SOCIAL SECURITY

Union Activity at the Social Security Administration
The Honorable Jim Bunning  
Chairman, Subcommittee on Social Security  
Committee on Ways and Means  
House of Representatives  

Dear Mr. Chairman:

Since the early 1960s, federal agencies have allowed unions to conduct union-related activities during official duty hours. Union activities generally include representing employees in complaints against management, bargaining over changes in working conditions and the application of personnel policies, and negotiating union contracts with management. The federal government pays its employees’ salaries and expenses for the portion of time they are allowed to spend on union activities; it also provides other support, such as space, supplies, equipment, and some travel expenses.1 Federal union members generally cannot bargain over wages and cannot strike, and federal employees are not required to join unions and pay union dues in order to be represented by the union.

Given the budget constraints facing federal agencies, you expressed concern about the amount of time and expenses devoted to union activities and paid for by the federal government. In particular, you were concerned about the amount of money the Social Security Administration (SSA) pays for union activities out of the Social Security trust funds.

Because of your interest in this matter, you asked us to look at the history of union involvement in the federal government; the statutory basis for the federal government to pay employee salaries and expenses for union activities; the amount of time spent on and costs associated with union activities at SSA; and how the agency accounts for this time and money. You also asked us to comment on how the amount of time and money spent by SSA on union activities compares with what is spent by other large federal agencies, such as the Department of Veterans Affairs (VA) and the Internal Revenue Service (IRS), and how it compares with the amount spent by the U.S. Postal Service, which operates more like a private-sector company. Finally, you asked us to provide information on union activities

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1The U.S. Postal Service generally does not pay the salaries and expenses of full-time union representatives. Instead, salaries and expenses are covered by union dues. The Postal Service does, however, pay for the time spent on union activities by some part-time union representatives and for union-occupied space in postal facilities.
in the private sector. We initially testified on these matters before the Committee on Ways and Means, Subcommittee on Social Security, on June 4, 1996.2

To develop this information, we interviewed management and union officials at SSA headquarters and 4 of SSA’s 10 regional offices. We also reviewed union contracts, payroll records, and time-reporting forms. In addition, we reviewed yearly reports of time spent on union activities and verified the time reported by reviewing source documents at one region and selected headquarters components. We supplemented our field work with telephone calls to three additional SSA regions to verify that similar time-reporting procedures were used.

We also met with union and management officials at VA, IRS, and the Postal Service to compare their union time and costs with SSA’s. VA does not operate a national union time-reporting system to aggregate time spent on union activities. At IRS and the Postal Service, we obtained available information on union activity from headquarters and selected field facilities, but did not verify its accuracy. We also discussed the role and function of unions in the federal government with the Office of Personnel Management (OPM) and discussed the private-sector use of time for union activities with labor-relations experts at various trade associations, colleges, and universities. We also reviewed a 1995 Bureau of National Affairs (BNA) publication that summarized trends in labor/management contracts for private industry. Finally, to determine the types of contract provisions that exist in private industry for spending time on union activities, we reviewed 10 contracts on file at the Bureau of Labor Statistics. We did our work between August 1995 and August 1996 in accordance with generally accepted government auditing standards.

Results in Brief

Federal labor/management relations were formalized by executive order in the early 1960s.3 In 1962, an executive order permitted federal agencies to grant official time for certain meetings between management and union representatives, at the discretion of the agency. The management control prevalent when the first executive order was issued has evolved over time. Today, unions operating at federal government agencies have significant involvement in operational and management decisions but generally

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3Postal labor/management relations are governed by the Postal Reorganization Act of 1970, which incorporates many provisions of the National Labor Relations Act.
cannot bargain over pay and other economic benefits. The use of “official
time,” which generally is defined as authorized paid time off from assigned
duties for union activities, has become a routine method of union
operation in the federal government. It is important to note, however, that
managers and employees would spend time interacting on personnel and
working condition matters even if there were no unions operating at
agencies. Currently, there is no governmentwide requirement to capture or
report official time charges.

We determined that over the last 6 years, the time spent on union activities
at SSA has grown from 254,000 hours annually to at least 413,000 hours
annually at a cost—largely to SSA’s trust funds—of $12.6 million in 1995
alone. That is, SSA currently pays the equivalent of the salaries and
expenses of about 200 SSA employees to represent the interests of the
approximately 52,000 employees represented by unions at SSA. This cost is
a portion of the $5.5 billion SSA incurred in administrative expenses in
fiscal year 1995.

In addition, SSA has reported to the Congress that the number of full-time
union representatives, those devoting 75 percent or more of their work
time to union activities, grew from 80 to 145 between 1993 and 1995. We
found, however, that the reporting system for collecting such data does
not adequately track the number of union representatives charging time to
union activities or the actual time spent. Consequently, we conducted a
limited verification of the hours spent on union activities as reported by
SSA and found that this time was underreported. While SSA is currently
developing a new system to more accurately track the time spent on union
activities, it plans to implement this system to replace only the automated
reporting system for union representatives in the field offices and
teleservice centers. SSA is currently considering whether it will improve the
less accurate manual time-reporting system for its other components.

