

**National Council on Federal Labor-Management Relations
18th Public Meeting
February 15, 2012**

The National Council on Federal Labor-Management Relations (NCFLMR) held its 18th meeting on February 15, 2012, at the Office of Personnel Management (OPM). Mr. John Berry (Director, Office of Personnel Management (OPM)) and Mr. Daniel Werfel (Controller, Office of Management and Budget (OMB)) co-chaired the meeting.

The following Council members also attended:

Member Name	Member Title
Ms. Carol Bonosaro	President, Senior Executives Association
Mr. William Dougan	President, National Federation of Federal Employees
Mr. Michael Filler	Director of Public Services, International Brotherhood of Teamsters
Mr. W. Scott Gould	Deputy Secretary, Department of Veterans Affairs
Mr. David Holway	National President, National Association of Government Employees
Mr. H.T. Nguyen	Executive Director, Federal Education Association
Ms. Carol Waller Pope	Chair, Federal Labor Relations Authority

Mr. Matt Biggs, Legislative and Political Director, International Federation of Professional and Technical Engineers (IFPTE), sat in for Mr. Gregory Junemann, President, IFPTE.

Mr. Rafael Borrás, Under Secretary for Management, Department of Homeland Security (DHS), sat in for Ms. Jane Holl Lute, Deputy Secretary, DHS.

Mr. Steve Keller, Senior Counsel, National Treasury Employees Union (NTEU), sat in for Ms. Colleen M. Kelley, National President, NTEU.

Ms. Jessica Klement, Director of Government Affairs, Federal Managers Association (FMA), sat in for Ms. Patricia Niehaus, National President, FMA.

Ms. Terry Rosen, Labor Relations Specialist, American Federation of Government Employees (AFGE), sat in for Mr. John Gage, National President, AFGE.

Mr. Gene Sexton, Deputy Chief Human Capital Officer (CHCO), Department of Labor, sat in for Mr. Seth David Harris, Deputy Secretary of Labor.

Ms. Lynn Simpson, Chief of Staff, Office of the Under Secretary of Defense for Personnel and Readiness, sat in for Mr. Ashton B. Carter, Deputy Secretary of Defense.

Mr. Dan Tangherlini, Assistant Secretary for Management and Chief Financial Officer, Department of the Treasury (DOT), sat in for Mr. Neal Wolin, Deputy Secretary, DOT.

About 55 members of the public attended the meeting, including 4 representatives from the media.

Agenda Item I: Welcome

At 10:00 a.m., Mr. Berry began the meeting. He said he was pleased and honored to announce that Mr. Werfel would Co-Chair Council meetings during Mr. Jeffrey Zients' service as OMB Acting Director. Mr. Berry described Mr. Werfel as a career employee with rock-solid integrity who will bring a real passion for Federal service to the Council.

Mr. Werfel greeted everyone, and said, "I'm excited to be here." He said that he would not bore everyone with his entire biography but would mention a little bit of relevant experience:

- He is a career civil servant who has been with OMB for 15 years and was appointed as Federal Controller;
- He is a graduate of Cornell University's School of Industrial and Labor Relations; and
- He served in the Civil Rights Division at the Department of Justice, where he worked on litigating cases of employment discrimination.

He reiterated his enthusiasm for serving on the Council, and then turned the floor over to Mr. Berry, who had the Council members/alternates go around the table and briefly introduce themselves to Mr. Werfel. Mr. Berry then briefly turned to administrative matters.

Explaining the unusually large number of substitutes, Mr. Berry said that a number of unions were having their annual legislative fly-ins this week, and many union presidents were testifying on the Hill today. He pointed out that assembling a large group of people with busy schedules requires planning well in advance, and that predicting every outcome and achieving perfect timing can be difficult. He added, "Thanks to all the substitutes for carrying the flag."

Regarding meetings planned for 2012, Mr. Berry announced that the Council plans to meet each month except for August and December, and that meetings will be on the third Wednesday of the month with the exception of the November meeting, which will be on the fourth Wednesday. He said OPM is working on a *Federal Register* notice listing 2012 meeting dates.

Mr. Berry asked whether any Council members cared to propose edits to the draft minutes of the previous meeting. The Council suggested no edits and unanimously approved the minutes, and Mr. Berry turned to the next agenda item.

