

Let's Look at the Record

What's at Stake

Let's look at the relentless attack on the civil service and employee unions by this administration:

- Abolition of labor management partnership
- Proposed Abolition of EEO hearings for all federal employees, and the outright elimination of other appeal rights for workers in DOD & DHS
- Challenges to collective bargaining rights throughout the civil service
- Ergonomic rollbacks
- Refusing collective bargaining rights for newly created federal agencies (TSA)
- Implementation of new pay schemes that leave future pay raises and all forms of premium pay up to local management (for the fundamental purpose of reducing overall federal pay)
- Pushing elimination of overtime pay for white-collar workers
- Rubber stamping double-digit premium increases for health insurance in FEHBP and cutting oversight of the insurance companies.

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- Turning record budget surpluses into record deficits to put the squeeze on agency spending and federal employee compensation.
- Administration set on dismantling the civil service rather than fighting hard to protect the mission of good public service.
 - Closing VA hospitals
 - Decreasing service in SSA
 - Weakening the role of the EEOC
 - Contracting out core government work in DOD, DHS, and other agencies

Add to all of this, the backdrop of wholesale contracting out:

New privatization quotas based on a new A-76 process that is rigged against federal employees whether they are “streamlined” (under 65 jobs) and won't let us use an MEO, or “standard” and based on subjective “best value” criteria. Even if we win, our jobs are put on the block again in five years. The administration's stated goal is to subject 850,000 federal jobs to privatization.

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AFGE is fighting back...and on many fronts, we are winning!

- Thanks to AFGE, both blue- and white-collar federal employees received a 4.1% pay raise next year instead of the 2% selective raise that the administration wanted.
- This year we are fighting to ensure that federal employees get a 3.5% pay raise in 2005, instead of the 1.5% raise President Bush proposed.
- AFGE lobbyists have worked tirelessly to stop the unfair contracting out of hundreds of thousands of government jobs.
- Recently, A-76 legislation sponsored by MD Congressman Van Hollen (with 26 Republican backers) would have reversed an administration effort to give private contractors an unfair advantage when seeking contracts with the federal government. The Senate version failed by just one vote.
- As part of the design team for the DHS personnel system, AFGE put forward alternatives to many anti-employee options proposed by management, while advocating for a voice at work for the employees of the new agency.

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MORE AFGE VICTORIES...

- Working with the AFL-CIO, AFGE members and activists led the fight against the proposal to strip white-collar workers of overtime pay.
- In response to escalating health care premiums, AFGE is working to pass a new healthcare bill, HR 577 (sponsored by MD Congressman Steny Hoyer) and S.319 (by MD Senator Barbara Mikulski) that would require the government to pay a minimum of 80% of health care costs for federal employees

We can turn this around. We will protect your job and future.

- But to do so, we need to ratchet-up our efforts to fight these attacks on each and every front. We need to improve our communications, and we need more grassroots involvement.

In short, we need YOU to get involved NOW!

WHAT'S AT STAKE

In the name of national security, this Administration is driving a political agenda that:

- Strips away workers' rights to union representation
- Rolls back ergonomic and other important health and safety protections
- Marginalizes federal worker pay and health benefits
- Eliminates fair treatment on the job and equal employment opportunity
- Takes overtime pay away from hourly office workers

WHAT'S AT STAKE

- This administration has abolished labor-management partnerships and replaced them with corporate partnerships that favor outside contractors at the expense of American taxpayers. And they are reducing the quality of government services and jobs by:
 - Closing VA hospitals
 - Decreasing customer service in the SSA
 - Weakening the role of the EEOC

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More AFGE victories...

- AFGE activists and other labor unions are fighting back to protect government services and the rights of federal employees, and we are winning!
- Restoring the 4.1% pay raise for federal workers in 2004 and pressure Congress to reject the 2% raise called for by the Administration
- Developing a bi-partisan alternative to the Administration's DOD personnel reform legislation
- Reverse an administration effort to give private contractors an unfair advantage with the federal government
- Design a pro-worker personnel system for the Department of Homeland Security and a voice at work for employees of the new agency.
- Persuading EEOC not to implement a radical proposal that would eliminate EEOC's hearings for all federal workers.

