



# GAO EMPLOYEES ORGANIZATION

## IFPTE Local 1921

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## Testimony

Before the Subcommittee on Legislative Branch,  
Committee on Appropriations, House of  
Representatives

Comments on GAO's Fiscal Year  
2011 Budget and Issues of Concern to  
Agency Employees

Statement of Ronald La Due Lake  
President

February 24, 2010

Madam Chair and Members of the Subcommittee:

I am Ron La Due Lake, a methodologist in GAO's Applied Research and Methods team and the President of the GAO Employees Organization, International Federation of Professional & Technical Engineers (IFPTE), Local 1921. I am pleased to have this opportunity to appear before the Subcommittee today to discuss topics of importance to GAO employees. These topics include:

- An update on the relationship between the GAO Employees Organization (the Union) and GAO management;
- A description of the process for GAO's first master contract negotiations, which are currently underway;
- The status of pay negotiations with GAO management;
- A request for appropriate funding for FY 2011 to allow GAO employees to maintain pay comparable to their federal colleagues during difficult economic times.

This has been a demanding year for GAO employees. In addition to our normal responsibilities, GAO has been charged by Congress with oversight of the Troubled Asset Relief Program (TARP) that was created by the Emergency Economic Stabilization Act of 2008, as well as of the American Recovery and Reinvestment Act of 2009 (ARRA). Employees have not only met the overwhelming demands of this oversight work, but have continued to conduct their regular work to meet the needs of Congress.

Since last year's hearing, the Union has continued to develop our relationship with GAO management. There are areas where we are working well together and other areas that could be improved from the perspective of GAO employees. The Union leadership continues to meet regularly with GAO workforce labor relations staff to discuss day-to-day concerns related to the employees' working conditions. The Union leadership also meets regularly with GAO's executive committee to discuss labor-management relations at a higher level. These meetings are collegial and often productive.

I wanted to provide a few examples where the GAO management and the Union relationship is going well, resulting in benefits for employees and the agency. First, as result of our collaboration, GAO agreed with the Union's request to pretest the quality control forms which eliminated contradictions in GAO policy and led to improvements that made the forms more understandable and easier to use. I cannot overstate the importance of this effort since the use of these forms is an essential aspect of the way GAO employees conduct their work. In fact both the Acting Comptroller General and other high level GAO managers credited the Union with having a major positive impact on improving these forms, which are critical to ensuring the quality of our work. Also, the Union worked with GAO management to improve the annual GAO employee feedback survey by incorporating a series of questions on employee engagement, based on a recent

survey conducted by the Merit Systems Protection Board. In addition, the Union collaborated with employee groups and GAO management to develop new demographic questions for the survey that allow GAO management to better understand the views of certain groups of employees. Third, the Union has also worked with GAO management in developing solutions to very practical problems. For example, in several field office construction projects, we have collaborated to improve working conditions and minimize disruptions to ongoing work.

In addition, since I last testified before this subcommittee, I emphasized our concern about GAO's plan to follow-up on the disparities in ratings between African American and Caucasian analysts. Since then, the GAO placed a manager with an EEO background in charge of the office that handles matters of discrimination for employees. With input from the Union, GAO management selected a contractor to develop employee-manager required training in diversity matters that will be tailored for GAO. The Union remains involved in the process of developing this training in collaboration with GAO management and the contractor. As of this point, we are encouraged by the progress we have made developing this training package.

One of the most important areas of collaboration has been the start of negotiations for our first master contract. As is customary, negotiations began with developing ground rules for the negotiating process. These ground rules set out the agreed upon logistics and processes for the master contract, including the schedule; location and facilities; how costs will be shared; and how the negotiations will be conducted. Since both parties at GAO are new to the negotiation process, and because our vision is one of a collaborative relationship with GAO management, the Union proposed to GAO management that we conduct the ground rules negotiations with a facilitator using an interest-based bargaining process, or problem-solving approach. This approach encourages consensus because GAO management and the Union share their interests with each other and work together collaboratively to develop solutions that meet the needs of both parties, thus avoiding developing conflicting positions in isolation. GAO management agreed to this approach.

The approach used to establish the ground rules was such a great success, that the Union and GAO management agreed to use this same approach for our master contract negotiations. During these negotiations, we have already covered substantial ground on 9 contract articles and the process of working collaboratively to develop alternatives and solutions has been very productive so far. We are very pleased with the process, and GAO management has repeatedly expressed satisfaction with the tenor of the negotiations and the value of having a facilitator assist with the process; we hope to continue with this facilitator for whatever period of time is necessary to complete the master contract.

