

FEDERAL PREVAILING RATE ADVISORY COMMITTEE

630th FPRAC

DOUGLAS FEHRER, Chairman, Presiding

Thursday, January 16, 2020

Room 5526
Office of Personnel Management
Washington, D.C. 20415**ATTENDANCE:****Members/Alternates:**Management Members:Mark Allen, OPM
Melissa Lalonde, DoD
Gary Buck, Army (via Phone)
Kendra Atiz, Navy
Sheila Willis, VALabor Members:Jacqueline Simon, AFGE
Richard Loeb, AFGE
Timothy Traylor, NAGE (via phone)
Steve Landis, ACT (via phone)**Staff Specialists and Visitors:**Jeanne Jacobson, Designated Federal Officer, OPM
Madeline Gonzalez, OPM
Michael Cogar, OPM
Karl Fendt, DoD
Gary Kistner, DoD
Kiev Nguyen, DoD
Virginia Reynolds, Air Force
Alethea Smalls, VA**Recording Secretaries:**Mike Eicher, OPM
Ana Paunoiu, OPM

[Transcript prepared from digital audio produced by FPRAC.]

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P R O C E E D I N G

CHAIRMAN FEHRER: Good morning again. This meeting will now come to order. This is the 630th meeting of the Federal Prevailing Rate Advisory Committee, and it's now 10:03 a.m. This meeting is being recorded, and a transcript will be provided to all its members.

Let's start out with introductions, and please introduce yourself, and who you represent. And we'll go around the table one at a time. I'll start. My name is Douglas Fehrer, and I'm the Chairman of the Committee.

And let's go over to Jacque.

MS. SIMON: Jacque Simon, American Federation of Government Employees.

MR. LOEB: Richard Loeb, American Federation of Government Employees.

MR. ALLEN: Mark Allen with OPM.

MS. LALONDE: Melissa Lalonde with DoD.

MS. ATIZ: Kendra Atiz, Department of Navy.

MS. WILLIS: And Sheila Willis, VA.

MR. COGAR: Michael Cogar, OPM.

MS. PAUNOIU: Ana Paunoiu, OPM.

MS. GONZALEZ: Madeline Gonzalez, OPM.

MR. EICHER: Mike Eicher, OPM.

MR. KISTNER: Gary Kistner, DoD.

MS. NGUYEN: Kiev Nguyen, DoD.

MR. FENDT: Karl Fendt, DoD.

MS. SMALLS: Alethea Smalls, VA.

MS. REYNOLDS: Virginia Reynolds, Department of Air Force.

MS. JACOBSON: Jeanne Jacobson, OPM, Designated Federal Officer.

CHAIRMAN FEHRER: And who do we have on the phone today?

MR. LANDIS: Steve Landis, ACT.

CHAIRMAN FEHRER: And anyone else?

MR. BUCK: Gary Buck, Army.

MR. TRAYLOR: Tim Traylor with NAGE.

CHAIRMAN FEHRER: Okay, thank you.

MR. BUCK: Gary Buck, Army. And I need to apologize to the Chair. At about 10:45, sir, I'm going to have to disconnect because I'm speaking at a compensation and benefits forum here at Fort Belvoir.

CHAIRMAN FEHRER: Okay, very good.

It looks like we have a quorum.

So moving on to announcements. Mark, I will turn that over to you.

MR. ALLEN: Okay. Since the last time we met in December, there has been a pay adjustment. It's done through the Appropriations Act for 2020, and as usual, OPM sends out an implementation memorandum to Federal agencies. So there's a copy of that in your folders.

There's nothing really new here compared with previous years. I'll just point out, just so everybody is aware of how this works, that OPM takes the language that's put in the appropriations bill that covers pay adjustments. That's usually the Financial Services, General Government part of what has now turned regularly into the Consolidated Appropriations Act, and once the President has issued an executive order to implement GS pay adjustments, we know what the pay cap and floor increase levels are going to be for the Federal Wage System. So that's what basically goes into this memorandum.

To point out some highlights of this, increases will be retroactive for wage schedules to their normal effective dates, which are prescribed on the wage schedule by the lead agency. For example, the wage schedule for the Washington, DC, FWS wage area has a normal effective date in October 2019, and the wage schedule has been implemented retroactively to October. Each wage schedule with normal effective dates after the date of issuance of this memorandum would be prospective.

The pay cap amount for fiscal year 2020 was 3.25 percent—or is 3.25 percent.

The floor increase for the Rest of U.S. increase is 2.85 percent. That means is that if DoD's wage survey show that market pay levels increased by more than 2.85 percent in parts of the equivalent of the Rest of the U.S. locality pay area, they can go up above that, but it's going to be limited to 3.25 percent. For a place like New York, the New York wage area, the increase is a floor increase in that case. It's 3.31 percent, which would be above the pay cap, and that's just how this system works these days.

MR. LOEB: Not to mention, D.C., which is 3.52.

