



**STATEMENT FOR THE RECORD OF ANTHONY M. REARDON
NATIONAL PRESIDENT
NATIONAL TREASURY EMPLOYEES UNION**

“REVITALIZING THE FEDERAL WORKFORCE”

**BEFORE THE SUBCOMMITTEE ON GOVERNMENT OPERATIONS
COMMITTEE ON OVERSIGHT AND REFORM
UNITED STATES HOUSE OF REPRESENTATIVES**

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Chairman Connolly, Ranking Member Hice, and distinguished members of the Subcommittee, thank you for the opportunity to submit this statement for today’s hearing. As National President of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents 150,000 dedicated federal employees across 34 agencies.

First I want to thank you for holding this hearing. While it is always important to look for ways to revitalize the federal workforce, it is especially necessary right now. Over the past four years federal employees have been under attack. They have faced government shutdowns, unnecessary forced relocations and proposed agency closures, disparagement by government leaders who referred to federal employees as bureaucrats or swamp creatures, below market pay adjustments, threatened cuts to employee benefits, elimination of key work-life balance benefits such as telework, and ongoing efforts to roll back employee collective bargaining and due process rights and protections. In addition, like all Americans, they have also been dealing with a global pandemic. Federal employees have continued to work throughout this global health crisis, some putting their health and safety—as well as that of their families—at risk, to continue to provide services for the American people. All of these issues have adversely impacted the ability of the federal government to recruit and retain skilled employees. We have already seen a change in the approach from the new administration and applaud President Biden for rescinding the anti-worker Executive Orders issued by the previous administration and appreciate his efforts to ensure that employees are able to work safely during the pandemic. However, much more needs to be done to revitalize the career civil service and improve the morale of the workforce.

PAY AND BENEFITS

According to the President’s Pay Agent, years of below-market pay raises and pay freezes have caused the pay disparity between the federal government and the private sector to become 23.11 percent, despite a 1990 federal law aimed at reducing the pay gap to 5 percent. This has a significant impact. While many federal employees believe in government service and

agency mission is often listed as the number one reason they work for the federal government, massive pay disparities with the private sector undermine efforts to recruit and retain skilled individuals who are drawn to public service.

Competitive pay helps ensure a professional, skilled workforce is on board administering our nation's laws and programs. Like all American workers and middle-class taxpayers, federal employees face ever-increasing utility, health care, food, and college bills, as well as rent and mortgage obligations. But unlike many in the private sector, federal employees have continued to see below market pay increases. Years of pay freezes and reduced pay adjustments, coupled with congressional action to dramatically increase retirement contributions for new federal employees since 2013, have already resulted in federal employees contributing approximately \$200 billion toward deficit reduction over ten years.

I want to thank you, Mr. Chairman, for always fighting to ensure that federal workers receive a fair pay increase. NTEU is proud to support your bill, the Federal Adjustment of Income Rates (FAIR) Act, H.R. 392, calling for an average 3.2 percent pay adjustment for federal workers in 2022. All federal employees, regardless of pay system or occupation, deserve an adequate pay raise that is comparable to increases for their private-sector counterparts.

However, I do want to caution the Subcommittee on efforts to reform the civil service pay system in an effort to rebuild the federal workforce. For years, some Members of Congress and outside "experts" have called for eliminating the General Schedule pay system. While we appreciate that it is tempting to throw out the old system and start over, in general, we believe that the General Schedule still works well. It provides a merit-based system and transparent policies and protections. It provides greater parity in pay between men and women than the private sector and takes into account the numerous locations where federal employees work and the unique jobs that they perform.

In addition to pay, benefits such as retirement, leave and healthcare also have a significant impact on the federal government's ability to rebuild the civil service. As the nation's largest employer, the federal government provides benefits to over 2 million federal employees, retirees and their families. For retirement, most federal employees are covered under the Federal Employees Retirement System (FERS), a carefully crafted retirement system that is a critical factor for successful recruitment and retention in the federal government. Unlike many state retirement systems, FERS is fully funded and financially sound with no unfunded liability. In fact, FERS is frequently pointed to as a model by a diverse group of retirement experts for its deliberately constructed three-legged stool structure (defined benefit, defined contribution [Thrift Savings Plan (TSP)], and Social Security). All three parts are necessary for a livable retirement. Federal employees contribute a portion of their pay toward their retirement to achieve a modest retirement income.