YOUR EEO RIGHTS ARE THREATENED

- Since 1972, federal workers have received administrative hearings (trials) before Judges with the Equal Employment Opportunity Commission (EEOC), which has the role of adjudicator under the Civil Rights Act for discrimination in the federal government, while it otherwise acts as the enforcer for civil rights violations in the private sector.
- The current Chair of the EEOC, Cari Dominguez, has announced a radical plan to overhaul the federal sector process to resemble the private sector process by, among other changes, eliminating your right to an administrative hearing and the agency investigation. However, most private sector workers get state hearings on their EEO complaints.
- AFGE has rallied against the proposal, and Chair Dominguez has pulled back her plan to eliminate agency investigations, but she continues to push for the cancellation of the expensive hearing process, saying federal employees would prefer to simply sue the U.S. Government in federal court.
- In April 2004, Cari Dominiguez implemented a “pilot program” in the Washington D.C. office that drastically curtails the number of cases entitled to a hearing before a judge.

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CONTRACTING OUT

- The stated aim of this Administration is to review for privatization half of all federal jobs (about 434,000) using a set of procedures contained in OMB's Circular A-76.
- A-76 has recently been totally revamped so that the privatization reviews are strongly tilted in favor of private contractors. Management can use “non-cost factors” to justify contracting out government work, thanks to the new rules.
- In many agencies, the targets of privatization are overwhelmingly veterans, minorities, and women. Privatization has a devastating impact on the diversity of the federal workforce.
- Under the new A-76, depending on the number of jobs under review, federal workers may or may not get a chance to compete with their best bid.

Let's Look at the Record: Over-arching Issues

CONTRACTING OUT

- Even when federal workers are allowed to compete for their jobs, contractors can win the “public-private” competition even if their bid is more expensive than that of the in-house team.
- When government work is privatized, public safety, national security, patient care, the needs of beneficiaries, etc. no longer come first. Instead, profit is what matters most.
- Workers employed by contractors doing government work are often paid less and have worse health and retirement benefits than federal employees.

Let's Look at the Record: Over-arching Issues

The Federal Employees Health Benefit Program(FEHBP)

- The Administration says that FEHBP premiums will go up by 10.6% in 2004, but the truth is that premiums are going up by 12% for federal workers and about 10% for agencies.
- Why do we have to shoulder more of the burden for these skyrocketing insurance rates? It's because the formula the government uses to calculate its share and our share is stacked against us.
- On paper it looks like they should pay 72% and we pay 28%. But the fine print is that they pay 72% of the *weighted* average, and since some plans are more expensive than others, and they actively encourage us to switch out of the plans with full benefits that are expensive and into the less generous plans that are cheaper, all the switching ends up reducing the average percentage the government pays each year.
- Six years ago they were paying an average of 72%, but today its gone down to an average of 70% and each year it will get worse unless we do something about it.

Let's Look at the Record: Over-arching Issues

The Federal Employees Health Benefit Program(FEHBP)

- Two good friends of AFGE who serve in the Congress Representative Steny Hoyer and Senator Barbara Mikulski, both of Maryland, have introduced bills to mandate that agencies start paying 80% of FEHBP costs, with employees paying 20%.
- There are many ways the government could hold down costs in FEHBP buying prescriptions at the same rate as the VA, folding us all into a few large plans so we could leverage our buying power to get discounts from doctors and hospitals (FEHBP covers over 8 million active and retired federal workers and their families). But the insurance companies are so powerful on Capitol Hill that they have blocked every attempt to control the prices they charge.
- AFGE wants everyone to have real, not pretend, health insurance. We don't want them to use us as guinea pigs for the insurance industry's latest money-making schemes. Instead, we have a campaign to at least make the decent plans within the FEHBP more affordable for us.

