



WORK FORCE MANAGEMENT

Unions battle at CBP

The American Federation of Government Employees is contesting the election that made the National Treasury Employees Union the exclusive representative of Customs and Border Protection employees. **Page 3**

INFORMATION SECURITY

VA laptop recovered

The stolen Veterans Affairs laptop has been found, but Congress is still keeping the pressure on to reform. **Page 4**

CONGRESSIONAL REPORT

Spending bills late

Experts are already predicting that Congress won't be able to deliver agencies their 2007 spending bills by December. **Page 10**

No money, no reforms

The retirement annuity system needs an upgrade, but the Office of Personnel Management can't do it without more funding, OPM Director Linda Springer says. **Page 10**



DOD REPORT

Military vs. civilian pay

House leaders vow they will not let federal workers get a bigger pay raise Jan. 1 than military personnel. **Page 11**

POSTAL REPORT

Bigger raises

Many postmasters, executives, supervisors and administrative workers are seeing higher annual raises and bonuses under a pay-for-performance system. **Page 15**

Surprising turnaround on EEO complaints

Why bias cases are getting resolved faster

By **TIM KAUFFMAN**
and **MOLLIE ZIEGLER**

Employees are filing fewer discrimination complaints than they did five years ago, a trend that experts say points to an increased focus on settling workplace disputes before they become full-blown complaints.

Agencies also are taking less time to investigate and resolve discrimination complaints, according to new data from the Equal Employment Opportunity Commission.

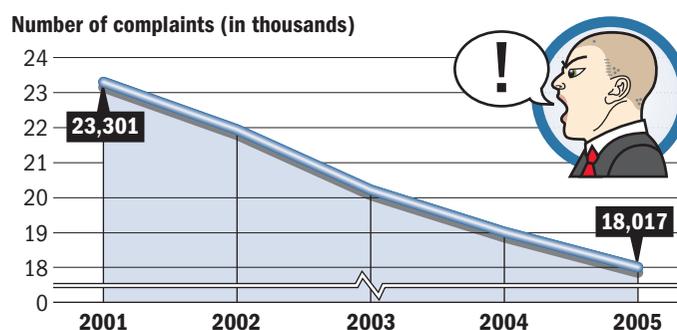
But the news isn't all good for employees — they're winning fewer cases that go the distance. In fiscal 2005, for instance, administrative judges issued findings of discrimination in 29.5 percent fewer cases than they did the previous year. Of the cases decided by an administrative judge in fiscal 2005, 5.1 percent ended in findings of discrimination, compared with 7.2 percent the previous year.

One attorney who has been litigating cases on behalf of federal employees for nearly three decades said fewer cases are being decided in favor of employees because fewer hearings are being held before administrative judges. Instead, judges are deciding more cases based only on investigative reports completed by the agencies where the alleged discrimination has occurred. More than 32 percent of cases were decided this way in fiscal 2005, up from 21 percent four years earlier.

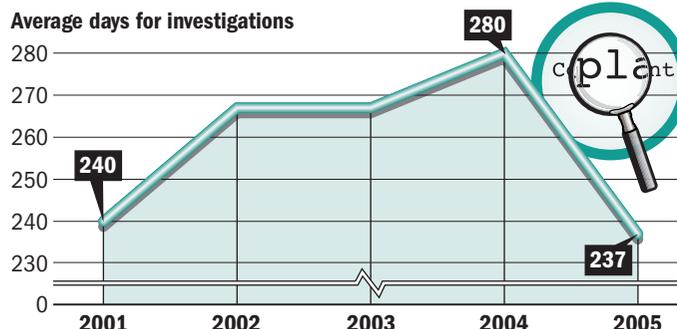
Judges are holding fewer hearings because they're under pressure from EEOC to reduce their

FEWER COMPLAINTS, SPEEDIER RESOLUTION

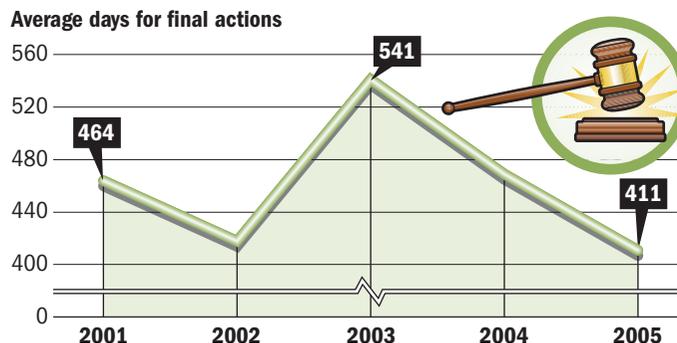
Federal employees and job applicants are filing fewer discrimination complaints . . .



. . . while agencies are investigating complaints faster . . .



. . . and reaching final decisions on complaints sooner:



SOURCE: Equal Employment Opportunity Commission

GRAPHIC BY CHRIS BROZ

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Housing allowance for feds? Some execs say yes

By **AIMEE CURL**

Federal leaders in Los Angeles and San Francisco plan to push a bold new idea for battling recruitment and retention problems in high-priced cities: Instead of locality pay, give feds a military-like housing allowance.

