

**USDA LABOR-MANAGEMENT FORUM**  
**MEETING MINUTES**  
**July 21, 2011**

**Draft**

**Roll Call and Adoption of Minutes**

The meeting commenced at 1:00 pm in the Whitten Building, Room 104-A Conference room at 1400 Independence Avenue, SW, Washington DC. Co-Chair William (Billy) Milton Jr. called the roll.

**Attendance**

Labor Forum Members: Melissa Baumann<sup>1</sup>, Mark Davis, Luke Chesek, Sharon Church, , Patricia Maggi, Charles Stanley (Stan) Painter, Sarah Rehberg, Susan Johnson, Sharon Cooney-Smith.

Management Forum Members: William (Billy) P. Milton, Jr., Frank McDonough, Deborah Muse, Phil Short/Ed Rall, Ronald James, Joanne Munno/Ted Gutman, Anthony Thompson, Eloris Speight/Kimberly Ritter, Carol Shelton.

Member Organizations Absent: AFSCME

Subject Matter Experts: Mike Young (OBPA); Chris Nelson and James Gore (Office of Assistant Secretary for Administration); Anita Adkins, MaryJo Thompson, and Bryan Knowles (OHRM); and Juanda Rogers (OCFO).

Facilitator: The meeting was not facilitated.

Note Takers: Luke Chesek & Bryan Knowles

The April 28, 2011 forum meeting minutes were approved as written.

**Debt Ceiling**

Mike Young, Director, Office of Budget and Program Analysis (OBPA) gave an overview of the current process on Capitol Hill to raise the nation's debt ceiling prior to the White House's August 2, 2011 deadline. Mr. Young said that all of the current options are currently very much in play and that the size of the USDA budget remains an open question at this time.

The U.S. House of Representatives recently passed a "Cut, Cap, and Balance" proposal that would cut \$111 billion from the FY 2012 budget and bring discretionary spending to below FY 2008 levels through unspecified mandatory cuts. The bill would also cap future budgets at

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<sup>1</sup> Melissa Baumann served as the acting Labor Co-Chair upon advance notice by permanent Labor Co-Chair Debra Arnold.

declining levels of the nation's GDP. Mr. Young offered his opinion that the legislation is not likely to secure passage in the Senate.

Additionally, Senate leaders Mitch McConnell and Harry Reid were working with the White House on a plan to provide the President with the authority to raise the debt ceiling with conditions tied to reductions in spending. The Senate's "Gang of Six" was also working on a plan to implement recommendations from the Simpson-Bowles National Commission on Fiscal Responsibility and Reform that would reduce the deficit by \$3.7 trillion over the next decade. At this point, Mr. Young said it was uncertain if the President was willing to consider a short term extension of the debt ceiling.

Billy Milton stated that he attended a Chief Human Capitol Officer meeting at OPM and that, for the first time, OMB seemed confident that a consensus was building that the debt ceiling would be raised.

Stan Painter expressed a concern that if the debt ceiling was not raised, federal employees may be required to report to work but not receive compensation. He asked Mr. Young whether employees designated as "essential" would be required to work without pay. Mr. Young did not know the answer to the question. Mr. Milton commented that he had yet to see any official instructions from OPM or OMB with respect to that issue and that such information would most likely become available at the 11<sup>th</sup> hour because the legislation itself will most likely not be passed until the 11<sup>th</sup> hour. Mr. Milton stressed that Secretary Vilsack is committed to keeping employees informed of budgetary developments.

### **Administrative Services Project**

Chris Nelson, Special Assistant to the Assistant Secretary for Administration, presented the Forum with an update on the Administrative Services Project (ASP). The Secretary tasked Mission Areas to address looming budget challenges by taking the opportunity to look at how the Department currently delivers administrative functions and develop recommendations for improving effectiveness and cost efficiency of the delivery of such services. The seven administrative service functions included in the ASP review are: Civil Rights; Information Technology; Finance and Budget; Human Resources; Homeland Security; Procurement; and Property Management.

Steering committees have been established for administrative support functions and are charged with evaluating how services are delivered and what changes could be made. Each steering committee is comprised of a broad array of Department, Agency, and Labor representatives. Technical working groups have been established and charged with developing recommendations that will be vetted through the steering committees. Operating on an aggressive schedule, the ASP should produce committee recommendations by mid-September of this year. This will require labor-management collaboration throughout the Department with a focus on maintaining and improving customer service and reducing costs.