Let's Look at the Record: Over-arching Issues

Defense Department Personnel Reform

- Last year, the Administration argued that unless DOD was granted the power to write its own rules they would need to contract out all civilian jobs in DoD.
- As a result of the new “National Security Personnel System” DoD workers will no longer be eligible for a guaranteed annual pay raise passed by Congress. Both GS and WG DoD civilian employees will be under a different system than are other federal workers.
- Many details of the new pay system have yet to be revealed, but we do know both base pay and pay raises will be decided by your supervisors, and will likely be based on some type of “pay for performance” scheme.
- DoD also won the authority to deny premium pay, such as overtime, hazardous duty pay, and weekend and holiday pay. These “worker-friendly” policies had been on the books for decades, and compensated DoD employees for irregular schedules, as well as dangerous situations.

Let's Look at the Record: Over-arching Issues

Defense Department Personnel Reform

- DoD Management will be able to set up its own internal appeals process, limiting workers rights to challenge unfair personnel or disciplinary actions.
- The National Security Personnel System also gives enormous new powers to managers to hire, assign, reassign, detail, transfer, promote, or lay off DoD employees. Managers will be able to reduce or eliminate the weight given to years of service, including military service.
- DoD employees are highly patriotic and committed to the mission of their agency. Taking away rights and protections from the DoD workforce will not make America safer.

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Department of Homeland Security Personnel System

- Personnel plan for Department of Homeland Security (DHS) curtails employee rights in the name of “national security”.
- Administration plan provides for no neutral, third-party appeals process.
- In-house appeals body would be appointed by the Secretary of Homeland Security, leaving whistle-blowers vulnerable to retaliation by managers.
- New rules in the Administration plan eliminate the ability of employee-elected representatives to bargain about key working conditions.
- “Pay banding” would replace General Schedule (GS) pay system. So-called “pay-for-performance” scheme to be launched in 2005; workers forced to compete against each other for annual raises given at management discretion.
- Transportation Security Administration (TSA) exempt from new personnel system; airport screeners continue to be denied all collective bargaining rights.

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FEDERAL PAY

- The new law that allows the Secretary of Defense to design and implement an all new pay and classification system for DoD civilian workers means that only about half of all federal employees will remain in the General Schedule (GS) system that is governed by the Federal Employees Pay Comparability Act (FEPCA).
- Both DoD and the Department of Homeland Security (DHS) now have both the authority and plans in place to use performance appraisals to decide base pay, premium pay, and whether and by how much each worker's salary will be adjusted each year.
- For 2004, AFGE activists persuaded Congress to vote for a 4.1% raise for all GS workers, including those in DHS and DoD. Also, for the first time ever, the 4.1% guaranteed, across the board raise will also apply to federal blue collar workers.
- The Administration wanted a 1.5% across the board raise with 0.5% for locality payments for 2004. They opposed civilian-military pay parity. The President used his authority to impose this smaller raise on January 1. On March 3, the President finally signed the paperwork necessary to implement the 4.1% raise which will eventually be applied retroactively to January

Let's Look at the Record: Over-arching Issues

FEDERAL PAY

- For 2005, the Administration has proposed adjusting federal pay by just 1.5% again trying to defy the pay parity tradition. At AFGE's urging, both the House and the Senate have passed resolutions to support military-civilian pay parity raises of 3.5% for 2005.
- The Bush Administration has made it clear that it intends to push legislation that will impose pay-for-performance on all remaining executive branch agencies. They want to do away with the annual raises passed by Congress that reflect changes in private sector pay and locality differences. Instead, they want new pay systems that allow supervisors to decide pay and pay raises on an individual-by-individual basis.
- AFGE strongly objects to pay-for-performance as a replacement for market-based across-the-board pay increases. The existing system has gone a long way toward assuring that federal salaries are set and adjusted according to objective criteria, and has had remarkable success in eliminating pay disparities based upon race and gender. Individualized pay also undermines teamwork and cooperation. AFGE will work to oppose pay for performance as a substitute for across-the-board annual increases.