"Although there's a recognition that locality pay is broken, there has not been any wholesale effort to change it," said Kathrene Hansen, executive director of the Greater Los Angeles Federal Executive Board. "Everyone's been tweaking locality pay and market-based pay around the edges, but no one's been saying, 'Let's address the problem head on.' Obviously the military figured this out years ago. It's not a new idea, but a new application of it."

Under the proposal, locality pay would go away. A new Variable Housing Allowance would be given to federal employees in some metropolitan areas that now have their own locality pay zones. The pay rate for the existing "Rest of the U.S." locality zone — which includes areas in the contiguous 48 states that are not part of a separate metropolitan locality pay area — would become the new base pay for federal employees in the continental United States. The proposal does not address feds in Hawaii or Alaska because they don't earn locality pay.

The 1990 Federal Employees Pay Comparability Act created locality pay as a way to reduce pay disparities between the federal and nonfederal work forces in some cities. Locality pay is mandated when the pay difference for comparable work between feds and nonfederal employees is greater than 5 percent.

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MANAGEMENT CONCEPTS

VA laptop recovered; Congress keeps reform pressure on

By **STEPHEN LOSEY**
and **AIMEE CURL**

Even though the stolen Veterans Affairs Department laptop and hard drive containing data on more than 26 million veterans has been recovered, lawmakers and congressional staffers say they're not going to let the issue of inadequate information security practices fade away.

ALSO

DoD Report:

Navy wants to know why sailors' personal data was on public Web site. Page 12

"There are fundamental concerns that still need to be addressed," said Brooke Adams, spokeswoman for

House Veterans' Affairs Committee Chairman Steve Buyer, R-Ind. "The lenient policies at the VA and the management issues the chairman has been working on are still there."

Several lawmakers are preparing legislation intended to strengthen the security of the federal government's private information holdings.

Adams said Buyer plans to introduce a package of fixes before Congress' August recess. Buyer wants all agencies to centralize

information security and raise the level of chief information officer to that of an undersecretary. Buyer also wants to clarify the 2002 Federal Information Management Security Act to ensure CIOs have enough authority to enforce compliance with their rules.

House Government Reform Committee Chairman Tom Davis, R-Va., is drafting his own legislation strengthening FISMA, according to spokesman Rob White, though Davis has not yet decided how that should be done. Davis' bill will require agencies to notify Congress when information is lost or compromised, White said.

Davis' committee also may hold more hearings on the breach. Government Reform has held one hearing so far; the VA committee has had six hearings with the full committee and two subcommittee hearings.

Adams said that Congress will not let agencies off the hook now that the immediate VA crisis has passed.

"The chairman's main concern is that this doesn't happen again," Adams said. "The pressure won't let up. It will continue to draw the attention of members who fear

this may happen to their local veterans."

The FBI said the VA equipment was turned in June 28 by the person who had it, though spokeswoman Michelle Crnkovich said that person is not a suspect. The laptop's recoverer — the FBI is not releasing identifying information about the person — saw an FBI flier seeking the laptop and hard drive in Aspen Hill, Md., near where the equipment was stolen May 3. The person recognized the equipment and sought help from an acquaintance who is a Park Police detective. The detective contacted the FBI and arranged the laptop and hard drive's return.

Crnkovich did not know how the person acquired the equipment. The FBI is still looking for the thief.

The FBI said June 29 that the information on the laptop is intact and had not been accessed since it was stolen.

VA Secretary Jim Nicholson said the equipment's recovery is "reason to be optimistic," according to the Associated Press. His agency's information security practices have been hammered by lawmakers and other critics

since the laptop's loss.

But shortly after the announcement of the laptop's recovery, Rep. Lane Evans, D-Ill., said much work remains to be done.

"Today's announcement does not relieve the Department of Veterans Affairs from fixing its broken data security system and failed leadership, nor should it delay Congress from moving forward to pass legislation to protect the private information of veterans and all Americans," Evans said.

VA is not the only agency with vulnerable information. The IRS, FBI, Social Security Administration, Navy, Government Accountability Office and Energy Department admitted to their own breaches in the weeks following the VA theft.

Bruce Brody, vice president for information security at INPUT, a Reston, Va.-based market research firm, said lawmakers will have to be vigilant to make sure the spotlight stays on the issue.

"It's a hard thing to do, because the forces that dominate the culture in these agencies want this thing to go away very fast, and they will do everything in their

power to make sure this thing is swept under the rug," he said. "It's up to Congress to make sure this doesn't happen."

Brody, who served as the VA's chief information security officer from 2001 to 2004, said Buyer's proposal is a good start.

"You could argue that it's never enough, but you've got to take that first step," he said. "I really hope the momentum here isn't lost."

On the Senate side, Susan Collins, R-Maine, and Joseph Lieberman, D-Conn., are also vowing to keep information security front and center. Collins said the Homeland Security and Governmental Affairs Committee plans to hold hearings in the coming weeks to examine how the Privacy Act should be modernized.

"It's clear from the [VA] incident and others subsequent to it that we must take a close look at the Privacy Act and how the government handles the personal information of individuals," she said in a statement. The Privacy Act does not reflect modern times where information is easily stored and transmitted electronically."