Agenda Item II: Metrics Reports on Agency Forums - Update

Mr. Berry reminded everyone that at its previous meeting the Council agreed to reconvene the Metrics Working Group to review reports from agency labor-management forums on their performance against three key metrics. He said Mr. Filler and Mr. Tim Curry, OPM Deputy Associate Director, Partnership and Labor Relations, would provide an update on results so far.

Mr. Filler began the presentation with brief, general remarks, and then Mr. Curry provided a more detailed report. Their presentation was accompanied by slides entitled “Metrics Workgroup Update.”

Mr. Filler said he was sorry he was unable to attend the previous Council meeting, but that he was very busy at the time working in opposition to a measure to privatize prisons in Florida.¹ He listed the three key metrics the forums reported on (Mission Accomplishment and Service Quality, Employee Satisfaction and Engagement, and Labor Management Relationship), and then he turned the floor over to Mr. Curry.

Mr. Curry reported that, since the last meeting, 5 more reports were submitted, which brought the total received up to 40, with 11 reports pending. He told the Council that OPM is following up with CHCOs on the pending reports.

Mr. Curry said the Metrics Working Group had already begun review and analysis of reports received so far, and that the working group would develop appropriate Council feedback for the forums. He said the working group would also make recommendations to the Council on ways to apply what is learned from the review and analysis. He presented examples from four forums of efficiency gains, cost savings, and increased employee satisfaction. (See page 5 of slides.)

Mr. Curry covered the working group’s plan for next steps:

- The working group will continue reviewing submissions and develop feedback to forums;
- The working group, along with OPM staff, will continue contacting agencies with pending reports;
- At a future Council meeting, the working group will offer recommendations to the Council on ways to use information from the forum reports.

Mr. Filler said some of the forums contacted about pending reports responded with interest (e.g. with requests for information), while others had not. He asked what the Council should do about people not fulfilling their obligation. He said maybe it was time to revisit the idea raised in an earlier Council meeting that noncompliant people come to a Council meeting and explain themselves.

In response to Mr. Filler, Mr. Berry proposed that first the Co-Chairs try sending an email message or letter to the Secretary or Deputy Secretary level of the non-responding agencies, and then if that method fails the Council can consider asking people to come to a meeting and explain. He said the Co-Chairs can also contact agency officials directly by telephone.

Mr. Filler said he appreciated Mr. Berry’s desire to communicate officially with noncompliant agencies, but that time is getting short. He said that too much time goes by between meetings, that there should be some action very soon, and that if Mr. Berry’s suggestion does not solve the

¹ Florida Senate Bill 2038, which was voted down in the Florida Senate on February 14, 2012.

problem, labor-management forums that have not provided the required metrics reports should be brought in to explain themselves at the next meeting.

Mr. Holway said, “Maybe they should come in to the next forum meeting if they don’t comply. Why give them another month?”

Mr. Berry reiterated the Co-Chairs would reach out to agencies about the pending reports, and then he proceeded to the next agenda item.

Agenda Item III: Report to President on (b)(1) Pilots - Update

Mr. Berry reminded the Council of the requirement in Executive order (EO) 13522 that no later than 18 months after implementation of the (b)(1) pilot projects, the Council must submit a report to the President evaluating the results of the pilots and recommending appropriate next steps with respect to agency bargaining over the subjects set forth in 5 U.S.C. 7106(b)(1). Mr. Berry said Mr. Dougan would provide an update on progress towards meeting the EO requirement.

Mr. Dougan displayed slides entitled “Report to the President – (b)(1) Collective Bargaining Pilots.” He reported that, in preparation for the report to the President, the working group—

- Has completed a proposed outline for the report, which he would cover today;
- Has completed interviews with all twelve (b)(1) pilot projects;
- Has requested feedback from each pilot to ensure the interview information was correctly captured and to give the pilots an opportunity to correct or add to information; and
- Is well underway in analyzing the data from the pilot interviews and metrics reports.

Mr. Dougan went through the draft outline, and then the Council discussed it.

Council Discussion of Draft Outline

Mr. Gould said that, regarding proposed Section VI, Analysis of Pilots, the Council may need to think about what the source of any further required funding would be. He added, “What about our leadership posture? What’s that like?” He said the Council may also want to build in a piece to show the linkage between cost and benefit. Regarding proposed Section VII, Findings and Recommendations, he said it would need to be worked out what criteria the Council would use to decide on findings (e.g. the degree to which the pilots proved to be adequate tests of (b)(1) bargaining, what the pilots demonstrated, etc.).

