binding resolution procedures. The Department will continue to encourage its bureaus to work with their unions to identify potential pilots.

	Table 1
Bureau	Labor Unions with Exclusive Recognition
IRS	National Treasury Employees Union
IRS Counsel	National Treasury Employees Union
TTB	National Treasury Employees Union
BEP	• Electrolytic Plate Makers of Washington, D.C. & International Plate Printers, Die
	Stampers and Engravers of America, Local 24
	Graphic Arts International Union, Local 285
	Graphic Communications International Union, Local 1 C
	Graphic Communications International Union, Local 4 B
	• International Association of Machinists and Aerospace Workers, Local 174
	• International Association of Machinists and Aerospace Workers, Lodge 2135
	International Brotherhood of Electrical Workers, Local 121
	• International Brotherhood of Painters and Allied Trades of America, Local 1937
	Sheet Metal Workers International Association, Local 100
	• United Association of Journeyman and Apprentices of Plumbing and Pipe Fitting
	Industry, Local 602
	• United Brotherhood of Carpenters and Joiners of America, Local 1145
	• Washington Plate Printers Union International Plate Printers, Die Stampers and
	Engravers Union of North America, Local 2
	National Treasury Employees Union
	• Fraternal Order of Police, Lodge 1 and FOP, Lodge 50
	• Bank Note Engravers Guild of Washington Local 32, International Plate Printers,
	Die Stampers, Plate Makers & Engravers Union of North America, AFL-CIO
BPD	National Treasury Employees Union
DO	National Treasury Employees Union
FMS	National Treasury Employees Union
US MINT	Fraternal Order of PoliceAmerican Federation of Government Employees
OCC	National Treasury Employees Union
OTS	American Federation of Government Employees, Local 3295

Table 2				
Inventory of Existing Labor Management Forums				
Bureau	Existing Labor- Management Forum? (YES/NO)	Meets Requirements of EO? (YES/NO/NA)	Includes Multiple Bargaining Units? (List /No/NA)	
IRS	Yes	No	No	
IRS Counsel	Yes	No	No	
TTB	Yes	Partially – Pre- decisional involvement but no metrics	Yes – 2 units – 1 professional and 1 non-professional	
BEP	Yes	No	 Local No. 1937 Painters, Masonry Mechanic, Insulator Local No. 32 Engravers, Currency Designers Picture Engravers, Letter & Script Engraver, Sculpture Engraver Columbia Lodge No. 174, Non-Craft Local Formerly 2456 (1145) Carpenters Local 100 Sheet Metal Workers Iron Workers Local 4-B Bookbinders Local No.24 Plate Makers Franklin Lodge No. 2135, Machinists Franklin Lodge No. 2135 Siderographer, Franklin Lodge No. 2135 Electro-Machinist, Locksmith, Auto mechanic Local 121 Electricians Local 121 Stationary Engineers Local 1-C Pressman (currency overprinting) Offset Pressman, Flatbed Cylinder Pressman Local No. 285 Photoengraver Local No. 29 Plate Printers Local No. 2012 FOP- Washington DC FOP Fort Worth, Texas 	

Bureau	Existing Labor- Management Forum? (YES/NO)	Meets Requirements of EO? (YES/NO/NA)	Includes Multiple Bargaining Units? (List /No/NA)
BPD	Yes	No	No
DO	No	NA	NA
FMS	Yes	Partially Pre- decisional involvement but no metrics	No
US MINT	No	NA	NA
OCC	Yes	Partially Pre- decisional involvement but no metrics	No
OTS	No	NA	NA

Table 3				
Inventory of Existing Agreements to Bargain Over Permissive Subjects Set forth in 5 U.S.C. 7106(b)				
Bureau	Existing Agreement to Bargain? (YES/NO)	· · · · · · · · · · · · · · · · · · ·	Agreement Includes Binding Non-Statutory (i.e., binding arbitration) Impasse Resolution? (List/No)	Agreement Includes Non- Binding Non- Statutory (i.e. fact finding) Impasse Resolution? (List /No)
IRS	No			
IRS Counsel	No			
TTB	No			
BEP	No			
BPD	No			
DO	No			
FMS	No			
US MINT	No			
OCC	No			
OTS	No			