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Department of Veterans' Affairs

Although the VA includes a wide range of employees who are paid according to different pay systems, there are many issues that unite all VA workers, including a special dedication to caring for and serving veterans. Some of the issues AFGE is working to address both legislatively and in collective bargaining include:

Contracting Out and Privatization: The VA was prevented from carrying out the Administration's mandatory privatization quotas last year because it wasn't allowed to move money Congress set aside for patient care out to the privatization consultants. The Administration has asked Congress to let the VA begin privatization studies, putting 57,000 VA jobs in jeopardy in areas ranging from laundries and housekeeping to pharmacists and labs.

Closing Facilities and Eliminating Beds and Wards: In addition to the CARES cutbacks, the VA is ignoring the rapidly growing population of aging veterans in need of nursing home care and psychiatric care. In spite of a law requiring the VA to have capacity to provide needed long term nursing care, the VA is pursuing a policy to eliminate capacity rather than address long term care needs of veterans. NO consideration whatsoever is being made for the new veterans of the war in Iraq and Afghanistan.

Let's Look at the Record: Over-arching Issues

Department of Veterans' Affairs

Funding Cuts in the 2005 Administration Budget: Although the numbers appear to provide a 4.1% increase, the truth is revealed in the fine print. After *proposed* increases in out-of-pocket fees and “management efficiencies” are factored in, the reality is a 0.15% CUT in funding for veterans' medical care, and staffing cuts in VBA.

Federal Employees Health Benefits Program (FEHBP): Premiums for FEHBP have gone up an average of 65% in the past five years but in many cases, the share paid by the federal employee has gone up by far more. The government now pays only 70% of premiums on average, and does absolutely nothing to hold down the prices the insurance companies charge us. AFGE is pushing legislation to hike the employer share up to 80%, and force FEHBP plans to buy at least some of their Rx drugs off the same discounted schedules the VA uses in order to make FEHBP more affordable.

Competitive Pay and Premium Pay: The Administration is trying to get rid of all the pay systems that guarantee federal employees an annual pay raise passed by Congress. Instead, they are pushing “pay for performance” as a way to deny within-grades, locality, and nationwide raises as well as premium pay. DoD and DHS will soon implement these radical schemes. AFGE will continue to fight to protect nationwide pay increases, and make Saturday premium pay available across-the-board (including Food Service, Housekeeping, & Supply workers).

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Social Security Privatization

- The drive to privatize Social Security has nothing whatsoever to do with any present or future financial problems with the current system. The “crisis” in Social Security is entirely phony and has been manufactured by Wall Street firms who have their sights on billions in service fees and commissions from private accounts.
- Some say we can “no longer afford” Social Security. We could “afford” it in 1936 and we can afford it today. Our economy is larger than at anytime in our history, and thus as a society we can not only afford to continue programs such as Social Security that have been affordable in the past we can afford to improve them.
- In March 2004, Federal Reserve Chairman Alan Greenspan recommended cutting Social Security benefits and raising the retirement age in order to close the deficit caused by the Administration's tax cuts for the wealthy. Social Security has a surplus, not a deficit. But the Administration wants American workers to spend 3 more years on the job so that millionaires can keep their tax cuts.
- The only way to spin Social Security's finances in such a way that allows the would-be privatizers to paint a picture of impending doom is to assume that economic growth over the next 75 years will only be half as fast as growth was over the past 75 years. In the meantime, they assume economic growth will be twice as fast in the future as it was in the past when they start talking about stock market returns from private accounts.