Ms. Bonosaro asked for clarification on what Mr. Gould meant by “leadership posture.” She asked, “What do you have in mind? How much further can we go?”

In response to Ms. Bonosaro, Mr. Gould explained that, based on his knowledge of the 250-275 forums at VA, he perceives a need for some accountability mechanism to ensure both

management and labor come to the table. He said that in some cases meetings are set up and plane tickets are purchased but then the meetings do not happen. He said there is a need to let people know participation is not optional.

Mr. Dougan said, "Thinking back on the interviews, commitment from both labor and management to PDI² makes the process more successful. I'm not sure we have information from all pilots in order to draw a conclusion, but I can envision that coming out in findings and recommendations."

Mr. Nguyen said he had heard a lot of discussion about the link between (b)(1) bargaining and PDI. Mr. Berry responded that, to the extent PDI is relevant, mentioning it in the report is okay, but the primary focus in drafting the report should be on meeting the EO reporting requirements.

Mr. Berry thanked Mr. Dougan and other working group members for drafting the outline, and added, "It's very helpful in terms of meeting the deadline and will prevent a lot of spinning wheels and wasted time."

In response to Ms. Bonosaro's request for further clarification on his earlier remarks on the outline, Mr. Gould clarified that he would like evaluation of a (b)(1) pilot's success to consider cost and value, to show a return on investment in terms of the three key areas, Mission Accomplishment and Service Quality, Employee Satisfaction and Engagement, and the Labor-Management Relationship.

Ms. Bonosaro said she was not certain the Council had cost data in order to do what Mr. Gould proposed. Mr. Gould asked Mr. Dougan, "Can we do data calls or do we have all the cost data we need now?" Mr. Dougan said the Council would need to go back and ask the pilots for cost data, and he said he did not know what the Co-Chairs would suggest in that regard. Mr. Berry said that Mr. Curry's office would see what they could do about getting cost data from the pilots.

Mr. Keller said there would be challenges in doing anything meaningful with cost data, e.g. if (b)(1) has a cost in a particular context how do you know what the cost of not doing (b)(1) would have been?

Mr. Gould said, "It may be easier for me than for others, but at least at VA we can show benefits." He added that reporting costs and clearly showing benefits is often an expectation when one testifies before Congress.

Mr. Keller said more than just gross cost would need to be reported to paint a clear picture. Mr. Berry agreed, and said, "The working group will shape the data point." He said OPM staff will support the working group and work on getting the right data.

Ms. Bonosaro said there was one other issue to discuss, the short amount of time the Council has to analyze data from the pilots even if the pilots submit their reports on time. (Pilots have a full year report due to Council on March 31, 2012.)

² Predecisional involvement.

In response to Ms. Bonosaro, Mr. Berry said, “It’s important to remember that this is a work in progress, a snapshot. It’s so early in the process.” He said he did not think anyone would have expectations that fail to take that into account.

Mr. Borrás pointed out that some important benefits cannot be quantified. He suggested the Council not overemphasize return on investment. Mr. Gould agreed.

Ms. Rosen said it may take a while for some benefits to materialize. Mr. Biggs agreed, and said it could be a problem that some pilots are not yet very far along and have yet to establish their respective metrics process. He said, “Maybe there’s already a cost but not yet a benefit. Maybe we should only report cost when there’s a benefit in order not to distort.”

Mr. Berry said it was a good point that some pilots may not be far enough along for benefits to have shown up, and that there could be a potential for distorting a cost/benefit picture in such cases. He encouraged the working group to take on this issue. He said, “It’s important to structure data to take all these issues into account.”

Council Discussion of Next Steps/Vote on Draft Outline

After everyone had the opportunity to comment on the draft outline, Mr. Dougan resumed his presentation and then he listed the working group’s recommended next steps:

- Finish analysis of (b)(1) pilot projects and begin draft report;
- Provide draft of sections III-V to full Council at March 21 meeting;
- Complete deliberations in workgroup meetings on Sections VI(A), VI(B) and VI(C) and begin drafting report language for these sections; and
- Complete section VII of the report and determine necessary process to ensure sufficient time for Council review and submission to the President by May.

Mr. Dougan said that, before going further with the report, the Council needed to vote today on whether to approve the draft outline.