Mark Davis stated that the steering committees should look at prior consolidations within the Department and Agencies in order to learn the lessons of the past. Additionally, local support staff should be retained and functions should not be contracted out which alienates employees

and costs more. Mr. Davis offered the problems associated with the Forest Service's IT consolidation as an example. He contends that while there was an initial cost savings of \$35 million, the long term impact of the consolidation cost the Department \$300 million as financial burdens were simply shifted. He went on to say that within the Forest Service, field employees lost touch with the IT support offices as local IT support staff ceased to exist. Mr. Davis said that while consolidations may save money in the short term, Agencies often later realize that consolidations – if not done strategically – result in diminished or lost services and eventually higher costs through out-sourcing. Melissa Baumann presented a statistical report provided to NFFE by Forest Service management containing figures related to the costs of a previous Human Resources consolidation with that Agency.

Mr. Painter raised the issue of supervisory ratios and considering that the Department currently has a 9:1 supervisor ratio goal, this could be an opportunity for the Department to ultimately reach that goal. He stated that with bargaining unit employees comprising 6,000 of FSIS' 10,000 employees, the remaining 4,000 non-bargaining unit employees consume half of the Agency's total budget. Although stating that the 4,000 non-bargaining unit employees are not all managers, Mr. Milton posited that the issue of supervisory ratios could be addressed through ASP.

Pat Maggi raised the point that several Mission Areas and Agencies have already consolidated their administrative services such as FNCS and FNS. In her opinion, it would be burdensome to include such Mission Areas or Agencies in any additional consolidations as it would almost guarantee a loss of services and require employees to again do more with less. Mark Davis said that the process of consolidating functions should not be rushed and that discussing the mistakes of the past, while also understanding the consolidation history of each Mission Area, would be key to developing an effective solution.

Mr. Milton said that while past consolidations should be considered, the fact remains that the Department do not have the luxury of time and that it is readily apparent from watching Congress debate the FY2011 budget and debt ceiling issue that the Department's budget will be cut. To avoid arbitrary decisions that could result in potential Reductions in Force (RIF), the Department needs to find ways to save money so as to continue funding existing staffing levels. He also stressed that Secretary Vilsack wants the Unions involved in this process and its committees as it represents the future of the Department and provides the opportunity to be proactive with staffing and budget concerns.

Union representatives expressed frustration that perhaps the American people need to understand that budget cuts will result in loss of services. As such, perhaps decisions need to be made with respect to which services/functions the Department should stop providing rather than how to continue providing existing services/functions with fewer resources. Labor was also concerned that ASP decisions will disproportionately impact the ranks of lower-graded employees and not reduce the costs associated higher-graded positions. Mr. Milton said that the Secretary is open to identifying cost savings from anywhere. As such, it is important that labor nominate individuals to the steering committee, as those committees will make recommendations as to the Department's path forward.

Mr. Nelson said that the Department is reaching out to the Unions for their suggestions on the project as well as nominations of members to serve on the various committees. Ms. Maggi said that the Unions should have seven (7) representatives on each steering committee to which Mr. Nelson responded that nothing was final and that his office would fully consider additional numbers of union representatives on the committees.

### **Fact Finding Reports**

Ron James reported for Dan Kline with respect to the fact-finding agreed to by the labor-management forum between AFGE Local 3354 and RD's Operations and Management Administration in St. Louis, MO. Mr. James reported that prior to the assigned fact finding team beginning its work, the parties reported that they had resolved all their obstacles and that their meetings had become very productive. Consequently, the fact finding was not necessary.

Bryan Knowles reported on the fact finding for the labor-management forum between AFGE National Joint Council and FSIS. The fact finding team interviewed five of the six FSIS Forum members and the Fact Finding Report is almost finalized. Mr. Knowles and Debra Arnold worked the issue together and reached joint facts, conclusions, and recommendations that will be contained within the report. The report will go to the FSIS Forum members for comment and then the entire USDA Forum for potential adoption of recommendations.

### **VERA/VSIP Update**

Anita Adkins, HR Policy Division Director, OHRM, provided an update on VERA and VSIP applications and approvals. Since the Department received approval to offer the retirement authorities in May, 2011, 1,040 employees throughout the Department have applied for VERA and 608 have been approved. To date, the Department has received 145 VSIP applications, of which 142 have been approved. There have been no denials of either VERA or VSIP. The majority of approved VERA/VSIP applicants must be off rolls by October 3, 2011. Some agencies required earlier separation dates as their funding in the form of special earmarks was eliminated in the final FY 2011 appropriation.