Under the terms of the current SSA union contract, which will expire in
1999, the selection of union representatives and the amount of time they
spend on union activities are determined by the union without the consent
of local managers. We found that over 1,800 designated union
representatives in SSA are authorized to spend time on union activities,
although most of the time spent is by SSA’s 145 full-time representatives.
Some SSA field managers told us that their having no involvement in
decisions about how much time is spent by individuals and who the
individuals are causes problems in managing the day-to-day activities of
their operations. Union representatives, on the other hand, told us that the
time they use is necessary to fully represent the interests of their coworkers.

SSA reported that it paid for 404,000 hours for union activities in fiscal year 1995 (a figure found to be lower than the actual hours spent), as compared with 527,000 hours reported by IRS in fiscal year 1995. The Postal Service reported that 1.7 million hours were spent on union activities in fiscal year 1995 related to grievances. This Postal Service estimate does not include substantial additional time spent on other types of union activities and paid for by either the unions or the Postal Service.

With regard to union activity in private industry, some employers pay at least some of the salaries and expenses of union representatives, as the federal government does, while others do not.

Background

Labor unions are groups of employees organized to bargain with employers over such issues as wages, hours, benefits, and working conditions. The current federal labor/management program differs from nonfederal programs in three important ways: (1) federal unions bargain on a limited number of issues—bargaining over pay and other economic benefits is generally prohibited; (2) strikes and lockouts are prohibited; and (3) federal employees cannot be compelled to join, or pay dues to, the unions that represent them. At SSA, employees are represented by three unions: the American Federation of Government Employees (AFGE), which represents over 95 percent of SSA employees who are represented by a union; the National Treasury Employees Union (NTEU); and the National Federation of Federal Employees (NFFE). Of SSA’s 65,000 employees, about 52,000 nonsupervisory employees are represented by the unions, and about 47 percent of those represented are dues-paying union members. Union operations at SSA are governed by a national AFGE contract and six other union contracts with individual NTEU and NFFE components.

At the other federal organizations we visited, 10 major unions had national recognition: 5 at VA, 1 at IRS, and 4 at the Postal Service. A total of 165,000 employees were represented by these unions at VA, 97,000 at IRS, and 751,000 at the Postal Service. Although other unions without national recognition represented Postal Service and VA employees, the number of employees represented by these unions was less than 1.5 percent of all represented employees.

Postal unions, however, can bargain over wages and other economic benefits.
There are two main categories of official time, or paid government time spent on union activities, at SSA. The category known as “bank time” in field offices, and equivalent categories in other components, refers to time that is negotiated and limited by SSA contracts with its unions. Bank time includes time spent on union- or employee-initiated grievances (complaints regarding any matter related to employment) as well as on union-initiated activities, such as training or representational duties. The category known as “nonbank time” in field offices, and equivalent categories in other components, generally refers to time spent on management-initiated activities; bargaining over changes to work assignments and working conditions (such as disallowed leave, employee work space, and equipment); management-initiated grievances; and any other time not specifically designated as bank time.

History of Federal Government Union Activity

In 1912, the Lloyd-LaFollette Act established the right of postal employees to join a union and set a precedent for other federal employees to join unions. The government did little to provide agencies with guidance on labor relations until the early 1960s.

In 1962, President Kennedy issued Executive Order 10988, establishing in the executive branch a framework for federal agencies to bargain with unions over working conditions and personnel practices. The order established a decentralized labor/management program under which each agency had discretion in interpreting the order, deciding individual agency policy, and settling its own contract disputes and grievances.

In 1969, President Nixon issued Executive Order 11491, which established a process for resolving labor disputes in the executive branch by forming the Federal Labor Relations Council to prescribe regulations and arbitrate grievances. The Council consisted of the Chairman of the Civil Service Commission, the Secretary of Labor, and an official of the Executive Office of the President. The order transferred many of the functions of the former Civil Service Commission to OPM. It also clarified language to expressly permit bargaining on operational issues for employees adversely affected by organizational realignments or technological changes.

In 1970, the Postal Reorganization Act brought postal labor relations under a structure similar to that applicable to companies in the private sector in that collective bargaining for wages, hours, and working conditions was authorized subject to regulation by the National Labor Relations Board.
However, like other federal employees, postal employees could not be compelled to join or pay dues to a union and could not strike.

The Civil Service Reform Act of 1978 provided a statutory basis for the current federal labor/management relations program and set up an independent body, the Federal Labor Relations Authority (FLRA), to administer the program. FLRA is composed of three members appointed by the President and confirmed by the Senate. The act authorized FLRA to assume administrative functions previously performed by the Council. The act also expanded the scope of collective bargaining—the process under which union representatives and management bargain over working conditions—to allow routine negotiation of some operational issues, such as the use of technology and the means for conducting agency operations.

In 1993, President Clinton issued Executive Order 12871, which articulated a new vision of labor/management relations, called “Partnership.” Partnership required agencies to involve labor organizations as full partners with management in identifying problems and crafting solutions to better fulfill the agency mission. It also expanded the scope of bargainable issues. This new arrangement was intended to end the sometimes adversarial relationship between federal unions and management and to help facilitate implementation of National Performance Review initiatives, which were intended to improve public service and reduce the cost of government. See appendix I for a discussion of the history of union activities at SSA.