Let's Look at the Record: Over-arching Issues

Social Security Privatization

- Social Security is America's most successful and popular government program. The drive to privatize Social Security is part of the Bush Administration agenda to tear down anything positive done by federal employees and the federal government and glorify the private sector. But we know that scandals in the private sector especially among Wall Street firms hardly make it a safer or better place for precious Social Security funds.
- One of the most inconvenient facts about Social Security is the extraordinary efficiency and quality of the Social Security Administration workforce. Social Security benefits are reliably administered and sent to beneficiaries at a miniscule rate of less than one percent of benefits. That compares to an administrative “overhead” (or profit) rate of about 15 percent among private financial services firms.
- Repeated efforts to undermine SSA's ability to continue to administer the program efficiently and reliably include reducing staffing while workload has grown due to growth in the number of beneficiaries and new laws and regulations that expand and change benefits.
- AFGE stands at the forefront of the coalition to keep Social Security strong and successful and protect it from the greedy privatizers. AFGE led the AFL-CIO's efforts to forestall efforts in the late 1990's to take the first steps toward Social Security privatization by putting the Trust Fund monies into the stock market bubble right before it burst. We will continue to fight to protect Social Security, the crown jewel of America's social safety net.

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DoD's National Security Personnel System

- Secretary Rumsfeld has released his blueprint for the new DoD National Security Personnel System.
- Congress authorized him to make changes to civil service rules and protections because, at the time, the Secretary was able to persuade them that national security required changing the Department's pay system and its obligations toward unions.
- Both the GS (white collar) and the FWS (blue collar) pay systems will be replaced by individualized pay for performance. No longer will employees be entitled to an annual raise passed by Congress. Instead, you will compete with coworkers over a share of performance pay. Your share will be determined by your performance appraisal.
- DoD will require itself only to “consult” with unions over proposed personnel changes. Current law requires DoD to sit down at the bargaining table, either before or after implementation, to negotiate with the union over the impact on employees. Under the Rumsfeld system, it will be talk and implement.
- DoD will be able to decide for itself which personnel changes are “significant” enough to require either consultation or bargaining.

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DoD's National Security Personnel System

- DoD will be able to issue regulations that will supersede the contents of collective bargaining agreements. That is, even after both the union and management sign an agreement, the Department can write a regulation that takes precedence over the contract. At the very least, this raises questions about management's duty to bargain in good faith.
- DoD will be able to exclude large numbers of employees from the benefits of union representation, almost all of whom have been eligible for unions in the past. The list of excluded jobs include everything that requires certification firefighters, electricians, professionals, some clerical workers, and all temps.
- DoD will establish its own internal Defense Labor Relations Board to resolve disputes between workers and managers. Management, however, will select all the members of the board, so it will not have the independence necessary to serve as a neutral, 3rd party or offer a fair hearing to both sides in a dispute.
- None of this has anything to do with national security it has only to do with management's insecurity.
- AFGE told Congress that if they gave Secretary Rumsfeld this power he would abuse it and he already has. We're lobbying for hearings to force the Secretary to roll back these plans and follow the intent of Congress to preserve employee rights and allow unions to offer real representation to our members.

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Federal Prison Industries

- Federal Prison Industry (FPI) is a self-supporting government corporation that serves to teach important work skills to federal prisoners. The inmates who have jobs in FPI operations produce both goods and services used by federal agencies.
- The goods and services produced by inmates working in the FPI program are not available for sale in interstate commerce or to non-federal entities, and federal agencies are not forced to buy from FPI sources.
- Members of Congress have voted recently to undermine the FPI program by eliminating the “mandatory source preference for FPI products as a response to private companies who seek contracts with government agencies.
- Undermining FPI will have several negative consequences:
 - *FPI makes prisons safer and helps corrections officers control the inmate population. When inmates are productively occupied in labor-intensive activities, they're less likely to be involved in violent behavior.*
 - *FPI allows prisoners to earn wages to help compensate victims, pay fines, and support their families.*
 - *FPI is an important rehabilitation tool that allow inmates to re-enter society as productive, law abiding citizens with job skills.*

