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Before the Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia
Senate Homeland Security and Governmental Affairs Committee

On

Investing in an Effective Federal Workforce

September 19, 2012

2:30 pm

Chairman Akaka, Ranking Member Johnson, Members of the Subcommittee, thank you so much for inviting NTEU to share our thoughts on the state of the federal workforce, pressing issues that need to be addressed and recent progress that has been made in addressing some of those issues. As President of the National Treasury Employees Union, I represent more than 150,000 federal employees in 31 federal agencies and departments.

It is a pleasure for me to be here today, particularly because this may be the last opportunity I have to testify in front of my good friend, Senator Akaka. You have been a stalwart friend of federal employees, both during the 14 years you served in the House of Representatives and during your distinguished 22 year career in the U.S. Senate. Your advocacy on behalf of the federal workforce from your efforts to ensure fair pay and benefits to your actions to protect collective bargaining rights will be sorely missed by federal employees everywhere.

The federal civilian workforce today is virtually as small as it has ever been in the modern era. In 1953, the federal government employed one worker for every 78 residents; in 2009, the federal government employed one worker for every 147 residents. Many of the federal agencies where NTEU represents employees are under virtual hiring freezes and are operating with limited resources. Although some federal agencies have been able to make great strides through automation and other cost saving tools, much of the work of the federal government requires people – talented and educated people.

The federal employees represented by NTEU are budget analysts overseeing multi-billion dollar budgets, physicians undertaking cutting edge research to cure deadly diseases, law enforcement officers guarding our borders and scientists safeguarding our food and water

supplies. The federal government will need to be prepared to compete for the best and brightest college graduates as current federal employees retire. Fair pay, affordable health insurance and a stable retirement program are key to the federal government's ability to compete for, and retain the talent and experience that will be needed.

We all know that our country faces serious challenges – federal employees have not been exempt from those challenges or immune from efforts to resolve our fiscal difficulties. The federal workforce has been under a pay freeze since 2011. This sacrifice will save the federal government more than \$60 billion over the next ten years. Legislation enacted earlier this year extending unemployment benefits was paid for in part by requiring future federal employees to contribute an additional amount toward their retirement benefits. Federal workers contributed another \$15 billion towards deficit reduction through enactment of this provision.

Federal employees are scheduled to receive a 0.5% pay raise upon the expiration of the current Continuing Resolution early next year and NTEU is grateful for an end to the pay freeze. However, there are many other critical issues facing the federal government and the federal workforce. I look forward to continuing our positive working relationship with this Subcommittee and working together to reach agreement on the many issues facing the federal workforce.

NTEU was pleased to be able to work with you, Senator Akaka, to achieve retirement equity for our federal workers in Hawaii, Alaska and the U.S. territories. Signed into law in 2009, your Non-Foreign Area Retirement Equity Assurance Act corrected an inequity that NTEU members and many others had suffered for years. While federal employees on the mainland

received locality pay and retirement credit based on their full salaries, federal workers receiving the non-foreign area cost of living adjustment received no credit toward retirement for this portion of their pay. Your legislation guaranteed that these federal employees would be made whole and that they would receive locality pay which would count toward their retirement calculations unlike the non-foreign cost of living allowances they received. Through your leadership and perseverance, your colleagues came to understand the critical need to fairly compensate federal employees who provide services in extremely high cost areas of our nation.

Senator Akaka, you have long understood the federal government's need to compete with the private sector for the best talent and you have worked tirelessly to improve the federal government's hiring process. Many of the concepts you have championed have been included in legislation that has been signed into law and in hiring reforms that have been instituted by the Office of Personnel Management. Simplifying and streamlining the federal application process and requiring vacancy announcements to be written clearly and understandably represent positive improvements while continuing to ensure that the merit system and a fair and open process for filling federal jobs remains in place.

You have also been a clear leader in making sure the federal government employs the full range of workplace flexibilities available to most private sector workers. It has long been known that offering workplace flexibilities helps with recruitment and retention of employees, whether it is recruitment and retention bonuses for difficult to fill positions or relocation assistance, student loan assistance or flextime schedules.

One landmark workplace flexibility in particular that I want to comment on was the approval of telework for the federal workforce, and your telework enhancement act signed into

law in 2010 was a major step forward. The benefit of telework to both employees and employers has been shown during emergencies. Telework helps employees handle work-life issues and encourages increased productivity as employees are better able to plan to meet deadlines and accomplish their missions.