**Basis for Paying Salaries of Union Representatives**

In 1962, Executive Order 10988 permitted federal agencies to grant official time, which is generally defined as authorized, paid time off from assigned government duties for meetings between management and union representatives for contract negotiation, at the discretion of the agency. In 1971, Executive Order 11491 was amended to prohibit the use of official time for contract negotiation, unless the agency and union agreed to certain arrangements. Specifically, the agency could authorize and the union could agree to either (1) up to 40 hours of official time for negotiation during regular working hours or (2) up to one-half the time actually spent in negotiations. Over the next 4 years, a series of Federal Labor Relations Council decisions and regulations continued to liberalize the use of official time by allowing negotiations for the use of official time for other purposes.
The Civil Service Reform Act of 1978 authorized official time for federal agency union representatives to negotiate a collective bargaining agreement. It gave employees a statutory right to receive official time to attend contract negotiation meetings and impasse proceedings without having to negotiate the time with management. The act also permitted agencies and unions to negotiate whether union representatives would be granted official time in connection with other labor/management activities, as long as the official time was deemed reasonable, necessary, and in the public interest. The act continued to permit agencies to provide unions with routine services and facilities at agency expense. The act prohibited the use of official time for internal union business, such as solicitation of members.

SSA has a time-tracking system in place; however, we determined that some time spent on union activities has been underreported. We also determined that the official time that was reported has grown steadily over the past 5 years. Moreover, the executive order on Partnership activities is likely to increase the time spent on union activities in SSA, and perhaps in other agencies as well. To better account for time spent on union activities, SSA is planning to test a new time-tracking system and, if it is successful, use it agencywide to track time spent on union activities. Finally, although SSA has no formal system for tracking and calculating its union-related costs, it does provide estimates of such costs annually to the Congress. Our estimates of SSA’s costs for union activities in 1995 were $1.6 million higher than SSA’s estimates.

SSA has a national system for reporting time spent on union activities by union representatives. This system is separate from the agency’s time and attendance and workload reporting systems. Under this system, union representatives generally fill out and submit forms to their supervisors to account for union time. The hours reported on these forms are then periodically aggregated and submitted to SSA headquarters for totaling. This time-reporting system consists of two component systems that cover roughly an equal number of employees. The first is an automated system that captures time reported by union representatives working in field offices, which are the primary point of public contact with SSA, and at teleservice centers, where calls to SSA’s national 800 number are answered. The second component is a manual system used to capture time spent by union representatives working at other locations. In addition, SSA has developed procedures for tracking time spent at other than normal duty hours for union activities. However, the time spent on union activities that occurred in 1995 was not reported in the system.

The Postal Service is not governed by this act. The basis for paying certain union representatives for specified union activities at the Postal Service is contained in union contracts. Contract negotiations are carried out at union expense.
union representatives at SSA headquarters, as well as at Program Service Centers, the Office of Hearings and Appeals, and other components. Neither system is designed to capture either (1) time spent by management on union-related matters or (2) the number or names of individuals charging union time.

We conducted a limited verification of time captured in SSA’s national reporting system at one SSA region and several headquarters components. By tracing source documents for union representatives’ time to reported totals in the system, we discovered additional time not captured by the two systems in these locations. These gaps occurred primarily in the manual system and resulted from inaccurate reporting from the source documents, overlooked reports for some union representatives, and uncounted reports for some organizational units during certain reporting periods. We also verified only that similar procedures were being used at three other regions, which could result in similar underreporting at these locations. We did no verification at SSA’s six other regions. Figure 1 shows the total time spent at SSA on union activities, including the additional time we discovered.
Figure 1: Total Time Spent on Union Activities at SSA, 1990-95

Hours

Calendar Year

Bank/Union-Initiated Grievances
Nonbank/Other Activities

Sources: SSA national time reports and results of GAO verification.

The overall time spent on union activities has grown steadily, from 254,000 hours in 1990 to over 413,000 in 1995. This is the equivalent of paying the salaries and other expenses of about 200 SSA employees to represent the 52,000 employees in the bargaining unit in 1995.

Figure 2 shows the difference between SSA's national time reports and the time our limited sample revealed was actually spent. SSA reported 254,000...
hours of official time devoted to union activities in 1990, 269,000 in 1991, 272,000 in 1992, 314,000 in 1993, 297,000 in 1994, and 404,000 in 1995.
Figure 2: SSA-Reported and GAO-Determined Time Spent on Union Activities at SSA, 1990-95

Official Hours

(Graph notes on next page)
Note: GAO’s verification of time charges was focused on 1995. Some additional unreported time was discovered in several of the earlier years.

Sources: SSA national time reports and results of GAO verification.

Because of limitations in SSA’s reporting system, it is not possible to estimate the actual time spent agencywide for any reporting period. Although it is likely that the actual time exceeds the total we discovered (413,000 hours), our verification sample was not large enough to be statistically valid, so it cannot be extrapolated to all of SSA.

To determine what contributed to the increase in time spent on union activities between 1990 and 1995, we developed information on the categories of time used. Figure 3 shows that bank time has remained relatively constant between 1990 and 1995 and that most of the increase in time spent on union activities during this period is attributable to nonbank time—mainly for bargaining activities.
Figure 3: SSA-Reported Official Time by Activity, 1990-95

Calendar Year

1990

1991

1992

1993

1994

1995

Hours

- Bank/Union-Initiated Grievances
- Nonbank/Other Activities
- Nonbank/Bargaining

Note: This chart does not include additional unreported hours found by GAO.