Table 4			
Status of Collective Bargaining Agreements			
Bureau	Existing Collective Bargaining Agreement in Place? (YES/NO)	If No Collective Bargaining Agreement in Place, Status of Negotiations? (Include length of time parties have been without an agreement, duration of bargaining, status of third party assistance, anticipated completion of bargaining)	
IRS	Yes		
IRS Counsel	Yes		
TTB	Yes		
BEP	Yes	18 Agreements are in place	
BPD	Yes		
DO	Yes		
FMS	Yes		
US MINT	No	Current agreement with AFGE is expired. After 3 years of bargaining the Mint reached tentative agreement on a new contract in January 2010. The Mint expects to have a final agreement in April 2010.	
	Yes	The Fraternal Order of Police agreement is a roll-over year by year	
OCC	Yes		
OTS	Yes		

Table 5Potential PilotsBargaining Over Some or all IssuesSet Forth in Title 5 U.S.C. §7106(b)(1)				
Bureau	Union(s) (include BUS Code)	Provisions of 5 U.S.C. §7106(b)(1) That Would be Bargained	Agree to Statutory	If "NO" in previous column, describe: Procedure for Resolving Bargaining Impasses the Parties Would Agree to Use
IRS	N/A			
IRS Counsel	N/A			
TTB	N/A			
BEP	N/A			
BPD	N/A			
DO	N/A			
FMS	N/A			
US MINT	N/A			
OCC	N/A			
OTS	N/A			
Notes:				

Notes:

This table does not indicate any final agreement to bargain over permissive subjects. Such agreement may only be entered into by the parties at the level of recognition and should such final agreement be reached, the agreement will be reduced to writing, executed by the parties, and subjected to review and approval by the Department under the provisions for Agency Head Review set forth in Title 5 U.S.C. §7114.

During consultation, one union expressed interest in participating in a pilot. However, there was no agreement by management and therefore no overall agreement to be identified for a potential pilot.

Table 6				
Summary of Union and Management Comments with Disposition				
Comment	Disposition			
One bureau suggested that the plan be annotated to reflect which section of the EO was addressed.	Such annotation would detract from the overall readability of the plan and the major headings provide sufficient information for tracking EO requirements.			
One union indicated that "the parties" would agree to participate in a pilot on the negotiation over permissive subjects of bargaining. However, management comments relating to the same bargaining unit indicated that there was no agreement to participate in a pilot. In another instance, a union indicated that "the Union" would like to participate in a pilot, but again there was no management agreement. A third union indicated that they were disappointed that bureau management was not joining them in volunteering for a pilot.	Table 5 of the Appendix is intended to list potential pilots on negotiation over permissive subjects of bargaining, but is only intended to identify those instances where both management and the union have asserted that they would be willing to participate in the pilot.			
Regarding the section "Establishment of Labor- Management Forums," one union questioned the use of the phrase "to develop a limited number of mission – linked" The commenter pointed out that this language is not drawn from the language of the EO.	The limiting language has been deleted and paragraph numbering revised to further clarify this section.			
A union submitted a comment that Table 3 should indicate that its contract includes provisions for statutory impasse resolution and binding arbitration, but does not include non-binding non- statutory provisions.	This comment reflects a misunderstanding of Table 3. The columns on Table 3 all relate to agreements to bargain over "permissive subjects" as set forth in 5 U.S.C. 7106(b)(1). The comment appears to relate to mandatory rather than "permissive subjects" of bargaining.			
One bureau requested that the plan discuss the extent of pre-decisional involvement required by the EO and that bureaus need additional guidance regarding pre-decisional involvement.	The plan must be consistent with the EO which provides for pre-decisional involvement in very broad terms but does include the limitation of "to the extent permitted by law."			
One union submitted a proposed "Labor- Management Forum Agreement" for inclusion in the Department-wide plan	The Department-wide plan envisions that such agreements will be developed following the requirements of the Department-wide plan once approved by the National Council on Federal Labor- Management Relations			