MR. ALLEN: Yeah. D.C., I believe, is the highest guaranteed increase amount.

Any questions about this one?

[No response.]

CHAIRMAN FEHRER: Okay. Are there any other announcements?

[No response.]

CHAIRMAN FEHRER: If not, we'll move on. The next item is the approval of the minutes of the 629th meeting of the Committee, which was held on Thursday, December 19th of 2019. We have received no edits of the transcript. Are there any final edits offered today?

[No response.]

CHAIRMAN FEHRER: Okay. Seeing and hearing none, do we have a motion to approve?

MR. ALLEN: Move to approve the minutes.

MS. SIMON: Second.

CHAIRMAN FEHRER: Seconded. All in favor of accepting the minutes?

[Chorus of ayes.]

CHAIRMAN FEHRER: Hearing any opposition?

[No response.]

CHAIRMAN FEHRER: Hearing none, we'll accept them with consensus and move on to Old Business.

The first item, item (a), the September 6, 2018, request or proposal to not allow Federal Wage Area wage area boundaries to split General Schedule locality pay areas and the proposal to redefine the Monroe County, PA, from the Scranton–Wilkes-Barre wage area to the New York wage area.

MR. ALLEN: Mr. Chairman, I would just give an update from my perspective on this one. We haven't got any action pending on this, other than that I think we were still waiting for any possible additional information that AFGE may request on cost or if there is something else that AFGE wanted to look at in this regard.

CHAIRMAN FEHRER: Okay. Jacque, did you have anything more on this from your end since our last meeting?

MS. SIMON: No. I've discussed this with the local, like the local from Tracy, California, item (b) under Old Business. Because we have a new Chair, they'd like to have an opportunity to come and make a presentation and educate you on the situation at their respective

depots and what the impact on recruitment and retention and morale and just sort of operational issues they are having because of this enormous disparity. We don't have a date yet that will work for them. So I would like us to defer consideration of these two items.

CHAIRMAN FEHRER: Okay. We will wait, then, to hear from you later on.

MS. SIMON: Okay.

MR. ALLEN: Yeah, that sounds fine with me as well to defer on those.

I would just point out that I think Jacque was not in the room at the last meeting but was on the phone—

MS. SIMON: Right.

MR. ALLEN: —in which we covered the introduction of the Management study—

MS. SIMON: Yes.

MR. ALLEN: —of the Stockton wage area, and I think we also skipped forward to the Salinas-Monterey wage area.

I don't know if we're having somebody coming from that wage area to give a presentation. I believe the issues are similar enough that I think the Chair would be informed about what the people are interested in regarding the use of GS locality pay areas to define the wage area boundaries. I think we can also defer on the Salinas–Monterey wage area.

CHAIRMAN FEHRER: Okay. Is that fine with you folks?

MS. SIMON: Yes.

CHAIRMAN FEHRER: That takes us to item (d), which was the November 9th, 2019, request to consider moving the Puerto Rico wage area into the Special Appropriated Fund Schedule for U.S. Insular Areas, and attached to that, we had the 2016 study by NOAA

describing the ocean economies of the U.S. Virgin Islands and Puerto Rico.

OPM staff have indicated that their review should be ready to be presented at our February meeting.

Mark, anything to add on that?

MR. ALLEN: No. Let's hope we'll have the review of Puerto Rico, which will be pretty standard, — ready for the next meeting in February.

CHAIRMAN FEHRER: Okay.

MR. ALLEN: We'll let everybody know in advance if we're not going to hit that target.

CHAIRMAN FEHRER: Then, also, Mr. Landis with ACT indicated he wanted to coordinate bringing in guests to present to the Committee regarding that request.

MR. LANDIS: Yes.

CHAIRMAN FEHRER: Is that still in the works?

MR. LANDIS: Yes. We're still working on that. We're trying to schedule all that. I should have some information, hopefully, early next week. I'll forward that to Madeline to let her know the names of all the individuals that will be coming.

CHAIRMAN FEHRER: All right. Very good.

MR. ALLEN: Sorry. What would the date be for that? Is it next month or the following?

MR. LANDIS: I believe we had agreed last month on trying to get them in at February.

MR. ALLEN: Okay.

MR. LANDIS: Is that still okay with everybody there?

MR. ALLEN: Yeah. I'll be here.

CHAIRMAN FEHRER: All right. That sounds good.

With that, we'll move on to New Business. Today we only have one item, and that's the Department of Interior Special Vessel Schedule.

Mark, if you'd like to walk us through that one?

MR. ALLEN: Certainly. This one is very, very easy. I know I've said that before, and we've ended up discussing something easy for 6 months. But I promise you, this one is easy.

OPM received a request from the Department of the Interior. What we're looking at here is what's known as a set-aside wage schedule. It's set aside from the Federal Wage System, has been since 1972, because of classification issues.