Mr. Berry said he thought the outline was very good and that the Council should make a motion to approve it. Ms. Bonosaro made a motion to approve the draft outline with further development along the lines of Mr. Gould’s points on “leadership posture” and analysis of cost/benefit data, to the extent such data can be gathered. The motion was seconded and unanimously approved, and Mr. Berry turned to the next agenda item.

Agenda Item IV: GEAR Pilots - Update

Mr. Justin Johnson, OPM Deputy Chief of Staff, began an update using slides entitled “Goals – Engagement – Accountability – Results (GEAR)”. He said he thought that for Mr. Werfel’s benefit it would be a good idea to recap the five GEAR recommendations:

1. Articulate a high performance culture;

2. Align employee performance management with organizational performance management;
3. Implement accountability at all levels;
4. Create a culture of engagement; and
5. Improve the assessment, selection, development and training of supervisors.

As in previous meetings, Mr. Johnson stressed the importance of GEAR recommendations regarding supervisors. He said the long-term strategy is essentially to make sure they are chosen for the right reasons and trained in the right ways, which is key to optimizing agencies' performance.

Mr. Johnson said two GEAR pilots would be highlighted today, the OPM and Department of Energy (DOE) pilots. He said that he would update the Council on the OPM pilot, and that CHCO Michael Kane would talk about the DOE pilot.

OPM Pilot

Below are major points from Mr. Johnson's remarks on the OPM GEAR pilot.

- Corporate performance commitment established and incorporated into Senior Executive Service (SES) members' and supervisors' performance plans, which holds supervisors accountable for performance management responsibilities.
- GEAR is a regular topic with both local AFGE bargaining units in the labor management forum meetings held every 2 weeks.
- The proposed quarterly scorecard/progress review approach has been shared with unions and is being discussed – the proposal encourages regular feedback.
 - Supervisory training on quarterly progress review and performance management planned for late March/early April.
- OPM team meeting to discuss training options for supervisors and employees, such as:
 - Interest-based communications; and
 - Developing rigorous and results-oriented performance standards.
- OPM is in the early stages of discussing options for improving the assessment and selection of our supervisors.

As in the previous Council meeting, Mr. Johnson pointed out that having only two union locals makes frequent labor-management discussion of GEAR easier than it might be otherwise.

Regarding the proposed quarterly scorecard/progress review approach under discussion, Mr. Johnson said the work was far enough along that a draft form is under review, and discussions are underway about how to implement it.

Mr. Johnson said the interest-based training options under discussion include broadly applicable, rather than just job-specific, training, e.g. courses on leadership and communication.

While making the point that in the OPM pilot corporate performance commitment is built into performance expectations for supervisors and SES members, Mr. Johnson mentioned that OPM is an early adopter of the new SES performance appraisal system issued in an [OPM-OMB memorandum](#) on January 4, 2012. (The new SES performance model includes this language: “Ensures employee performance plans are aligned with the organization’s mission and goals, that employees receive constructive feedback, and that employees are realistically appraised against clearly defined and communicated performance standards.”)

DOE Pilot

Below are highlights of Mr. Kane’s remarks on the DOE GEAR pilot.

- Meeting conducted with 8 local labor unions to discuss implementation of GEAR; introduced a framework for performance discussions; and solicited feedback on proposed focus groups.
 - Focus groups will sample supervisors, non-bargaining unit and bargaining unit employees.
 - Union feedback received on February 10, 2012.
- Progress in partnering with the Performance Improvement Officer to drive more visible, understandable, and frequently measured organizational performance metrics which will be cascaded to individual employee performance plans.
- GEAR objectives have been linked to other Human Capital strategic culture change initiatives.
 - Employee Viewpoint Survey Response efforts and Employee Development through Continual Learning initiatives.
 - Six senior leaders have become champions of this integrated strategy.

Regarding metrics, Mr. Kane said, “I rolled out my metrics in a meeting yesterday and put a report card up—red, yellow, green. Mine were all yellow and red.” Mr. Kane said the value in such measurement is that it keeps dialogue going.

Mr. Filler asked Mr. Kane why the score card was all yellow and red. Mr. Kane explained that the standards are high. “A and B are passing. C is not.”

Mr. Filler asked whether Mr. Kane put himself on a performance improvement plan. Mr. Kane laughed and said, “Basically, that’s what we did.” He added, “It’s the harder pieces that have real value.”