Source: SSA national time reports.
Figures 4 and 5 show that the number of certain nonbank/other activities—such as unfair labor practices (ULP) cases and arbitration cases (nonbank in the hearing stage) that result from unsettled grievances—has declined in recent years.

Figure 4: Number of SSA Unfair Labor Practices Cases, 1990-95

Source: SSA Office of Labor Management Relations.
Figure 5: Number of SSA Arbitration Hearings, 1990-95

Cases Heard

Source: SSA Office of Labor Management Relations.

Partnership Activities Could Increase Official Time

The recent advent of Partnership activities in SSA will likely increase the time spent on union activities. The executive order on Partnership directs agencies to involve unions as the representatives of employees to work as full partners with management to design and implement changes necessary to reform government. Partnership activities at SSA are just starting, and we found that these limited activities are not routinely reported as such in SSA’s union time-reporting system. It is possible, however, that some time spent on Partnership activities is currently being reported in other activity categories. Consequently, as Partnership activities increase, we would expect the time devoted to them to also increase. However, this will be evident only if agency time-reporting systems adequately designate this time. It should be noted that many
public and private organizations without unions are involving employees in quality management initiatives similar to Partnership activities.

SSA Plans to Improve Its Time-Tracking System

SSA is currently developing a new system to better track and account for time spent on union activities in its field offices and teleservice centers. The purpose of this system, according to SSA officials, is to provide management and the union with a more accurate and up-to-date accounting of time spent and the number of employees working on union activities and to ensure that time expended on certain activities does not exceed time allotted to the unions by the contracts. At the time of our review, SSA did not plan to apply this new system to headquarters, the Program Service Centers, the Office of Hearings and Appeals, or other components now using the manual system. SSA has now agreed, however, that an automated agencywide reporting system would provide more accurate data on the amount of official time spent on union activities. It stated that a limited test in one region’s field offices will be conducted in October 1996 and, if successful, will be expanded agencywide.

SSA's Union Costs Are Actually Higher Than SSA's Estimates

SSA has no system for routinely calculating and reporting the cost of its union activity, although it does provide annual estimates of such expenses to the Congress. Figure 6 shows that SSA’s estimates of union costs increased from $6 million in fiscal year 1993 to $11 million in fiscal year 1995. SSA’s total administrative expense budget estimate for fiscal year 1995 was $5.5 billion.
In order to determine the accuracy of SSA's estimates, we tried to construct our own estimate of union-related costs. Because the salaries of union representatives make up most of the cost, we asked SSA for a list of current representatives and the time they spend on union activities. SSA estimated that it had about 1,600 union representatives, but the lists it maintained were outdated and incomplete. We identified about 1,800 union representatives who are currently authorized by the union to spend, and
have spent, time on SSA union activities. SSA has also reported to the Congress that the number of full-time representatives—those spending 75 percent or more of their time on union activities—grew from 80 to 145 between fiscal years 1993 and 1995. We also identified 145 current full-time representatives. The average annual salary in 1995 for the 145 full-time representatives was $41,670. In 1996, their salaries ranged from $23,092 to $68,729. Table 1 shows the annual salary ranges of these representatives in 1996.

<table>
<thead>
<tr>
<th>Salary ranges</th>
<th>Number of representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-10,000</td>
<td>0</td>
</tr>
<tr>
<td>10,001-20,000</td>
<td>0</td>
</tr>
<tr>
<td>20,001-30,000</td>
<td>16</td>
</tr>
<tr>
<td>30,001-40,000</td>
<td>36</td>
</tr>
<tr>
<td>40,001-50,000</td>
<td>79</td>
</tr>
<tr>
<td>50,001-60,000</td>
<td>9</td>
</tr>
<tr>
<td>60,001-70,000</td>
<td>5</td>
</tr>
<tr>
<td>70,001-80,000</td>
<td>0</td>
</tr>
<tr>
<td>80,001-90,000</td>
<td>0</td>
</tr>
<tr>
<td>Over $90,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>145</strong></td>
</tr>
</tbody>
</table>

Sources: SSA Office of Labor Management Relations and SSA personnel records.

We estimate that the total cost to SSA for union activities of all representatives was about $12.6 million in 1995. We calculated the 1995 personnel cost to be $11.4 million by multiplying the average hourly salary of union representatives (about $27.64, including benefits) by the 413,000 hours we determined that the representatives spent on union activities.

We estimate that the remaining $1.2 million was spent on related travel expenses; SSA’s share of arbitration costs; and support costs for such items as supplies, office space, and telephone use. More specifically, in accordance with the union contracts, SSA pays for travel related to contract negotiations and grievance cases. It also pays the travel and per-diem costs of all union representatives whenever meetings are held at management’s initiative. Union representation at major SSA initiatives—such as the reengineering of its disability programs, the National Partnership Council, and Partnership training—has added to travel and per-diem costs. In 1995, SSA estimated that it spent about
$600,000 on travel-related expenses for union representatives. Union representatives told us that the unions pay travel costs for union-sponsored training, internal union activities, and some local travel.

Under the national contract agreements, arbitration fees and related expenses are shared equally between the unions and SSA. SSA reported that its share of arbitration costs was $54,000 for the 38 cases heard in 1995. Finally, SSA estimated its 1995 costs for telephones, computers, fax machines, furniture, space, and supplies used by union representatives at $500,000.