Comment	Disposition
One bureau suggested adding as introductory language under "Establishment of Labor- Management Forums" that the Department's policy will encourage bureaus to require pre- decisional involvement.	The Executive Order requires pre- decisional involvement, not merely the encouragement of such involvement.
One bureau recommended deletion of the requirements that bureau plans describe the process they will utilize to provide employees with pre-decisional involvement; and describe how forum activities will impact collective bargaining obligations.	The EO requires agency plans address each element described in the EO to include a description of how Agencies will engage in pre-decisional involvement. This plan requires the development of bureau level plans which must meet the requirements of the EO.
	The EO does not require plans to address how forum activities will impact collective bargaining obligations. However, it is critical that the parties to a labor-management forum have a clear understanding of expectations of the forum at the outset.
One union noted that Page 2 does not identify the seven organizations with collective bargaining units.	We agree this is unclear, and have eliminated the word "seven" as all of the organizations listed include bargaining units.
One bureau recommended that we amend the language regarding baseline assessments to include data related to employee morale, employee job satisfaction, and lower attrition rates. A bureau also recommended that the baseline assessment survey should be limited to bargaining unit employees.	The plan provides that the Department will develop a survey in consultation with bureaus and unions. Because the National Council has not had the opportunity to provide extensive guidance in this area, this section is written to allow maximum flexibility to develop a survey that will be meaningful to union and management officials.
A bureau commented that only a small percentage of employees are represented, and it may be difficult to measure improvements to the bureau's delivery of services as a result of the activities of the labor-management forum. Therefore, metrics should be limited to the improvement of process in the areas where bargaining unit employees contribute.	This comment may represent a misunderstanding of the intent of the plan and the EO. The plan anticipates that forums will review the mission areas impacted by bargaining unit employees and identify any number of projects that can be linked to organizational performance plans and develop appropriate metrics to measure improvement.

Comment	Disposition
A union asked if the comments of unions who represent a larger number of employees will be given greater deference than comments from unions representing a smaller number of employees.	While it is not possible to adopt all divergent comments, all comments from both labor and management have been evaluated on their merits, without regard to the number of employees represented.
One union recommended establishing a Department level forum as the bureau has been resistant to forming a labor-management forum. The union indicates that the proposal for ad-hoc labor-management teams will not provide a level of continuity necessary to effectively brief Department officials or ensure that the various bureaus are complying with the EO. Another union also expressed concern that unless the Department shows assertiveness in a number of areas that bureaus will likely assume that the Department has little, if any, concern for supporting the President's mandate.	These comments may reflect a misunderstanding of the plan. The plan is not a stand-alone document; rather, the plan provides in the first paragraph under "Establishment of Labor- Management Forums" that the Department will promulgate policy requiring the establishment of labor- management forums at the level of exclusive recognition between bureaus and labor organizations throughout the Department. The policy will be issued as a formal Human Capital Issuance, under the Department's Human Capital Issuance System (HCIS). The policy would be signed by the Deputy Assistant Secretary for Human Resources/Chief Human Capital Officer (DASHR/CHCO). Assertions that management officials are not complying with the policy should be raised to that office for resolution.
One union recommended that the Department instruct bureaus that will be using existing labor- management committees to satisfy the EO requirements to ensure a minimum level of cooperative interaction between them. For example, every committee should meet at least four times a year, should have a mechanism for resolving disputes over recommendations from either side, and should target certain department- wide concerns, e.g. the fairness and impact of the performance awards programs, the retention of employees, options for increasing employee satisfaction.	The language under the "Establishment of Labor-Management Forums" section has been modified to partially adopt this recommendation. The revised language indicates that policy will require all forums will be required to fully implement the EO, and that the forums will be required to be scheduled to meet at least quarterly. Additional detail was added to indicate that the policy will require bureaus to identify in their implementation plans a description of the process the forum will undertake to identify concerns affecting the workforce, and the forum's dispute resolution mechanism.

Comment	Disposition
A union recommended that the Department mandate that each bureau engage in bargaining over permissive subjects over a limited number of issues. The union further recommended that "The bureaus, in cooperation with the unions, should be left the discretion to choose the issues, but that it seems senseless to try to measure the effectiveness of working more closely together while maintaining the wall between the parties that impact and implementation bargaining is."	Labor-management relations are based on the relationships of the parties. The bureaus of the Department and the unions representing their employees have very different relationships. Therefore, it is inappropriate to mandate an expansion of mandatory bargaining over permissive subjects.
One union suggested establishing a new labor- management forum rather than revising the bureau's current Labor Management Cooperation Committee, to allow for a clean slate.	This issue is appropriate for discussion between the parties during consultation over the bureau's plan.
Many of those submitting comments pointed out various typographical errors and recommended minor improvements to formatting to improve readability.	These specific comments are not individually summarized as they are not substantive, but rather technical corrections. However, these comments were appreciated and very helpful in preparing this plan.