Mr. Berry agreed with Mr. Kane that the best results come from setting high standards and honestly assessing performance against them. He said, “My performance on retirement is in the red. I’m trying to get in green. We need to fix it. We all need to be committed to identifying what we need to improve.” Mr. Berry said it was honest assessment and commitment to improving that enabled OPM to process 20 percent more retirement claims last month than for January 2011.

Mr. Berry thanked Mr. Johnson and Mr. Kane for the GEAR update, mentioned that the next Council meeting is March 21, 2012, and then asked whether anyone cared to raise new business.

Agenda Item V: New Business

Ms. Rosen said Mr. Gage sent his regrets that he could not attend today’s meeting. She added that several unions had discussed things they would like to see on Council meeting agendas, and that suggested topics included career development. She said some ideas she heard discussed included college credit for job training, expanded career ladders, and extension of apprenticeship programs beyond blue-collar occupations. She asked whether career development could be discussed in the next Council meeting.

In response to Ms. Rosen’s remarks, Mr. Berry said, “Let’s open this for discussion. I’ve dogged my CHCO, Angie Bailey, to make as many training programs as possible accredited in order to make them transferable. I think this is an area that’s ripe for innovation, and we could do a better job.”

Mr. Gould agreed that fostering innovation in crediting relevant experience is a worthy goal, and he said he thought VA and DOD are developing methods to translate relevant military experiences for purposes of evaluating applications from Veterans. Mr. Borrás seconded Mr. Gould’s approval of the Council discussing career development in future meetings.

Mr. Berry said it was good labor representatives had been discussing ideas for career development, and that he believed it would be helpful for management representatives to join the conversation. He said to Ms. Rosen, “Let’s form a working group, and you and John can take the lead.” Ms. Rosen agreed.

Mr. Dougan raised as new business the possibility of the Council gathering data on PDI. He said, “We need a better understanding of how well this is working or not working in forums and, more broadly, outside of forums and across agencies. I’ve heard some anecdotal information, but I suggest the Council put together a group to see if PDI is working.” He said a well-planned study might identify common issues that can be addressed, and he added that when it comes to PDI the Council needs to take a more active role.

Mr. Nguyen commented, “I fully support Bill’s suggestion. We see great potential in PDI, but we have no idea to what extent it’s being implemented.” He added that the Council is a body

acting under orders from the President, and that the Council needs to make sure the President's orders are carried out at every agency and on every level.

Mr. Filler agreed discussing some way of measuring PDI is a worthwhile undertaking, and he suggested that the Metrics Working Group take on the task. Mr. Berry responded, "Good idea. We can drown in working groups. We don't want to duplicate efforts." He and Mr. Filler agreed the working group would begin discussing how to measure PDI.

Asking about the scope of a PDI study by the Metrics Working Group, Ms. Klement asked, "PDI in those who submitted metrics reports or from 800 forums?" Mr. Dougan responded, "I think if we just ask department-level forums it would be helpful. I'm not interested in trying to get data from 800 forums at this point. The idea is to gather data to see if there are common issues, if there's a common understanding." He said one basic question is whether everyone has the same understanding of what PDI is.

Regarding the scope of a PDI study, Mr. Berry said, "I think we'll have lots of data with the 50 already reached. I suggest the working group look at that and see if it's necessary to reach out any further." He added that Mr. Curry's office would be happy to support the working group in the effort.

Ms. Pope commented that there seems to be a clear connection between PDI and the GEAR pilots, particularly with respect to preparing supervisors, since supervisors need to understand what PDI is. She added that Federal Labor Relations Authority (FLRA) has training and guidance that can help. Mr. Berry thanked Ms. Pope for the observation, and said OPM staff would ensure her point is raised in upcoming GEAR discussions. Mr. Nguyen thanked FLRA and the Federal Mediation and Conciliation Service for providing excellent training that covers PDI.

Mr. Berry thanked everyone for their ideas and comments, and then he turned to the next agenda item.

Agenda Item VI: Acknowledgement/Receipt of Public Submissions

Mr. Berry opened the floor for public comment. Prior to adjournment, Mr. Werfel thanked everyone for their contributions to the meeting today. He said, "I may have questions offline, and I may have a hundred later on!"

Agenda Item VII: Adjournment

Mr. Berry adjourned the meeting at 11:24 a.m.

CERTIFIED

John Berry
Co-Chair

Daniel Werfel
Acting Co-Chair