We further determined that about $4.8 million in dues was collected from union members in 1995, mainly through payroll deduction. The unions use these funds for their internal expenses, which include the cost of lodging and transportation for union-provided training; the unions’ share of grievance costs; miscellaneous furniture, supplies, and equipment for some union offices; the salaries of the AFGE local president and his staff, who represent SSA headquarters employees; and a share of national union expenses.

SSA managers and union officials and representatives provided us their views about the use of official time for union activities. SSA managers expressed concern to us and to the Congress about limitations on their ability to effectively manage their operations and control the use of time spent by their employees under the current union/management arrangement. By contract, the assignment of union representatives and the amount of time they spend on union activities are determined by the union without the consent of local management.

Of the 31 field managers we interviewed, 21 said that managing day-to-day office functions is more difficult because managers have little or no control over when and how union activities are conducted. They went on to say that they have trouble maintaining adequate staffing levels in the office to serve walk-in traffic, answer telephones, and handle routine office workloads. In an April 1996 memo from the Deputy Commissioner for Human Resources to field managers, SSA attempted to clarify the circumstances under which requests for official time may be delayed or denied. Additionally, 18 field managers expressed concern about the amount of time they spend responding to union requests for information regarding bargaining and grievances. We did not verify the accuracy of any of the field managers’ statements. We tried to quantify the time spent by
managers on union-related activities, but SSA had no time-reporting system to track it. It should be noted, however, that managers would be spending some of their time interacting with employees about similar issues even if there were no unions.

Nine out of the 15 union officials and representatives we talked with felt that tracking time spent on union activities was counterproductive in the Partnership era. They believed that union representation is an important function, authorized by a negotiated agreement with SSA, that enables them to represent the interests of their coworkers. They consider the amount of time currently allocated for their activities as appropriate and believe that more attention should be paid to the value of their efforts than to the time it takes to conduct them.

Comparison of Time Spent and Cost of Union Activity at IRS, the Postal Service, and SSA

IRS and the Postal Service provided data to us on time spent on union activities in their agencies. IRS records showed that their union representatives reported spending 527,000 hours on union activities in fiscal year 1995. We did not attempt to verify this figure.

Postal Service records show that during fiscal year 1995, union representatives at the Postal Service reported spending 1.7 million hours of official time on the early stages of grievance processing and handling. This number includes neither substantial amounts of official time spent on employee involvement programs similar to SSA’s Partnership activities, which are paid for by the Postal Service, nor official time spent on activities such as employee involvement training and ULP charges. Table 2 shows the reported amount of time and cost devoted to union activities and the bargaining unit size of each organization.

Table 2: Fiscal Year 1995 Comparative Union-Related Data

<table>
<thead>
<tr>
<th>Organization</th>
<th>Bargaining unit size</th>
<th>Dues-paying members</th>
<th>Hours spent</th>
<th>Cost (millions of dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSA</td>
<td>52,000</td>
<td>24,000</td>
<td>404,000</td>
<td>11.0</td>
</tr>
<tr>
<td>IRS</td>
<td>97,000</td>
<td>43,000</td>
<td>527,000</td>
<td>No data</td>
</tr>
<tr>
<td>Postal Service</td>
<td>751,000</td>
<td>623,000</td>
<td>1,744,000a</td>
<td>29.2</td>
</tr>
</tbody>
</table>

*This number does not include substantial additional time spent on union activities and paid for by either the unions or the Postal Service.

Source: Unverified data provided by agencies.
In fiscal year 1995, the Postal Service reported spending $29 million in basic pay on grievance processing and handling for the 1.7 million hours. IRS did not develop cost data for union operations. See appendix II for additional discussion of union activities at other agencies.

Private Industry Handles Union Costs in Various Ways

Union operations in private industry vary widely. In addition to bargaining over working conditions, as SSA unions do, unions in private industry bargain over wages, hours, and benefits. In discussions with National Labor Relations Board officials, we were told that some private-sector firms do not pay their employees’ salaries for the time they spend performing union activities, and other firms pay for at least some of the time. For example, our review of 10 contracts revealed that 7 provided for employers to pay company employees, acting as union representatives, to perform certain union functions in addition to their company duties. A 1995 BNA publication summarizing basic patterns in private industry union contracts reported that over 50 percent of the 400 labor contracts BNA analyzed guaranteed pay to employees engaged in union activity on company time. BNA reported that, in 22 percent of the cases with such pay guarantees, management limited the number of hours it would pay for. BNA also reported that 22 percent of the contracts specifically prohibited conducting union activities on company time.

Private-sector employers negotiate company time with pay for union representatives to handle grievances more frequently than they do for contract negotiations. Of the contracts reviewed by BNA, 50 percent guaranteed pay for union representatives to present, investigate, or handle grievances. This practice was reported as occurring twice as often in manufacturing as in nonmanufacturing businesses. BNA reported that only 9 percent of the contracts guaranteed pay for employees to negotiate contracts.