Housing

Continued from Page 1

It's possible that, under the plan, federal employees who now receive locality pay in some areas would not be entitled to the housing allowance benefit, but Hansen said the finer points have yet to be worked out.

She said the idea is to take the basic housing allowance the military uses and extend it to federal employees working in cities with the highest housing costs. In addition to their base pay, active-duty personnel are given a monthly Basic Allowance for Housing that's commensurate with their rank and based on the housing costs of the city they're assigned.

Like the Defense Department model, the Variable Housing Allowance would not be taxable and would not count toward retirement or the salary cap.

The idea springs from a year-long study by a joint task force of federal managers from Los Angeles and San Francisco. Hansen said the group cast a wide net in looking for solutions for how to better assist federal employees in high-cost areas.

"We did an agency survey asking for ideas. We also did an employee survey. It boiled it down that the root cause of the [recruitment and retention] problem was housing. Why not come up with a solution that addresses the root cause?" she said.

According to Hansen, 64 percent of federal agencies in Los Angeles and San Francisco have problems recruiting staff and 37 percent of vacancies take more than six months to fill.

Hansen said locality pay doesn't address the housing problem.

HOUSING ALLOWANCE PAYS OFF

The military housing allowance pushes annual military pay up to \$30,000 higher than civilian pay:

City	Categories	Salary allowance	MONTHLY FIGURES		ANNUAL
			Military housing income	Total monthly income	Total annual
San Francisco	Military (1st Lieutenant)	\$3,541.20	\$3,135.00	\$6,676.20	\$80,114.40
	Federal civilian (GS-9, Step 3)	\$4,200.58		\$4,200.58	\$50,407.00
Los Angeles	Military (1st Lieutenant)	\$3,541.20	\$2,010.00	\$5,551.20	\$66,614.40
	Federal civilian (GS-9, Step 3)	\$4,043.00		\$4,043.00	\$48,516.00
San Diego	Military (1st Lieutenant)	\$3,541.20	\$1,990.00	\$5,531.20	\$66,374.40
	Federal civilian (GS-9, Step 3)	\$3,872.83		\$3,872.83	\$46,474.00
Houston	Military (1st Lieutenant)	\$3,541.20	\$1,683.00	\$5,224.20	\$62,690.40
	Federal civilian (GS-9, Step 3)	\$4,146.75		\$4,146.75	\$49,761.00
Washington	Military (1st Lieutenant)	\$3,541.20	\$1,250.00	\$4,791.20	\$57,494.40
	Federal civilian (GS-9, Step 3)	\$3,854.58		\$3,854.58	\$46,255.00
Rest of U.S.	Military (1st Lieutenant)	\$3,541.20	\$666.00	\$4,207.20	\$50,486.40
	Federal civilian (GS-9, Step 3)	\$3,713.00		\$3,713.00	\$44,556.00

SOURCE: Greater Los Angeles and San Francisco Bay Area Federal Executive Boards

GRAPHIC BY MARCIA STAIMER

MORTGAGES TAKE A BITE

A GS-9, Step 3 employee in San Francisco would need nearly 90 percent of his gross income to buy an average home:

City	Median housing prices	GS-9, Step 3 annual salary	Percent of gross income required for a typical mortgage
San Francisco	\$641,700	\$50,407	87%
Los Angeles	\$474,700	\$48,516	67%
Washington	\$369,000	\$46,255	54%
National average	\$188,000	\$44,556	29%
Houston	\$138,100	\$49,761	19%

SOURCE: Greater Los Angeles and San Francisco Bay Area Federal Executive Boards

GRAPHIC BY MARCIA STAIMER

"It doesn't provide equitable compensation for employees in very high-cost areas. The formula is based on cost of labor instead of cost of living," she said. "The single biggest factor affecting the cost of living in California is housing costs, which are and will remain among the highest in the nation."

While the median house price is \$641,700 in San Francisco and \$474,700 in Los Angeles, the locality pay rate is higher in Hous-

ton where the median house price is \$138,100, Hansen said.

"It's easy to see why employees would choose Houston," she said. "Especially when the locality pay rate is 3 percent higher than L.A."

Hansen said the housing allowance would be more flexible than locality pay.

"If a housing bubble occurs, we have a way to modify it. If the housing market goes away, we can modify it," she said.

Because San Francisco and Los Angeles are port cities, Hansen said fixing federal pay is also a matter of economic and national security. Customs and Border Protection in San Francisco, for example, has a more than 30 percent vacancy rate, she said.

"California is vital to our nation's economy," Hansen said. "You can't have a high number of vacancies in places that require such a high level of security."

ONLINE

To see a presentation outlining the task force's arguments for the housing allowance, go to www.federaltimes.com.

Hansen and other members of the task force discussed the housing allowance idea at a meeting of federal executives in Las Vegas last week. She said leaders from other regions are showing interest in the proposal.

"They were happy the issue was being addressed by someone," she said.

Members of the Los Angeles and San Francisco federal executive boards plan to visit lawmakers in Washington later this month to discuss the idea.

Email: acurl@federaltimes.com