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Federal Prison Industries

- Federal prisons are highly over-crowded and getting more so each year. In 2003, the overall federal prison system was 34% over capacity as compared with the 25% over-capacity rate of the mid -1990s. Staffing is at 91% compared with 95% in the mid-1990s.
- AFGE is strongly committed to substantial increases in the number of federal corrections officers who work at BOP prisons.
- The threat of radical changes to the FPI system dramatically increases the urgency of addressing the issue of understaffing in federal prisons. Simultaneously ending FPI and increasing the ratio of inmates to corrections officers is a recipe for disaster.
- AFGE is strongly opposed to any effort to incarcerate federal prison inmates in private prisons OR to contract out any federal employee BOP jobs to private firms.
- Private prisons and outsourcing federal prison functions to contractors not only cost taxpayers more, they also undermine public safety. Private prisons are not less costly than government-run prisons even though they pay guards lower salaries and provide fewer benefits. Any savings from paying substandard salaries to prison employees goes straight to corporate management and stockholders. In fact, taxpayers often wind up paying more for private prisons in return for less safety, less security, and a smaller economic impact from the presence of a prison in the community.

Let's Look at the Record: Over-arching Issues

Fight to Protect Access to Thrift Savings Plan Accounts

The Thrift Savings Plan (TSP) is planning to make major changes to its Loan Program that could negatively affect all employees. Approximately 25% of federal employees are exercising their right to borrow against their TSP accounts. This right to borrow against your account during hard times is one of the benefits used to get employees to contribute to the plan. However, the political appointees who manage the TSP have decided to increase fees charged for TSP loans and put limits on the number of loans we can take.

The changes are as follows:

- **A new \$50 fee will be deducted from the amount of each new loan.** . In addition to charging a market interest rate on a loan from your TSP account, there will be an additional \$50 fee so that employees will be penalized possibly over and above the cost of the loan. AFGE opposes this excessive fee.
- **Federal employees will no longer be allowed to have two general purpose loans at the same time.** There is already a limit on the amount of money that you can borrow from your TSP account. Now there will also be limits on the number of times you will be able to access your money.

Let's Look at the Record: Over-arching Issues

Fight to Protect Access to Thrift Savings Plan Accounts

- **When you pay off one loan, you will not be eligible to apply for another loan for 60 days.**
Again, the TSP administrators are trying to dictate your financial needs to you and take the flexibility out of the TSP system.

The rationale for creating the TSP was that employees were the best judges of how to save and invest for retirement. Replacing CSRS with FERS placed more of the risk and financial burden of saving for retirement with employees. In exchange, federal employees would have direct access to their funds to use them as they saw fit.

The government can't have it both ways it can't wash its hands of responsibility for its employees' retirement income security and then tie its employees' hands by making it more difficult and expensive for them to use their own savings.

AFGE will use its seat on the Federal Thrift Advisory Board to make sure that federal employees retain full access to their own savings.

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Federal Prison Industries

FPI products must be purchased by on-defense federal agencies (a requirement known as "mandatory source preference") and are not available for sale in interstate commerce or to on-federal entities.

AFGE Activists Should:

- Contact your Members of Congress (Representative and two Senators) and ask them to support increasing FY 2005 funding by \$500 million to substantially increase the number of federal correctional officers who work in BOP prisons.
- Urge Senators to oppose any legislation (whether it is the House-passed H.R. 1829 or Senator Levin's S.346) that would eliminate the mandatory source preference of the FPI with respect to the entire federal government.
- Strongly urge Members of Congress to support the Public Safety Act (H.R. 1994), a bill introduced by Rep. Ted Strickland (D-OH), that would (a) prevent the federal government from housing, safeguarding, protecting, and disciplining federal prisoners in private prisons; and (b) prohibit state and local governments from using federal funds to contract with private companies for the provision of these core correctional services