Forty-five percent of the private-sector contracts guaranteeing employees pay when they conduct union activities on company time place restrictions on representatives. BNA reported that in 22 percent of the cases with such pay guarantees, management limited the number of hours that it would pay for. BNA also reported that 70 percent of the total contracts analyzed allowed workers to be granted union leave to assume union office or to participate in union business. Our review of 10 private-sector contracts submitted to the Bureau of Labor Statistics found 1 under which

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employees were limited to 6 hours a day of company time for union representation and another under which they were limited to 8 hours per week of company time for processing grievances.

A nationally recognized labor/management consultant told us that private-sector unions do not usually negotiate contracts on company time. He said employees who negotiate contracts with employers may receive union leave, in which case their salaries may be paid by the unions either directly or by the unions reimbursing employers. In most cases, workers continue to accrue length of service credits while on union leave.

Workers in the private sector are more likely to financially support unions representing them. Unlike the federal labor/management relations program, unions in the private sector can negotiate contracts to require workers to financially contribute to unions as a condition of employment. All contracts reviewed by BNA included an agreement providing for the unions to receive financial support from workers, such as dues or service fees. Sixty-four percent of the reviewed contracts required workers to become members or maintain membership as a condition of employment.

**Conclusions**

SSA, like other federal agencies and some private firms, pays for approved time spent by its employees on union activities. SSA has a special fiduciary responsibility to effectively manage and maintain the integrity of the Social Security trust funds, from which most of these expenses are paid. In a time of shrinking budgets and personnel resources, it is especially important for SSA, as well as other agencies, to evaluate how resources are being spent and to have reliable monitoring systems that facilitate this evaluation.

To ensure accurate tracking of time spent on union activities and the staff conducting these activities, SSA has developed and is testing a new time-reporting system for its field offices and teleservice centers. We agree that these are valuable goals for a time-reporting system and believe that the new system should be implemented agencywide, including at headquarters, Program Service Centers, the Office of Hearings and Appeals, and other components currently using the less reliable manual reporting system. With an improved agencywide system, SSA management should have better information on where its resources are being spent.

**Agency Comments**

In commenting on a draft of this report, SSA said that it believed that we did not adequately portray the importance of Partnership between SSA and
its unions. SSA agreed, however, with our conclusion that an automated agencywide reporting system would provide more accurate information on the amount of time spent on union activities. SSA also provided comments and observations about those areas in which it believed adjustments should be made in the report. Where appropriate, the report has been revised. SSA's comments and our responses are included as appendix III.

In commenting on our report, NTEU stated that Partnership activities have been the predominant cause of increases in the use of official time at IRS. It believes the use of union-initiated time has dropped during the same period. In addition, NTEU provided information developed by the National Partnership Council that indicates an increase in federal employees' satisfaction with labor/management relations since the advent of Partnership. NTEU's comments are included as appendix IV.

IRS and the National Association of Letter Carriers provided technical comments on our report, and changes have been made where necessary. AFGE, VA, the Postal Service, and the American Postal Workers Union provided no comments on our report.

Copies of this report are being sent to the Commissioner of SSA, the Secretary of VA, the Commissioner of Internal Revenue, the Postmaster General, and other parties interested in Social Security matters. Copies will be made available to others upon request. If you have any further questions, please contact me on (202) 512-7215. Other staff who contributed to this report are listed in appendix V.

Sincerely,

Jane L. Ross
Director, Income Security Issues
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Abbreviations

AFGE  American Federation of Government Employees
BNA   Bureau of National Affairs
FLRA  Federal Labor Relations Authority
IRS   Internal Revenue Service
NFPE  National Federation of Federal Employees
NTEU  National Treasury Employees Union
OPM   Office of Personnel Management
SSA   Social Security Administration
ULP   unfair labor practices
VA    Department of Veterans Affairs
Appendix I

History of Labor Relations at SSA

Early Union Activity

The Social Security Administration’s (SSA) labor relations program began in the early 1960s with the issuance of Executive Order 10988, which established a framework for federal agencies to bargain with unions. Initially, unions’ local bargaining units operated under individual local contract agreements with SSA. By the late 1970s, the number of these units had increased to about 200. In 1982, the American Federation of Government Employees (AFGE), the largest SSA union, consolidated its locals in a national agreement with SSA. Since the early 1980s, the use of official time has been an ongoing issue that has required arbitration and resulted in a redefinition of official time.

SSA’s Current Union Structure

AFGE, the National Treasury Employees Union (NTEU), and the National Federation of Federal Employees (NFFE) represent 52,000 SSA employees, about half of whom pay union dues. AFGE, which represents over 96 percent of SSA employees who are represented by a union, was the first union to organize. NTEU represents approximately 1,600 employees, including a small number of Office of Hearings and Appeals staff attorneys and others who were formerly Department of Health and Human Services employees but became a part of SSA when it became an independent agency. About 25 percent of these are dues-paying members. NFFE represents approximately 104 nonsupervisory employees in two Office of Hearings and Appeals locations, about 27 percent of whom are dues-paying members. Of the 1,800 union representatives at SSA, 145 spend all their time on union activities. The number of full-time representatives has grown significantly in the last 3 years—from 80 to 145.

Union operations at SSA are governed by a national AFGE contract and by six other union contracts with individual NTEU and NFFE components. Bargaining units consist of nonsupervisory professional and nonprofessional employees. The Office of Labor Management Relations represents SSA in its interactions with employee unions. AFGE’s national contract with SSA is renegotiated every 3 years. In March 1996, SSA and AFGE agreed to roll over the existing contract until March 1999, with some modifications. NTEU has three separate contracts, which are also renewable every 3 years. NFFE has two separate contracts, renewable every 3 years.