However, there still remain challenges as we strive to develop our working relationship. First, in May 2009, the Union requested data from GAO management<sup>1</sup> to determine whether differences exist in performance evaluations; patterns of retention of employees; and whether there is any relationship between employees' performance evaluations and gender, age, or ethnic background. We received some of these data a few weeks ago—8 months after we first requested them—however, we have not yet received any of the employee evaluation rating information. GAO told us that some of the data we requested would be unreasonably burdensome to provide so they are not providing them. We are learning that GAO's information systems are inadequate to provide sufficient information needed for GAO's human capital management. For example, GAO management told us that they will not provide information on who has applied for promotion in the past because until recently, they did not maintain that information. We need these employee rating data very soon in order to negotiate the most effective changes in our performance evaluation system during the master contract negotiations.

Second, there are specific areas of importance where involving the Union early would improve outcomes for employees and GAO management. One such area is the reasonable accommodation process for employees with disabilities. GAO recently developed a process for employees that is overly burdensome, time consuming, and lacks flexibility. There are instances when the bureaucratic process prevents employees from maintaining long-standing accommodations or establishing new accommodations that would improve their productivity. There are other instances whereby our early involvement in employee matters could help resolve issues creatively and quickly which could avoid escalation to a formal grievance process. For example, GAO management routinely excludes us from meetings where employees desire Union participation, including meetings leading to discipline and termination. We hope to address and improve upon these areas in our master contract negotiations.

Third, we have encountered problems during two recent negotiations regarding pay. Specifically, last April, GAO management began the process of implementing changes to the pay structure for newly-hired developmental level analysts before consulting with the Union. In that instance, GAO management proposed a change in the process for determining pay and the amount of pay increases. Initially, although this involved pay, GAO management was uncertain whether they were obligated to negotiate the proposed changes with the Union. When GAO management agreed to meet with the Union to discuss their proposed changes, the Union determined we were within our legal right to present a counter-proposal. However, for several months GAO management did not respond to our counter proposal—it seemed that they were not open to considering the alternatives we proposed. Finally, last month, with the assistance

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<sup>1</sup>The Union asked for data on all employees in the bargaining unit from the year 2000 through June, 2009 including information on any change in their employment status (such as termination or promotion); rating information; and demographic information, including race/ethnicity.

of a mediator, the Union reached agreement with GAO management on a new pay structure that incorporated elements of our initial counter proposal.

The other problematic pay negotiation is over the amount of merit pay— or performance based compensation—employees will receive for their performance in FY 2009. It is important to keep in mind that the GAO Human Capital Reform Act 2004 “delinked” GAO pay from the General Schedule (GS). GAO employees are not paid through the familiar General Schedule system that applies to most other federal employees. GAO employees receive two types of annual pay increases to their permanent salary and both are subject to collective bargaining with the Union. The first is an annual across-the-board pay raise that this year we negotiated to be the same as the GS across-the-board increase, which is the component of pay that reflects current economic conditions and the cost of living. All employees received an adjustment to their permanent salary as of January 3, 2010, equivalent to the GS across-the-board increase for their locality. The second type of pay is merit pay (referred to as performance-based compensation at GAO). The amount of merit pay employees receive is determined by a budget factor which is supposed to be based on GAO’s budget.<sup>2</sup>

On October 2, 2009, the day after President Obama signed the legislation providing GAO’s FY 2010 appropriation, the Union asked GAO management for a schedule of dates whereby we would negotiate the annual merit increase. Following our initial request, we sent several follow-up requests to GAO for the schedule of dates. Finally, on December 4, 2009, GAO management met with the Union for the first time to brief us on information they used to determine pay decisions. GAO management provided its first pay proposal on December 16, 2009, over 2 months after the Union first requested a pay negotiations schedule. The Union and GAO management met to negotiate pay on December 16, 17, and 22, 2009. On December 22, 2009, GAO management said that they would make a pay determination for employees who were *not* in the bargaining unit and would immediately take action to adjust the pay for these employees. As a result of this action by GAO management, it seemed to us that management had made its final offer and was not interested in continuing the pay negotiations. In fact, our initial reaction to the action taken by GAO management was confirmed when they said that they believed that we might be at impasse. The Union strongly disagreed that we were at impasse and stated that we believed that there was still an opportunity to reach agreement.