The Federal Wage System Job Grading Standards don't cover employees who work on ocean-going or lake-going or sea-going vessels, and the Department of the Interior has for many decades operated vessels on the Great Lakes under one of the set-aside schedules. These have been documented in the Federal Wage System Operating Manual. There's a wage schedule that's known as the Jordan River National Fish Hatchery Schedule. It was one vessel operated out of Elmira, Michigan, and the Department of the Interior has added an additional vessel. And these vessels have a broader range in which they now apparently travel on the Great Lakes, and Interior would like to change the name that's on the wage schedule to the Region 3 Vessel Program.

This sounds very bureaucratic, but this is what they want.

MS. SIMON: I have a question. Are they subject to the pay adjustment?

MR. ALLEN: Yes.

MS. SIMON: And the Appropriations Act?

MR. ALLEN: Yeah. They're paid from the Detroit—well, it's a wage schedule that's equivalent to the Detroit, Michigan, wage schedule, which is the highest one for the State of Michigan.

MS. SIMON: Okay.

MR. ALLEN: We're not proposing and Interior is not proposing changing any of the pay relationships for employees who may be working on those vessels.

MS. SIMON: Okay.

CHAIRMAN FEHRER: Okay. Are there any further comments or interest?

[No response.]

CHAIRMAN FEHRER: Do we have consensus on approving this request?

MS. SIMON: I'm sorry?

CHAIRMAN FEHRER: A consensus on approving this request, then?

MS. SIMON: I believe so, yes.

CHAIRMAN FEHRER: Anything from those of you on the phone?

MR. LANDIS: No objection.

CHAIRMAN FEHRER: Concur? Okay, very good.

MR. BUCK: Gary Buck, Army. No objection.

CHAIRMAN FEHRER: Okay.

MR. TRAYLOR: Tim from NAGE. We're good to go as well.

CHAIRMAN FEHRER: All right. Thank you.

Again, this was our only new agenda item for today. So just moving on quickly to future meeting dates. As always, the upcoming Committee dates are on the agenda, and they have been published in the Federal Register. With that, God willing, our next meeting will be on

Thursday, February 20th, here at OPM in the Executive Conference Room at 10 a.m.

MS. SIMON: I have a question before we adjourn. There was some question about whether we had actually adopted it as an operating rule or was just tradition. Are we considering people who are participating by phone present and able to vote or not? In other words, does participation by phone count toward a quorum or not?

MR. ALLEN: Madeline has the operating rules for the Committee memorized.

MS. GONZALEZ: If you're on the phone, it's the same as if you are here.

MS. SIMON: Okay. I just wanted to make sure we had established that.

MR. LOEB: But that was not always the case.

MS. SIMON: But it is now.

MR. ALLEN: We established a rule back in the early, mid-2000s, which stated that if somebody had an emergency they could call in. Prior to that, everybody had to be present, and we used to have to have all of the members present to conduct any business. The Committee decided by consensus that that didn't make any sense any longer, so we dropped the quorum number down to four for voting purposes and—

MS. SIMON: Four total or four—

MR. ALLEN: Four on each side.

MS. SIMON: On each side, okay.

MR. ALLEN: And the Chair.

CHAIRMAN FEHRER: And that's for voting purposes.

MR. ALLEN: Yeah, for voting purposes, for having an actual meeting. I think the number is lower than that.

MS. GONZALEZ: Only six.

MR. ALLEN: Only three and three.

MS. GONZALEZ: No, it doesn't have to be three and three. There can be five on one side and one on the other or any other combination.

MR. ALLEN: Okay.

MS. SIMON: Okay. I just wanted to clarify that.

CHAIRMAN FEHRER: That is in line with when I came into this role, the briefing I had, and it goes back to the last meeting; you were part of that.

MS. SIMON: Yeah. There was a little bit of confusion, and I just wanted it clarified.

MS. GONZALEZ: Jacque, this new rule has been in effect since 2015.

MS. SIMON: Okay. Thank you.

MR. LOEB: To call in and it counts, it has been in effect since 2015.

MS. GONZALEZ: Right.

MR. LOEB: Okay. I just wanted to know.

MR. ALLEN: For there to be a lack of a quorum for voting purposes, it would mean that there are going to be three Labor members or three Management members in attendance at the meeting.

MS. SIMON: Okay.

MR. ALLEN: We would not vote on anything, but as you know, we tend not to like to vote on things, anyway.

MS. SIMON: Yeah. And we don't want to vote on things where we're going to lose.

[Laughter.]

CHAIRMAN FEHRER: With this conversation, we certainly hope that we'll still see you all on a monthly basis.

Okay. I believe this covers all of our agenda items for today. So do we have a motion to adjourn?

MR. LOEB: Motion so made to adjourn.

MR. ALLEN: Second.

CHAIRMAN FEHRER: Very good. Okay. With no opposition, this meeting is now adjourned, and thank you to our OPM team for their great work. And we hope that you guys all have a good Martin Luther King Day weekend and month ahead, and we'll see you in February.