Since 2010, Congress has twice increased employee contributions to FERS, essentially cutting take-home pay for those hired after 2012 and contributing \$21 billion to deficit reduction. However, this did not stop the last administration from proposing massive changes to federal employee retirement benefits that would make workers pay more for a reduced benefit and make their retirement less secure. Federal pensions – a guaranteed income not dependent on the stock

market—may not be as popular a benefit for employers in the private sector, but its fall from use is one of the leading contributors to the retirement insecurity in this country. Half of all Americans have less than \$10,000 saved for retirement. We should not substantially increase the number of retirees unable to support themselves in their senior years by diminishing or dismantling the federal retirement system.

We are concerned that proposals to reduce benefits could impact recruitment and retention. According to the 2019 OPM Federal Benefits Survey, employees expressed that their TSP and FERS/CSRS benefits were extremely important to them (96% and 95% of respondents respectively). In fact, not only is the availability of a retirement annuity important to employees, the benefit has been shown to play a key role in recruiting and retaining them. In the 2019 survey, 79 percent of participants indicated that the availability of a retirement annuity through the FERS or CSRS influenced their decision to take a job with the federal government to a “great” or “moderate” extent, which is more than a six-point increase from the 2015 survey (72.2%). The trend is the same when looking at how FERS/CSRS impact retaining employees, with 89 percent of participants indicating that FERS/CSRS influenced their decision to remain with the federal government to a “great” or “moderate” extent, more than a four point increase from 2015 (84.5%).

The Federal Employees Health Benefits Program (FEHBP), the nation’s largest employer-sponsored health insurance program, which provides coverage to approximately 8.2 million federal employees, retirees, and their family members, also has a significant impact on recruitment and retention. In 2019, 70 percent of survey respondents in the OPM Federal Employee Benefits Survey reported that the availability of health insurance through the FEHBP influenced their decision to take a federal job to a “moderate” or “great” extent, while 80 percent of respondents reported that the availability of health insurance through the FEHBP influences their decision to stay with their job to a “moderate” or “great extent.”

However, federal workers continue to face rising health care costs under the FEHBP, and many are finding it increasingly difficult to continue to afford their health insurance coverage because of the continued rise in overall medical costs and limited federal employee pay raises in recent years. For 2021, FEHBP enrollee premiums increased an average of 4.9%, with some participating health insurance plans increasing their premiums by even larger amounts, while federal employees only received a 1 % pay increase. Like other Americans, federal workers and retirees continue to absorb higher out-of-pocket costs in the form of larger co-pays and co-insurance for office visits, procedures, and prescription drugs, while they already pay a higher share on average for premiums and higher overall deductibles than their private-sector counterparts covered by large, employer-sponsored plans. As Congress and the administration look to address budgetary and spending concerns, NTEU urges Congress to oppose further erosion of federal employee benefits that will increase the costs to federal workers and could adversely impact recruitment and retention.

If Congress is serious about rebuilding the federal workforce to improve recruitment and retention, efforts should be made to protect current benefits, and to provide additional benefits that will help the federal government be more competitive, such as paid family leave. There is a growing consensus across the country that paid family and medical leave is a necessity for

today's families. Most of the top corporations in the U.S. offer paid family leave. Paid family leave is a win-win for employees and employers. Employees are allowed time to address health and care-giving issues, while agencies get an employee who returns to the workplace instead of having the expense of hiring and training a new employee. NTEU fully supports expanding federal employee leave benefits and supports the Comprehensive Paid Leave for Federal Employees Act, H.R. 564, led by Chairwoman Carolyn Maloney (D-NY), which would build upon the paid parental leave program created in 2019 by providing 12 weeks of paid Family Medical Leave Act leave to care for oneself, a spouse, parent or child with a serious medical condition. Few employees can go weeks without pay and no one should be forced to choose between caring for a loved one and a paycheck.

RIGHTS AND PROTECTIONS

A merit-based, non-partisan civil service is the backbone of our federal government. It is imperative that our career civil servants who are charged with implementing complex federal programs on behalf of the American people can continue to do their work with dedication and skill, regardless of changes in elected leadership. Proposals to eliminate or restrict collective bargaining and due process rights for these employees would return the civil service to the dysfunctional spoils system of the past, driven by patronage and political favoritism rather than ability and merit. Federal law clearly states that the right of employees to organize, bargain collectively, and participate through labor organizations in decisions which affect them safeguards the public interest and contributes to the effective conduct of public business. Front-line employees and their union representatives have ideas and information that are essential to improving the delivery of quality government services to the public and through the collective bargaining process and the use of pre-decisional involvement, employees can have meaningful input resulting in better quality decision-making, more support for decisions, timelier implementation, and better results for the American people. It is important that these rights are maintained and employees continue to have a voice in their workplace and are not afraid to blow the whistle when they see waste or wrongdoing.