When asked if the Department has a goal for a specific number employees to separate through VERA and/or VSIP, Ms. Adkins responded that no goal exists but that the Department will continue to monitor the FY 2012 budget situation in order to determine the necessity for future VERA open window periods or new VSIP opportunities. Several agencies have submitted requests for VSIP authorization in anticipation of budgetary decreases in FY 2012 (ARS, APHIS and NRCS were the granted targeted VSIP authority in FY 2011; NASS, which lacks any union representation, implemented a reorganization). If additional VSIP opportunities are deemed necessary, the Department may submit a new or amended package to OPM for consideration and approval as early September 1, 2011 so as to increase the chances of implementing new/expanded VSIP opportunities during the first quarter of FY 2012.

### **Travel Reductions**

Juanda Rogers, Office of the Chief Financial Officer, was present to answer questions related to the Secretary's February instruction for Agencies to reduce travel costs by 20%. Mark Davis indicated that if the 20% figure is simply a goal, Forest Service management officials were interpreting this instruction as a strict order. As such, many field employees are traveling

upwards of four or five hours by car, as compared to the past when the employee would have taken a flight to make the trip in a quarter of the time. Deborah Muse stated that the application of the travel restrictions memo in Forest Service would be reviewed. Tony Thompson indicated that travel is a key component of the FSIS's function and that an 80/20 model is impossible. But, FSIS may look at reducing discretionary travel costs to and from the Washington, D.C. office.

Mr. Milton apologized that Forum members – notably the national unions – had not received advance notice or PDI regarding the travel issues, and stated that the letter had not been shared with either OHRM or the Department's Labor Relations Program. However, he suggested that this topic is ripe for discussion in each agency's Labor-Management Forums to look for resolution of these issues.

A discussion ensued about the meaning and role of PDI. Stan Painter said that he believed that PDI meant that involvement should occur at the idea stage, as opposed to being included after management has already decided what direction it would like to take. Mr. Milton responded that Secretary Vilsack remains committed to pre-decisional union involvement and that the Administrative Services Project is just such an opportunity as it is in the idea phase or "basement level."

### **Employee Viewpoint Survey**

MaryJo Thompson, Personnel Management Specialist, OHRM provided an update on the most recent Employee Viewpoint Survey (EVS). The EVS was sent to 2650 USDA employees selected by OPM and ended on May 30, 2011. While the final report has not been received from OPM, preliminary data shows that the USDA's response rate was down 1%. However, with 55.9% of the total EVS recipients responding, the USDA response rate was 6.6% higher than the average response rate across the federal government. The distribution of the final reports from OPM will occur at some point in the fall of 2011.

### **Labor-Management Climate Survey**

Ron James indicated that a second Labor-Management Climate Survey would be conducted in the fall. Mr. James requested that the USDA Forum either re-activate the committee that worked on the first survey or form a new committee to conduct the 2011 survey. Mr. James stated that it had been recommended by some parties that the survey data be sorted below the agency level. Mr. James said that suggestions were welcome as to what sort made the most sense for each forum. The committee would need to begin its work rather quickly. Since some of the committee's original members are no longer members of the Forum, the consensus was that a new committee would be formed.

### **Report on Agency Level LMF**

Ron James presented a written report on the progress of Labor-Management Forums at each Agency. The Report showed that of the 60 established forums, nine did not to submit a progress report. Of the 79 forum-eligible bargaining units, 60 have established a forum resulting in a 70% participation rate. Mr. Milton indicated that despite the progress being made, some forums continue to face trust issues that create a barrier to progress. Two forums, which were reported on earlier in this meeting, requested assistance from the USDA.

### **Additional Items**

Cultural Transformation was discussed. Each week, a report is presented to the Secretary with respect to diversity and employee satisfaction. These reports will be shared with the labor members of the USDA Forum but Mr. Milton stressed that content of these reports must remain confidential. No Forum members objected to this confidentiality requirement.

It was reported that the Department had successfully shortened the timeframe it takes to hire an employee to 96 days; a significant drop from prior levels. Stan Painter raised a concern that the Department should be careful to utilize vetting procedures before hiring an individual. He has seen many individuals quickly leave their posts because they do not realize what the job requires or have issues with adequately performing the job.

Mr. Milton told the Forum that they should be on the lookout for a new performance system from OPM and/or Congress. On this front, Congress is preparing legislation that could severely limit employee rights before termination occurs.

**Meeting adjourned at 3:49 pm.**