

September 2003

Alert!



NTEU

Chapter

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President Bush Shoots For Pay Raise Cap

Fedweek, August 28, 2003

President Bush has announced that he'll invoke emergency powers to hold the federal pay raise to 2 percent in January. But before federal workers get too gloomy, they should realize that this is nothing new. It's the tenth year in a row that the resident of 1600 Pennsylvania Avenue has attempted to cap the raise. Bill Clinton did it seven times; Bush, now, three. His decision may be final, but Congress can still override it and approve a higher pay increase, as it has in the past. Feds won't know what the final percentage raise will be until Congress acts on the 2004 treasury-postal appropriations bill. The situation should clarify by the beginning of the fiscal year -- October 1. But that won't stop the rumor mill from spreading the alarm. Bush's budget called for a 2 percent raise, but Congress wants a 4.1 percent increase for U.S. civil service employees -- the same hike military personnel are expected receive. Whatever the outcome, the President still has one more decision to make -- how to allocate the raise between an across-the-board increase and locality raises. The percentage figure is an average. He could either declare that there will be no locality increases and settle on a percentage applying to every employee, or decide to set a basic raise for all with an additional amount by geographic area.

Great News for Federal Employees!

Memorandum from National President Colleen Kelley, September 10, 2003

Thanks to the grassroots efforts of NTEU members, last night the House of Representatives approved a 4.1% pay increase for federal employees in 2004, and approved an amendment offered by Representative Chris Van Hollen (D-MD) that would block the implementation of the revised A-76 contracting out procedures. Thanks to the grassroots efforts of our chapters, late last evening the House of Representatives approved the FY 2004 Transportation, Treasury and General Government Appropriations Act (H.R. 2989), which includes a 4.1% pay increase for federal employees in 2004. The House of Representatives also approved an amendment to H.R. 2989 that would block the implementation of the Office of Management and Budget's (OMB) revisions to the A-76 contracting out procedures. Both the 4.1% pay increase and the Van Hollen amendment were strongly opposed by

the Administration. We were successful because of all of the letters and phone calls from NTEU members to their Representatives.

With regards to pay, the House of Representatives on a strong bipartisan basis supported the NTEU-proposed 4.1% pay increase for federal employees, including wage grade employees, in FY 2004. The Administration had proposed limiting the 2004 pay increase for federal employees to 2%.

The Van Hollen amendment would prohibit implementation of the new A-76 contracting out procedures. OMB revised A-76 in May of this year in order to allow agencies to privatize more federal employee jobs more quickly. OMB's A-76 revisions strongly favor contractors over federal employees in competitions, and will result in more government activities being privatized at higher costs to the taxpayers and less accountability. In addition, the new A-76 rules violate existing laws and that is why NTEU filed a lawsuit aimed at stopping the use of the new A-76. The Van Hollen amendment would force OMB to go back to the drawing board and develop an A-76 process that is legal, fair to federal employees, and a better deal for the taxpayers. The amendment passed on a bipartisan vote of 220 to 198. Unfortunately, another NTEU supported anti-privatization amendment offered by Representative Alcee Hastings (D-FL) failed on a vote of 205 to 211.

The votes last night on these two critical federal employee issues show the strong opposition by Democrats and Republicans in Congress to the Administration's federal employee policies. It is critical that NTEU members continue to send letters, make phone calls, and meet with their Representatives and Senators to educate them on the need for higher pay and better benefits for federal employees and the need to slow down the Administration's reckless privatization schemes.

We still have a long way to go on these important issues. The Administration has already threatened to veto the Treasury Appropriations bill because of the Van Hollen amendment. The Senate version of the Treasury Appropriations bill, which also includes the 4.1% pay increase, will likely come up for a vote later this month. At that time, there will likely be a vote on the Senate floor on an amendment identical to the Van Hollen amendment. We will keep you apprised of any further developments on these issues.

Should you have any questions or require additional information, please feel free to contact Maureen Gilman or Jim Wall in the Legislation Department at 202-572-5500.

FEHB Rates Announcement Pending

Fedweek, September 3, 2003

The Office of Personnel Management likely will soon announce new coverage and rates under the Federal Employees Health Benefits Program for calendar year 2004, with another significant increase in rates widely expected. OPM has been negotiating through the summer with carriers for their 2004 offering, trying to keep coverage comprehensive while counteracting the upward pressure on premiums from increased prescription drug costs and usage and from the overall aging of the FEHB population. In recent years, plans have been continuing to emphasize care management and other cost-containment measures while also shifting some overall costs from premiums to out-of-pocket expenses such as co-payments and deductibles. The open season for selecting 2004 plan year coverage will run November 10-December 8.