It is important to remember that in the federal sector, there is no requirement that an individual join and pay dues to a union. However, federal unions are required to represent every individual in a bargaining unit, whether or not they choose to pay dues. Federal unions are not allowed to go on strike and have much narrower collective bargaining rights than their private sector counterparts. Federal workers deserve a voice in their workplace and NTEU opposes efforts to eliminate current rights as well as other indirect efforts that aim to undermine our ability to effectively represent our members.

In 2018, President Trump issued three Executive Orders (EOs) that impacted bargaining and due process rights for both individual federal employees and federal employee labor organizations. These EOs sought to undermine federal employee unions and our ability to operate in federal workplaces. They also imposed severe restrictions on the use of official time which is essential for ensuring unions can continue to assist federal employees with workplace issues such as retaliation, discrimination, and sexual harassment. Furthermore, these EOs sought to erode constitutionally protected statutory employee due process rights, increasing the chances that employees are treated unfairly.

In implementing the provisions of the EOs across government, agencies failed to bargain in good faith—rushing contracts through the statutory impasse process to have their proposals imposed, in some instances without first even attempting to negotiate as federal law requires. This has left important employee benefits like telework essentially discretionary where supervisors can now allow or disallow it without any consistency or justification, leaving employees nearly powerless to object when they are treated unfairly. Agencies also worked to erode the ability of the union to assist employees when they are mistreated by limiting the time that union leaders are given to represent employees. These actions weaken the employees' voice in the workplace and undermine collective bargaining altogether.

In addition, President Trump issued another EO in October 2020 creating Schedule F in the Excepted Service, which was intended to strip civil service and due process protections from a large number of employees whose work affects policy making. This would have made it easier to hire and fire these employees at will and make political loyalty—not merit or skill—a prerequisite of the job. Once implemented, qualified career employees could have been removed from office with little recourse, depleting the institutional knowledge and expertise of agencies, and ultimately harming agencies' ability to serve the American people. This unprecedented effort to politicize the federal government and remove due process protections for an unknown number of career employees undermines the non-partisan, career civil service and jeopardizes the ability of agencies to meet their missions.

While, thankfully, President Biden quickly rescinded these harmful EOs, some agencies are still enforcing contracts imposed on workers based on the 2018 EOs and are continuing to fight legal challenges brought by unions. Congress must act to ensure that future administrations cannot undermine federal employee due process and collective bargaining rights and ensure that agencies fulfill their statutorily mandated responsibilities to bargain in good faith. Thank you, Mr. Chairman, for your efforts to fight President Trump's Schedule F executive order and for introducing the Preventing a Patronage System Act, H.R. 326, to ensure that this assault on the merit-based civil service cannot happen again.

NTEU also strongly urges enactment of legislation, similar to the Scientific Integrity Act introduced last Congress, to protect the professional integrity of federal scientists, researchers and other professionals from inappropriate political pressure and influence that could compromise their work. NTEU represents thousands of federal scientists, researchers, chemists, and other highly skilled professionals. These dedicated public servants work at the Environmental Protection Agency, Food and Drug Administration, Department of Energy, USDA Food and Nutrition Service, HHS Substance Abuse and Mental Health Services Administration and other agencies where they do an outstanding job at providing their agencies with solid, factual, well-researched information to help in their mission. Outside political interference in their fact-based work threatens to harm the health and well-being of the American people as well as the environment we all live in.

Another way to ensure that employees have a voice is to reestablish the National Council on Federal Labor Management Relations to improve productivity and effectiveness of the federal government. In previous administrations, the National Council played an important role as a

model for labor-management collaboration and agency labor-management forums provided an opportunity for meaningful labor-management relationships and consultation. It created a process to establish personal working relationships, which can help to transform often adversarial labor-management relationships into problem-solving partnerships. The forums were successful in promoting labor-management collaboration and harnessing the ideas of frontline employees to advance the missions of their agencies. NTEU supports reestablishing Labor-Management Councils to help address a multitude of issues facing frontline workers, including concerns over employee safety such as threats to IRS Revenue Officers or insufficient staffing at ports of entry placing CBP Officers at risk, ensuring a voice for frontline federal employees. This also provides opportunities for employees to feel engaged and comfortable working with their agency leaders, thereby impacting retention. Imposing anti-worker policies that eliminate fair and equitable treatment and instead create a culture of fear and mistrust is no way to attract and retain talented workers. NTEU stands ready to work with this Subcommittee to strengthen employee rights and protections and fortify them to withstand future assaults.