As the Union continued to negotiate with GAO management during the first week of January 2010, the Union made significant concessions to reach agreement; however, GAO management did not make any movement from the proposal they presented on December 22, 2009. Both parties agreed to continue negotiations

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<sup>2</sup>To determine the amount of an individual employee’s performance based compensation raise, the budget factor is used in a calculation along with other factors, such as the employee’s rating and the average rating of the employee’s cohort.

with the help of a mediator. In the course of mediation, the Union again made significant concessions from its previous proposal in an effort to reach an agreement. However, even after agreeing to mediation, GAO management refused to make any changes to their December 22, 2009 proposal. Both parties agreed that negotiations were at impasse and the merit pay negotiation is now before the Personnel Appeals Board. Since that time, GAO has set merit pay for the employees *not* in the bargaining unit, consistent with their December 22<sup>nd</sup> proposal and has adjusted their pay accordingly. In doing so, they informed non-bargaining unit employees that if the negotiations with the Union resulted in a different amount of merit pay, their pay would be adjusted retroactively to be consistent with the Union agreement.

We are concerned that the pay negotiations have been decidedly one-sided. For example, after a few hours at the bargaining table, GAO management announced impasse and in the subsequent weeks of negotiation and mediation refused to offer any concessions. As such, it appears to us that GAO management has not engaged us as an equal partner during these negotiations. When the GAO Human Capital Reform Act 2004 “delinked” GAO pay from the General Schedule, it provided the Comptroller General the authority to set pay. As a result, since the Union was established, pay is a matter for collective bargaining. Throughout both pay negotiations we believe that we have made every effort to be proactive; reasonable; and willing to listen to GAO management’s concerns. We have demonstrated this by having made significant concessions to our original proposals in an effort to reach agreement.

In addition, we are concerned about the process for handling the impasse in FY 2010 merit pay negotiations. Specifically, the Personnel Appeals Board (PAB) is the independent entity that handles negotiation impasses and matters of negotiability for GAO management and the Union. The PAB has yet to establish the rules or processes for conducting impasse or negotiability procedures for the parties. This is of particular concern to us because the impasse process for other federal employees at the Federal Service Impasses Panel is well established, well tested, predictable, and may be accomplished in a timely manner. In October, 2009, immediately after we completed the master contract ground rules negotiations, GAO management and the Union jointly contacted the PAB to inform them that the master contract negotiations were scheduled and to ask them for clarification on the processes for handling impasse and negotiability. The PAB told us that work on a Guide to Practice was underway. Now, several weeks after sending our first negotiation to the PAB for the impasse procedure, there are no established processes for the parties to refer to so that they know what to expect and how to plan. What should be a routine and predictable process is now, for GAO employees, a highly uncertain one. Meanwhile, this first matter to go to the PAB is a critical one and GAO employees are anxiously waiting for this issue to be finalized.

Lastly, we are very sensitive to the current state of the U.S. economy and the federal budget and we know that this Subcommittee and the Congress will be

faced with extremely difficult decisions regarding the FY 2011 federal budget. We are confident that as you move through the FY 2011 appropriations process, GAO will receive sufficient resources that allow us to continue to provide the important work for the Congress, and compensation to GAO employees that is comparable to their colleagues in other federal agencies. GAO employees are remarkably committed and proud of the work we do for the Congress and I thank you very sincerely for the chance to represent them here today.



## Witness Disclosure Form

**Clause 2(g) of rule XI of the Rules of the House of Representatives requires non-governmental witnesses to disclose to the Committee the following information. A non-governmental witness is any witness appearing on behalf of himself/herself or on behalf of an organization other than a federal agency, or a state, local or tribal government.**

Your Name, Business Address, and Telephone Number:	
<b>Ronald La Due Lake</b> <b>U.S. GAO</b> <b>441 G St. NW, 6K17R</b> <b>Washington, DC 20548</b>	<b>202 512-2760</b>
1. Are you appearing on behalf of yourself or a non-governmental organization? Please list organization(s) you are representing.  <b>GAO Employees Organization, IFPTE Local 1921</b>	
2. Have you or any organization you are representing received any Federal grants or contracts (including any subgrants or subcontracts) since October 1, 2006?  Yes <b><u>No</u></b>	
3. If your response to question #2 is "Yes", please list the amount and source (by agency and program) of each grant or contract, and indicate whether the recipient of such grant or contract was you or the organization(s) you are representing.	

Signature: 

Date: February 22, 2010

Please attach a copy of this form, along with your curriculum vitae (resume) to your written testimony.