THE FUNDS – Rates of Return

Rates of Return were updated on **September 3, 2003**.

	G Fund	F Fund	C Fund	S Fund	I Fund
August 2003	0.40%	0.73%	1.94%	4.12%	2.39%
<u>Last 12 Months*</u> (9/1/2002 - 8/31/2003)	4.05%	4.41%	11.95%	25.39%	9.00%

* The G, F, C, S, and I Fund returns for the last 12 months assume unchanging balances (time-weighting) from month to month, and assume that earnings are compounded on a monthly basis.

Brookings Report On Massive Growth In Contracting Should Serve As A Wake-Up Call, NTEU’s Kelley Says

NTEU News Release, September 4, 2003

Washington, D.C.—A sharp decline in federal employment over the past three years has been accompanied by a massive increase in the number of government contract jobs that hide the true cost of government from the public, the leader of the nation’s largest independent union of federal employees said today.

President Colleen M. Kelley of the National Treasury Employees Union (NTEU) offered that assessment on a new report on the true size of government to be issued tomorrow by the Washington-based Brookings Institution. “This report should serve as yet another wake-up call for everyone who is concerned about the quality and cost of government services,” she said.

According to the Brookings report, even as the number of federal civilian employees declined by nearly 50,000 over the past three years, some 727,000 contractor jobs were added to perform government work.

In all, according to Paul C. Light, author of the Brookings report, the civilian federal workforce in 2002 numbered 1,756,000—while the contractor workforce ballooned to 5,168,000. The total of federal contract and grant-related jobs in 2002 totaled just over eight million, Light said, up from slightly less than seven million in 1999.

“The government’s largely-hidden workforce created through contracts and grants has reached its highest level since before the end of the Cold War,” Light said.

“The Brookings report confirms what NTEU has been saying all along,” President Kelley said, quoting the report as noting that the trend lines for federal employment “strongly suggest that government is now growing almost entirely in jobs that are largely invisible to the American public and not accounted for in federal budget and headcount documents.”

Beyond the growth in their numbers, President Kelley, who has consistently called for greater federal oversight of government contractors, said the rise in the contractor workforce “doesn’t begin to take into account the lack of adequate federal oversight, either in terms of the quality of contractor work or the price taxpayers ultimately pay. Detailed information is widely available about the work performed by federal employees, but we know next to nothing about the work of contractors. This is a critical issue that must be addressed.”

NTEU has been leading the fight against the administration’s plans to accelerate the use of private contractors to perform government work. The administration’s goal is to contract out as many as 850,000 federal jobs—half the federal workforce. NTEU has filed a federal court suit challenging the legality of changes in federal contracting rules by the Office of Management and Budget (OMB), which is spearheading the administration effort.

To the Commissioner of Baseball: “Beware!”

Reprinted with permission and persuasion of Jim Littlejohn, President NTEU Chapter46

The reorganization of the Internal Revenue Service has been such a great success that I am surprised other organizations have not used the Service’s efforts as the “Poster Child” example of reorganization and modeled their organization in the same manner.

To provide simple sports analogy, let us suppose that the Service was a major league baseball team. Let us suppose that presently there are about 25 players on a team, one manager, and one owner all working for the same team at a designated city. This has worked pretty well for over a hundred years but it is now time for a change.

Using the Service’s redesign team as a model, the newly reorganized baseball team designed would now look something like this:

There are now only about 12 players on a team. They are divided into 14 different operating divisions. The catchers report to the SQ/CT (Squat/Catch and Throw) division headquarters in Chicago and their manager is in Santa Fe, New Mexico. The pitchers are assigned to the TH/D (Throw hard and Duck) division headquarters in Minot, North Dakota. Their manager is in Providence, Rhode Island. The infielders in the C/THO (Catch and throw him out) division headquarters are in Washington DC and their manager is located in Tinook, Alaska. The outfielders are in IGI/IGI (I got it! I got it!) Division headquarters in Cooperstown, New York. Their manager is located in Cut and Shoot, Texas. These are the 4 major operating divisions.

The remainder of the players, coaches, and grounds keepers is divided up into 10 smaller divisions where no one knows their names, locations, or who is in charge.

The team manager is a political appointee that has never played baseball or attended a baseball game.

A test game was set up in Yankee Stadium between the Yankees and the Rangers on July 15 to test how the IRS Reorganization might apply to Professional Baseball. After 3 weeks of baseball the score is still 0-0 in the second inning. The Yankees want to change pitchers but cannot locate the manager who is in travel status somewhere over Mississippi. Everyone in baseball management agrees that this reorganization was a great move and has been great for the sport. The players are not that enthusiastic,

they state that they will continue to play baseball until the next reorganization comes around. Things don't change much for the players that still get their hands dirty.