COVID-19 HEALTH AND SAFETY

Yet another way to rebuild the federal workforce is to be a model employer and lead by example when it comes to creating a safe work environment and protecting employees. As you know, federal workers have continued to carry on the work of government during this pandemic and provide services to our fellow Americans. Whether teleworking or continuing to report to their duty station and potentially exposing themselves, their families, and their coworkers to COVID-19, federal employees have strived to maintain essential government functions.

However, to ensure these services continue and that employees remain safe, it is imperative that Congress and the administration act. President Biden recently issued an Executive Order to protect federal workers, mandate mask wearing on federal premises, and require agencies to develop workforce safety plans. As agencies develop these plans, NTEU continues to believe that these plans must include:

- Expanded use of telework and maxi-flex scheduling;
- Weather and Safety Leave (WSL) for non-telework eligible employees at high-risk for COVID-19, as well as those with school age children in the event of school closures or with quarantined or self-isolated family members requiring monitoring and to waive any requirement for medical documentation;
- A halt to all non-essential travel;
- Changes to workspaces and schedules to increase social distancing;
- Making COVID-19 tests and vaccines available to federal employees;
- Notifying all employees once an employee is diagnosed with COVID-19 or has been asked to self-quarantine due to possible exposure; and
- Ensuring that all workplaces are properly cleaned and stocked with personal protective equipment, sanitizers and disinfectant wipes.

These steps will not only protect employees, but also ensure that employees remain healthy and able to help agencies meet their missions, such as completing the current tax filing

season, keeping the ports of entry operational, and conducting potentially life-saving medical research.

We have seen firsthand how successful telework programs have been over the past year, with many agencies showing an increase in productivity by working from home. This is in line with OPM's findings in a 2018 work-life survey which found that employees that telework are more likely to exceed performance standards. According to the survey, the two most important reasons employees choose to telework are to minimize distractions (67%) and improve productivity (64%), resulting in improved morale (83%), better stress management (77%), increased desire to stay at current agency (76%), and other outcomes that benefit both employees and agencies. That is why the number of agencies that were working to cut telework programs prior to the pandemic was so troubling. The success of telework during the pandemic is a justification for its continued use. Telework has been a win for everyone – not just for employees, but for management who can recruit better workers without losing productivity, for taxpayers who save on federal building leasing costs and can continue to rely on government services during emergencies, and for the environment, which benefits from reduced pollution from commuting.

Mr. Chairman, your bill from last Congress promoting telework, the Telework Metrics and Cost Savings Act, H.R. 6108, would go a long way to help agencies expand their programs while ensuring they are better prepared for long-term telework during emergencies. The bill would improve agency efforts to establish and achieve goals for telework participation, improve the achievement, tracking, and reporting of telework cost savings, prevent changes to telework policies that reduce agency telework participation, and prevent backtracking on the progress the government has made in increasing telework participation. More importantly, it would prohibit actions like those taken at the Department of Education, the Department of Agriculture, and HHS over the past few years. NTEU appreciates your efforts on this legislation and your help in keeping this important flexibility available to federal workers.

However, not all work is portable. That is why it is so important to put the safety protocols in place at federal agencies while extending paid emergency leave programs and ensuring that federal employees diagnosed with COVID-19 and are required to interact with the public or coworkers are presumed to have contracted the virus at work for workers compensation purposes, both of which are currently included in the House Budget Reconciliation COVID-relief package.

This is a critical time in the battle to reduce the spread of COVID. Social distancing remains one of the best ways to prevent the spread of the virus and federal employees, along with the rest of America's workforce, need the ability to stay home when they have come in contact with someone who has tested positive, tested positive themselves, or to care for a sick family member. And with many schools and child-care centers remaining closed, parents must be provided the flexibility necessary to care for their families while the roll out of the vaccine is in its initial stages and the number of Americans testing positive for the virus continues to increase. Furthermore, many federal employees have been working at their job sites throughout this pandemic as their work is not portable. And for many of these individuals, social distancing is difficult due to the nature of their work. With more and more federal employees testing positive

for COVID-19, is it imperative that they be provided protection through the Federal Employees Compensation Act and premium pay for working in hazardous conditions.