All of SSA’s union contracts contain provisions under which the unions are allowed to carry out their duties, including, for example, agreements concerning management and union rights, the number of representatives allowed in certain organizational components, the use and amount of
official time, arbitration and grievance procedures, and the use of agency facilities and equipment.

Evolution of Official Time Issues at SSA

The use of official time, which is authorized paid time off from assigned duties, became a major issue in SSA field components in 1982. Disputes between SSA management and unions over the interpretation of the provisions regarding using official time for representational purposes resulted in the filing of hundreds of grievances by union representatives. As a result, the contract was modified but was still subject to interpretation. Finally, in 1983, an arbitrator named Justin Smith was appointed by the American Arbitration Association to resolve issues regarding the interpretation of how official time was to be used for representational activities. Mr. Smith significantly liberalized SSA’s official time interpretation and also designated himself as arbitrator of all future official time disputes for the life of the contract. Over time, SSA disputed many of Mr. Smith’s rulings that were favorable to the unions. As a result of complaints by SSA management, the Federal Labor Relations Authority (FLRA) appointed a second arbitrator, who ruled that Mr. Smith had exceeded his authority.

To resolve ongoing disputes about official time in SSA field offices, SSA and AFGE signed a new contract in January 1990 that specified a fixed amount of official time to be used by the field office representatives for certain union activities; this time was called “bank time.” The contract also specified additional allowable time for other union activities; this was called “nonbank time.” No fixed amount of official time was specified for nonbank time, however, and the union and SSA disagreed over which activities qualified as bank time activities and which qualified as nonbank time activities. An agreement was reached in August 1990 between SSA and AFGE that clarified the definition of nonbank time activities to include activities such as bargaining on management-initiated changes, FLRA proceedings, and representing employees who have filed formal equal employment opportunity complaints.
Appendix II

Union Activities at the Postal Service, VA, and IRS

To compare the amount and cost of time charged to union activities at other agencies with those charged at SSA, we met with agency and union officials at the U.S. Postal Service, the Department of Veterans Affairs (VA), and the Internal Revenue Service (IRS). We obtained information from each agency’s headquarters and several selected field units in Texas, including a mail processing and distribution center, two post offices, a VA medical center, and an IRS regional office in the Dallas metropolitan area; a VA regional office in Waco; and an IRS service center in Austin.

Union Representation at the Three Agencies

Like unions in the private sector, unions representing Postal Service employees bargained for wages and working conditions. Like most other unions in the federal sector, the collective bargaining of the unions representing VA and IRS employees was limited to personnel policies and practices and other similar quality-of-work-life issues.

A total of 10 major unions had national recognition at the Postal Service, VA, and IRS: 4 at the Postal Service, 5 at VA, and 1 at IRS\(^7\) (see table II.1). At the field facilities that we visited, employees were represented by 6 of the 10 unions, and all of the employees at the VA field facilities that we visited who were represented by a union were represented by AFGE.

Table II.1: Unions Representing the Postal Service, VA, and IRS

<table>
<thead>
<tr>
<th>Union</th>
<th>Postal Service</th>
<th>VA</th>
<th>IRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Postal Workers Union</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Association of Letter Carriers</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Postal Mail Handlers Union</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Rural Letter Carriers’ Association</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Federation of Government Employees</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Nurses Association</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Association of Government Employees</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Federation of Federal Employees</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Employees International Union</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Treasury Employees Union</td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

\(^7\)In this context, having “national recognition” means the unions had a nationwide agreement with the agency, were members of the National Partnership Council, or both.
At the Postal Service, about 751,000 employees were represented by unions; at VA, about 165,000; and at IRS, about 97,000 (see table II.2). Although other unions without national recognition represented Postal Service and VA employees as well, the number of employees represented by these unions was 1.5 percent or less of the total number of employees represented by unions at those agencies. IRS employees were represented only by the National Treasury Employees Union.

### Table II.2: Number of Employees Represented by Unions With National Recognition, Fiscal Year 1995

<table>
<thead>
<tr>
<th>Agency/Union</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Postal Service</strong></td>
<td>751,120</td>
</tr>
<tr>
<td>American Postal Workers Union</td>
<td>354,283</td>
</tr>
<tr>
<td>National Association of Letter Carriers</td>
<td>243,367</td>
</tr>
<tr>
<td>National Rural Letter Carriers’ Association</td>
<td>96,382</td>
</tr>
<tr>
<td>National Postal Mail Handlers Union</td>
<td>57,088</td>
</tr>
<tr>
<td><strong>VA</strong></td>
<td>165,417</td>
</tr>
<tr>
<td>American Federation of Federal Employees</td>
<td>122,793</td>
</tr>
<tr>
<td>National Federation of Federal Employees</td>
<td>14,163</td>
</tr>
<tr>
<td>National Association of Government Employees</td>
<td>10,894</td>
</tr>
<tr>
<td>Service Employees International Union</td>
<td>9,768</td>
</tr>
<tr>
<td>American Nurses Association</td>
<td>7,799</td>
</tr>
<tr>
<td><strong>IRS</strong></td>
<td>96,564</td>
</tr>
<tr>
<td>National Treasury Employees Union</td>
<td>96,564</td>
</tr>
</tbody>
</table>