I am sure that we cannot wait to attend a baseball game that has been reorganized like the IRS. I will see you at the ballpark. -Jim Littlejohn

Around the Office

By Alert! editor Mick Eskew

- Yes, there is the possibility of the Austin FOB HIP Center closing. No final determination has been made. Tom has the assurances of Ed Roberts, Chief Support Services Division, that he will do everything he can to keep the facility open. The problem comes from reduction of funding from the AWSS National Office. If funds are not available we will look to other IRS divisions and other Federal Agencies to pick up the tab. The Agency is required to negotiate on these changes and if all else fails there is the possibility for the members of the HIP center to operate and manage the facility. Since the HIP center in the Austin FOB is multi-agency driven and possibly on the chopping block, other PODs should probably remove similar facilities from their wish list.
- Blood Donations: According to Article 36 of the National Agreement, employees are entitled to four hours of Administrative Leave immediately following blood donations. In addition to this recuperative time, you are also allowed additional Administrative Leave for travel to and from the donation site and the time to actually donate. However, the total leave time will be limited to the remaining scheduled hours of duty on that day. If you are not accepted as a donor your time off is limited to travel time to and from the donation site and the time used to make that determination. The donation of blood products (plasma, platelets, etc.) does not entitle you to the recuperative Administration Leave, only the travel and donation time.
- The work on the new San Antonio location is proceeding. The plans you have or seen in the last week are now obsolete, as the project is very fluid and changes are always occurring. Security is a prime concern of the Building Committee and we are doing everything possible to ensure you a good place to work. One note though, the building is in the flight path of the San Antonio International Airport. So, if you have an aversion to low flying airplanes you may want to choose an interior cubical and wear ear plugs.
- The Chapter continues to try to protect your rights and keep you employed, but folks you have to help! Remember the briefings you had on UNAX, bribery, filing timely returns and use of government computers. Those things did and do mean something. A good attitude and common sense can go a long ways.
- If you have any news regarding your POD or an event, please fax your story to 210-706-5376 or mail to NTEU Chapter 52, Stop 1700SANW.

How Does Your Manager Stack Up?

By Tom Jones, President Chapter 52

This month we are featuring the Taxpayer Advocates Service offices that include the Dallas, Oklahoma, Houston and Austin offices for comparisons. The figures below are based solely on CJE average scores from appraisals given between October 1, 2002 and March 31, 2003. Scores are listed from the lowest average score to the highest average score. The results for other divisions will follow in subsequent issues.

Score	Territory	Group	Manager	POD
3.95	Area 5	5	Stetson	Dallas
4.09	Area 5	3	Boyce	Dallas
4.18	Area 5	2	Smith	Dallas
4.27	Area 5	1	Gayvial	Dallas
4.27	Area 5	1	Scott	OKC
4.29	Area 5	4	Dixon	Dallas
4.47	Area 5	3	Lucas	Houston
4.50	Area 5	2	Sonier	Houston
4.60	Area 5	1	Harrell	Austin
4.80	Area 5	1	Van Matre	Houston
4.83	Area 5	2	Caballero	Austin

How Does Your Manager Stack Up in Leadership?

Leading vs. Managing -- They're Two Different Animals

*Reprinted from an article by Deborah Schick Laufer, Director, Federal ADR Network
SBA Online Women's Business Center Dallas, TX, 7/97*

Are you a manager or a leader? Although you may hear these two terms thrown out interchangeably, they are in fact two very different animals complete with different personalities and worldviews. By learning whether you are more of a leader or more of a manager, you will gain the insight and self-confidence that comes with knowing more about yourself. The result is greater impact and effectiveness when dealing with others and running your business.

We are going to take a look at the different personality styles of managers versus leaders, the attitudes each have toward goals, their basic conceptions of what work entails, their relationships with others, and their sense of self (or self-identity) and how it develops. Last of all, we will examine leadership development and discover what criteria are necessary for leaders to reach their full potential.

First of all, let's take a look at the difference in personality styles between a manager and a leader.

Managers - emphasize rationality and control; are problem-solvers (focusing on goals, resources, organization structures, or people); often ask question, "What problems have to be solved, and what are the best ways to achieve results so that people will continue to contribute to this organization?" are persistent, tough-minded, hard working, intelligent, analytical, tolerant and have goodwill toward others.

Leaders - are perceived as brilliant, but sometimes lonely; achieve control of themselves before they try to control others; can visualize a purpose and generate value in work; are imaginative, passionate, non-conforming risk-takers.

Managers and leaders have very different attitudes toward goals.