NTEU is also proud to support your legislation, Mr. Chairman, to assist federal workers during the pandemic, including the Chaicharn Suthammanont Remembrance Act (H.R. 978) which would require federal agencies to include certain procedures and policies to ensure workers' health and safety in their plans to reopen federal offices. We also support your bill from last year that would provide additional flexibility and support for federal employees during the pandemic, including ensuring hazard pay for frontline federal workers, authorizing weather and safety leave for employees who need to care for a child or other family member due to COVID-19, and dependent care reimbursements for federal employees who are unable to provide care for their children or a relative who has COVID-19 due to telework or having to report to their workstations.

With the number of infected Americans continuing to rise, it is understandable that many federal employees have expressed a significant amount of anxiety and fear about their ability to return to work safely. Ensuring agencies have the tools and resources to permit telework, provide safe and clean worksites, and are able to ensure social distancing is essential to protecting federal workers and assuring employees that their employer cares about their wellbeing.

REBUILDING GOVERNMENT

Over the past four years, we have heard from many federal workers about their colleagues leaving government due to uncertainty surrounding their benefits and fears over job security due to agency funding cuts, efforts to strip employee rights and protections, forced relocations, and plans to eliminate agencies, such as the Office of Personnel Management. While the loss of institutional knowledge is devastating, it is also problematic that many agencies have failed to back fill those positions.

NTEU believes in and strongly supports the Merit System Principles, which ensure that individuals are hired to work for the federal government based on merit, without regard to their race, age, gender, political views, or relationship with the hiring official. NTEU also fully supports the application of veteran's preference in hiring decisions as part of our obligation to help those who have worked so hard to defend our nation and our freedom.

Government must act to fill vacancies quickly to help agencies meet their missions. This means a renewed effort to significantly decrease the time to hire new employees. In our experience, some of the things that make the process onerous are the complicated extra steps that agencies include in their hiring process due to long-standing practice or fear of future litigation rather than requirements directly tied to the statute. And new hiring authorities rarely help the situation as it is common knowledge that agencies only use a few of the multiple hiring tools available to them. Rather, agencies should invest in training their Human Resources (HR) workforce. Sustained and comprehensive training for all agency HR professionals and opportunities for HR professionals in various agencies, not just the Chief Human Capital Officers, to meet with each other and experts at OPM and share best practices and challenges

they are facing can help speed up the process. Also, ensuring that hiring managers and subject-matter experts are part of the hiring process from the beginning and requiring part of a supervisor's performance evaluation to be based on personnel management, recruiting, hiring, and human capital responsibilities can help in reducing the time to hire.

However, NTEU remains concerned with proposals to expand noncompetitive eligibility for groups of individuals. History has shown that agencies have abused such flexibility; using these programs as the only method of hiring, which undermined veterans' preference and civil service protections. Sweeping exemptions to hiring rules and regulations are extremely concerning as it could undermine the very principles that ensures that the civil service is non-partisan, based on merit, and reflects the citizenry it serves. We also have concerns with providing agencies flexibility to hire part-time and project-based workers, which increases the number of employees with limited benefits and protections and moves the career non-partisan workforce closer to a temporary workforce.

While we agree that there are some problems with implementing the current authorities granted to federal agencies to recruit and hire skilled workers, Title 5 does not need to be overhauled to reach those goals. And given the previous administration's efforts to eliminate employee rights and protections and cut employee pay and benefits, NTEU opposes efforts to grant agencies additional broad authority.

As for OPM, NTEU strongly opposed the initiative of the previous administration to break apart the agency, moving core employee policy divisions to the White House and servicing functions to a newly named Government Services Agency. That proposal, in our opinion, would neither improve government efficiency nor recognize the critical importance of OPM's independence from the White House when making federal employee and workforce management policy.

NTEU believes that an independent, central personnel agency outside of the Executive Office of the President is the best way to ensure mission performance. And properly funding OPM is the best solution. We look forward to working with Congress and the Biden Administration to identify ways to address the challenges facing OPM and to explore ways to strengthen the agency and its mission rather than eliminating it.

CONCLUSION

Thank you again for the opportunity to share my views with you. Ensuring that the federal government is able to recruit and retain the best and brightest is essential for all Americans. To rebuild the civil service, we must invest in the federal workforce by preserving employee pay, benefits, rights and protections; reinforcing areas in the law that might be used to undermine those rights and protections; ensuring employee safety; and adhering to the merit systems principles as we begin to hire the next generation of public servants. At NTEU, part of our mission is to work together to ensure that every federal employee is treated with dignity and respect. I believe that if our leaders work with this in mind, together we can revitalize the federal workforce.