Another of your major achievements was the change in the Federal Employees Retirement System (FERS) that will permit employees covered by that retirement program to include their unused sick leave when determining their length of federal service and computing their retirement benefit. When the provision is fully phased in at the end of 2013, employees under FERS will be treated the same as their counterparts in the Civil Service Retirement System (CSRS) and be able to include their unused sick leave when calculating their years of federal service.

This same Akaka provision that guaranteed employees the ability to include their unused sick leave in their retirement calculations also corrected a long-standing flaw in how the government valued part-time service. Prior to enactment of the Akaka amendment, part-time service worked near the end of an employee's federal career, resulted in a flawed retirement benefit calculation.

Earlier this year, you held a critical hearing on the Office of Personnel Management's (OPM) processing of federal retiree annuity payments. Your hearing brought much needed attention to the serious backlogs OPM was facing and the lengthy period of time it was taking OPM to process new retirement applications. Your hearing exposed some of the reasons for the retirement processing delays and resulted in a path forward with OPM laying out a plan to reduce its backlog and improve services to federal employees and retirees.

You also championed legislation during your long Senate career that eliminated the restrictive annual open season for employees to enroll in the Thrift Savings Plan. At the same time, you noted the need for retirement and financial literacy programs for the federal workforce and you authored the legislation that allowed federal workers over the age of 50 to make “catch-up” contributions to their Thrift Savings Plan accounts, putting them on equal footing with their private sector counterparts. Each of these legislative triumphs represented a major improvement in the lives of federal employees.

Your work has also involved efforts to increase training and mentoring possibilities for the federal workforce as well as improvements in protections available to workers who disclose wrongdoing in the federal government. Your Whistleblower Protection Act, which passed the Senate earlier this year, will restore and expand protections for federal employees who disclose waste, fraud or abuse in the federal government. NTEU is a strong supporter of your legislation and will continue to push for House consideration of this important bill.

Similarly, we strongly supported your efforts to ensure that any changes to the Federal Employees Compensation (FECA) Program were done fairly. Your amendment to the Senate Postal Reform legislation earlier this year sought to correct a controversial and harmful proposal in that bill that would have cut benefits to workers injured on the job and those who are older or have family obligations. NTEU is committed to a safe and healthy federal workplace where employees are less likely to ever suffer injuries that may lead to a FECA claim and we will continue to stress the importance of keeping FECA fair for those who do need to avail themselves of the program’s benefits.

NTEU also salutes you for your commitment to ensuring that all federal employees enjoy the same equal treatment and protections. You have supported legislation that would allow all NTEU members and all federal workers with domestic partners to be able to participate in employee benefit programs similar to the options granted married couples. Your Subcommittee hearing helped focus attention on this legislation which provides both benefits and obligations – it would require that domestic partners be subject to the same employment related obligations and duties and the same ethics requirements that are imposed on married couples.

Your career has also been marked by your leadership efforts to right size the federal employee to contractor mix. NTEU has long maintained that federal employees, given the appropriate tools and resources, do the work of the federal government better and more efficiently than any private entity. We have been pleased to testify before your Subcommittee on some of the most egregious examples of misguided outsourcing such as private tax collection efforts. Congress eventually voted to eliminate funding for this effort, finding that it was neither cost-effective nor fair to taxpayers. NTEU will continue to focus our efforts on leveling the playing field and ensuring the accountability of contractors within the federal contracting system, but your voice will certainly be missed.

I also want to commend you for your leadership with regard to the Safeguarding American Agriculture Act. This legislation recognizes the mission of Customs and Border Protection (CBP) Agriculture Specialists in safeguarding our nation's food and agriculture from invasive foreign pests and disease. It would create a career track within CBP for qualified technicians to be promoted to CBP Agriculture Specialist positions and provide education and

training as well as many other improvements. It is an excellent first step in focusing attention on the agricultural quality inspection mission of the agency and we applaud your efforts in this regard.

Finally, I commend you for your strong support for the rights of federal employees to organize and collectively bargain. NTEU believes that the best way to achieve agency missions and optimal work-life balance is for an organization to involve its employees. Employees who have a voice in their workplace feel invested in the success of that organization. If the workers have a collective voice, the effect is even stronger.

On behalf of federal employees across the nation, Senator Akaka, thank you for your dedication and commitment to making sure employees are treated fairly and have the tools they need to provide the services the American public has come to expect from the federal government. We were so pleased that we had the opportunity to honor you at our annual Legislative Conference earlier this year and present you with an award recognizing your leadership on behalf of federal employees and retirees. It has been a distinct honor and privilege to work with you. You will be missed.