Managers - adopt impersonal, almost passive, attitudes toward goals; decide upon goals based on necessity instead of desire and are therefore deeply tied to their organization's culture; tend to be reactive since they focus on current information.

Leaders - tend to be active since they envision and promote their ideas instead of reacting to current situations; shape ideas instead of responding to them; have a personal orientation toward goals; provide a vision that alters the way people think about what is desirable, possible, and necessary.

Now let's look at managers' and leaders' conceptions of work.

Managers - view work as an enabling process; establish strategies and makes decisions by combining people and ideas; continually coordinate and balance opposing views; are good at reaching compromises and mediating conflicts between opposing values and perspectives; act to limit choice; tolerate practical, mundane work because of strong survival instinct which makes them risk-averse.

Leaders - develop new approaches to long-standing problems and open issues to new options; first, use their vision to excite people and only then develop choices which give those images substance; focus people on shared ideals and raise their expectations; work from high-risk positions because of strong dislike of mundane work.

Managers and leaders have very different relations with others.

Managers - prefer working with others; report that solitary activity makes them anxious; are collaborative; maintain a low level of emotional involvement in relationships; attempt to reconcile differences, seek compromises, and establish a balance of power; relate to people according to the role

they play in a sequence of events or in a decision-making process; focus on how things get done; maintain controlled, rational, and equitable structures; may be viewed by others as inscrutable, detached, and manipulative.

Leaders - maintain inner perceptiveness that they can use in their relationships with others; relate to people in intuitive, empathetic way; focus on what events and decisions mean to participants; attract strong feelings of identity and difference or of love and hate; create systems where human relations may be turbulent, intense, and at times even disorganized.

The Self-Identity of managers versus leaders is strongly influenced by their past.

Managers - report that their adjustments to life have been straightforward and that their lives have been more or less peaceful since birth; have a sense of self as a guide to conduct and attitude which is derived from a feeling of being at home and in harmony with their environment; see themselves as conservators and regulators of an existing order of affairs with which they personally identify and from which they gain rewards; report that their role harmonizes with their ideals of responsibility and duty; perpetuate and strengthen existing institutions; display a life development process which focuses on socialization...this socialization process prepares them to guide institutions and to maintain the existing balance of social relations.

Leaders - reportedly have not had an easy time of it; lives are marked by a continual struggle to find some sense of order; do not take things for granted and are not satisfied with the status quo; report that their "sense of self" is derived from a feeling of profound separateness; may work in organizations, but they never belong to them; report that their sense of self is independent of work roles, memberships, or other social indicators of social identity; seek opportunities for change (i.e. technological, political, or ideological); support change; find their purpose is to profoundly alter human, economic, and political relationships; display a life development process which focuses on personal mastery...this process impels them to struggle for psychological and social change.

Development of Leadership

As you can see, managers and leaders are very different animals. It is important to remember that there are definite strengths and weaknesses of both types of individuals. Managers are very good at maintaining the status quo and adding stability and order to our culture. However, they may not be as good at instigating change and envisioning the future. On the other hand, leaders are very good at stirring people's emotions, raising their expectations, and taking them in new directions (both good and bad). However, like artists and other gifted people, leaders often suffer from neuroses and have a tendency toward self-absorption and preoccupation.

If you are planning on owning your own business, you must develop management skills, whether they come naturally or not. However, what do you do if you believe you are, in fact, a leader - a diamond in the rough?

What can you do to develop as a leader? Throughout history, it has been shown again and again that leaders have needed strong one-to-one relationships with teachers whose strengths lie in cultivating talent in order to reach their full potential. If you think you are a leader at heart, find a teacher that you

admire - someone who you can connect with and who can help you develop your natural talents and interests. Whether you reach "glory" status or not, you will grow in ways you never even imagined. And isn't that what life is about anyway?

TOM'S HUMOR PAGE

"If you're playing a poker game and you look around the table and can't tell who the sucker is, it's you." –Paul Newman



"You read about all these terrorist, most of them came here legally, but they hung around on these expired visas, some for as long as 10-15 years. Now, compare that to Blockbuster; you are two days late with a video and those people are all over you. Let's put Blockbuster in charge of immigration." –Jay Leno

Two flies, sunning themselves on a lawn mower, spied a boy eating a baloney sandwich. The boy dropped a bit of meat and the flies gorged themselves then returned to the mower handle. They then noticed a second bit of meat on the ground they had missed. They took off after it, but were so full they lost control, dropped to the ground and were killed.

MORAL: Don't fly off the handle when you're full of baloney.



Chapter 52 *Alert!*, all the news that is fit to be copied!

This **Chapter 52 *Alert!*** and all *Alerts!* since January 2001, can be found on our

Chapter Web Page at <http://www.nteu52.org/>

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