



NCUA-NTEU Term Bargaining Update August 2006

We have concluded all the originally scheduled bargaining sessions, and both sides have agreed to add one more week of negotiations beginning Sept. 11. While the process has been slow at times, there are some signs of progress.

There are a couple of reasons for the slow pace. The management bargaining team had many, many questions about proposals that are basic contract articles in the federal government requiring NTEU to spend a good deal of time educating the management team. A key member of the NCUA team was seriously injured in an accident in the midst of bargaining requiring a replacement labor relations specialist to be detailed from the Office of the Comptroller of the Currency. This caused a delay in negotiations. That said, the parties are making headway and some of the proposals management now has on the table are not as regressive and punitive as its initial proposals. Our goal has been, and remains, to reach an initial term agreement that will result in employees being treated fairly and equitably and afford them an avenue for to have impartial third-party review to vindicate alleged violations of their rights. The following is a snapshot of where the parties are on major issues:

Compensation

The parties differ on this issue. NCUA has proposed retaining the basic pay rate for all bargaining unit employees but changing the locality rates in such a way that almost all employees, with the exception of those in Washington, D.C., would see their pay reduced. That means a full two-thirds of bargaining unit employees would have a net reduction in their current pay. Management has thus far refused to consider raises even though the law requires FIRREA agencies to seek "comparability" with each other. When NTEU points out that pay for FDIC employees is 18 to 23 percent higher in the CU-7 through -12 grades, NCUA states that FDIC and NCUA are not comparable agencies. **Statistics show, however, that when it comes to management officials the pay between FDIC management officials and NCUA management is either comparable or NCUA officials are paid more.**

NTEU has proposed a bump in pay in each year of the proposed three year contract to move the salaries of NCUA bargaining unit employees toward that of their counterparts with FDIC. If parity is good enough for management officials then it should be good enough for the bargaining unit. In addition, NTEU has proposed a new pay for performance system that will have employees rated and ranked in the same manner but result in much higher pay for high performers. After all employees are rated they would be grouped by top 25 percent, second quartile, third quartile, etc. Employees in the top 25 percent would receive a performance pay raise of 6 percent; and employees in the second quartile would receive a 4 percent raise. NCUA has proposed to retain the current system, which we believe essentially results in employees receiving what amounts to a 2 or 3 percent cost of living bump each year for their performance. This is not unlike what General Schedule employees receive under the current administration. Such a system does not do enough to motivate employees to perform at a high level, although statistically NCUA has been shown to be more productive than their counterparts at FDIC.

Grievance and Arbitration

While NCUA initially sought grievance and arbitration rules that would bar employees from grieving nearly every issue in the workplace, it has since modified its proposal to permit grievances over a limited number of issues, such as reassignment and detail actions, and discriminatory practices. But on the major issues of compensation and performance appraisals, an employee would not be permitted to grieve. Under NTEU's proposal employees may file grievances and appeal any denial to a neutral third-party for arbitration if necessary, over any issue that the Federal Service Labor-Management Relations Statute (Title 5) permits. Obviously, further movement will be required or this will be an article that will be taken to impasse.

Official Work Site and Travel

As you well know, NCUA is a peculiar agency in that its examiner employees work out of their homes. NCUA has a central office and regional offices in which bargaining unit employees work, but it has no field offices. FDIC, on the other hand, has over 100 field offices. This means that employees are essentially underwriting the office space costs for NCUA, saving the agency millions of dollars in building lease and associated maintenance costs. Notwithstanding the huge benefit it derives from its employees' home offices, NCUA has proposed to drastically reduce the payment of POV expenses.

Under the agency proposal, employees would be paid POV starting from a point beyond the geographical boundaries of the nearest city to their home. This could mean that some examiners would not be reimbursed at all for a trip to a credit union within a certain geographical area. NTEU has proposed to have examiner employees' homes designated as their official work site, and have them continue to be paid from there, as well as compensated for the time it takes them to travel from their "home office" to credit unions. The reality is that most examiners have home offices and perform some work at home, and this has greatly benefited the agency, both financially and from an efficiency standpoint. NCUA has vehemently opposed this proposal.

Certification and Career Ladder Promotions

NCUA has changed its position on its proposal that examiners be required to pass a Comprehensive Certification Examination (CCE) to be non-competitively promoted from CU-11 to CU-12. The agency also proposed that current Principal Examiners (PE) be required pass the test. Once certified, PEs would be required to pass a recertification exam every three years. Failure to pass the exam would result in the PE being downgraded to the CU-11 position.

For career ladder promotions from CU-11 to CU-12, in addition to passing the CCE, examiners would have to (i) effectively serve as EIC of at least five team examinations involving credit unions in any of the following categories: CAMEL 3, 4 or 5 with over \$10 million in assets; over \$50 million in assets; and (ii) serve at least two 30 day details or one 60-day detail in a higher-graded position. Finally, there must be "sufficient work at the higher grade level position" for the person to be promoted. FDIC has a certification test that examiners must pass to be promoted to the grade 12 level, but there is no requirement at that agency that once promoted, the employees must be recertified.

NTEU pointed out that any such certification had to meet OPM standards that require employee qualification tests to be professionally validated. NCUA acknowledged that the certification test it seeks has not yet been validated, and that NTEU had no obligation to bargain over it at this time. It would appear that the agency may withdraw this issue from negotiations until the certification test has been validated, and then seek to introduce it at that time. In that event, the parties would have to negotiate over the certification proposed by the agency (it could change its proposal) and other related

issues, such as where such a requirement would fit in to the career ladder article. We will keep you apprised of this issue as we proceed.

Mobility Requirement

NCUA has proposed that all future employees be bound by a mobility requirement that would essentially result in their waiving their right to any type of severance compensation in the event they are directed to move to a new position in a different geographic area. If the employee refuses the directed reassignment, the employee would, if the mobility requirement language is permitted, be separated by the agency without any severance pay. If there is no such mobility requirement the employee would be entitled to severance pay upon separation. NCUA has indicated that the proposal is necessary to save costs, but it has not proffered any evidence that employees currently refuse directed reassignments or that if employees did refuse to move the costs of severance are high. NTEU will continue to oppose this initiative in negotiations.

Promotions

For non-career ladder promotions, NCUA is proposing that management will determine, without any review, how many applicants for promotion will be placed on the Best Qualified (BQ) list and forwarded to the selecting official. If NCUA thinks only one candidate should be on the list even though three or four are in the highest group, it could forward one name to the selecting official.

NTEU continues to propose that you be given “first consideration” for vacancies in the bargaining unit; and that the names of the top seven candidates be forwarded to the selecting official for all promotion actions.

Other Issues

The parties appear to be very close to reaching agreement on a significant number of other issues, including awards, probationary employees, unacceptable performance, adverse actions, employee orientation, health and safety, details, reassignments and overtime and compensatory time.

One final week of negotiations is scheduled for the week of Sept. 11. We are hopeful that we will be able to reach agreement on most issues at that time. If we do not, we will seek mediation assistance and impasse resolution before the Federal Mediation and Conciliation Service and the Federal Service Impasses Panel, the agencies that are charged with resolving labor disputes in the federal sector. Further news concerning the negotiations will be provided to you in mid-September.

In the meantime if you have any questions about the negotiations contact Negotiating Team Members Steve Jennings at StevenWJennings@msn.com or Heather Hammes at hhammes@yahoo.com.