### Amount and Cost of Time Spent on Union Activities

During fiscal year 1995, Postal Service employees charged about 1,744,000 hours to union activities related to the early stages of grievance resolution at a cost of over $29 million for salaries. 8 These hours did not include substantial additional time spent on other union activities that were paid for by either the Postal Service or the unions. For example, the Postal Service also paid for time spent on unfair labor practices (ULP) charges and employee involvement programs and training, a practice that is similar to Partnership activities at other federal agencies. However, officials at the Postal Service told us that it was in the process of withdrawing its support for the largest employee involvement program by reassigning about 400 of

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8The Postal Service procedure for resolving grievances was a four- or five-step procedure, involving progressively higher-level union and management officials. The final step involved outside binding arbitration. In this context, the term “early stages” means that the grievance was in the step-one or step-two stage—still at the informal or field facility level.
Postal officials also told us that the salaries of an additional 460 full-time union officials were paid by the unions. In addition, time that was spent by part-time union representatives on the contract negotiation process was either paid for by the unions or was considered “off the clock.” Neither of these sets of time charges and costs was included in the reported totals. As discussed above, VA did not have a time-reporting system to capture time charged to union activities.

IRS employees charged over 527,000 hours to union activities during fiscal year 1995. Of this total, about 348,000 hours, or 66 percent, was “official time,” which is defined by IRS as time spent participating on behalf of the union in meetings called by management. Approximately 179,000 hours, the remaining 34 percent, were “bank time,” which IRS defines as time spent on all other union-related activities, including grievance resolution, that are managed locally. IRS officials told us that they did not develop comprehensive cost information related to the time spent by union representatives on union activities or to the other support provided to the union. In addition, they could not provide information on the number of full-time union representatives. (See table II.3.)

9Unlike other “union activities,” employee involvement programs at the Postal Service were not specifically required by statute, regulation, executive order, or collective bargaining agreements.
Appendix II
Union Activities at the Postal Service, VA, and IRS

Table II.3: Time Charged to Union Activities by the Postal Service, VA, and IRS, Fiscal Year 1995

<table>
<thead>
<tr>
<th>Agency/Union</th>
<th>Number of hours charged to union activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Postal Service</td>
<td>1,743,548a</td>
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<tr>
<td>American Postal Workers Union</td>
<td>1,176,912</td>
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<tr>
<td>National Postal Mail Handlers Union</td>
<td>461,804</td>
</tr>
<tr>
<td>National Association of Letter Carriers</td>
<td>97,847</td>
</tr>
<tr>
<td>National Rural Letter Carriers’ Association</td>
<td>6,985</td>
</tr>
<tr>
<td>VA</td>
<td></td>
</tr>
<tr>
<td>American Nurses Association</td>
<td></td>
</tr>
<tr>
<td>American Federation of Government Employees</td>
<td></td>
</tr>
<tr>
<td>National Federation of Federal Employees</td>
<td></td>
</tr>
<tr>
<td>National Association of Government Employees</td>
<td></td>
</tr>
<tr>
<td>Service Employees International Union</td>
<td></td>
</tr>
<tr>
<td>IRS</td>
<td>527,330</td>
</tr>
<tr>
<td>National Treasury Employees Union</td>
<td>527,330</td>
</tr>
</tbody>
</table>

*aOf the $29,159,199 associated with the total hours charged to union activities at the Postal Service, $19,950,153 was associated with the hours charged by representatives of the American Postal Workers Union; $7,414,326, by the National Postal Mail Handlers Union; $1,683,917, by the National Association of Letter Carriers; and $110,803, by the National Rural Letter Carriers’ Association.

VA did not have a time-reporting system to provide the total number of hours it charged to union activities.

Time Charged to Union Activities Varied Over 5-Year Period

From fiscal year 1990 to 1995, the amount of time charged to union activities at the Postal Service remained relatively constant with only minor variations. (VA had no time-reporting system.) At IRS, the time charges increased between 1990 and 1995 by about 28 percent, although not consistently. Official time increased about 90 percent, and bank time decreased about 21 percent. IRS officials told us that these fluctuations were largely attributable to a change in the collective bargaining agreement. Previously, time spent by union chapter presidents had been charged to bank time; now it is charged to official time. (See table II.4.)

10IRS’ definitions of official time and bank time differ from SSA’s definitions of these terms. At IRS, official time is considered time spent participating on the behalf of the union in meetings called by IRS management, including meetings concerning personnel policies or practices or other general conditions of employment. Bank time is time that (1) is spent by union stewards on activities associated with the maintenance of an effective labor/management relationship, including grievance resolution, and (2) is managed locally.
Table II.4: Time Charged to Union Activities by the Postal Service and IRS, Fiscal Years 1990-95

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Postal Service</td>
<td>1,708,434</td>
<td>1,779,274</td>
<td>1,549,222</td>
<td>1,624,518</td>
<td>1,732,927</td>
<td>1,743,548</td>
</tr>
<tr>
<td>IRS</td>
<td>410,983</td>
<td>397,882</td>
<td>415,300</td>
<td>465,479</td>
<td>442,403</td>
<td>527,330</td>
</tr>
<tr>
<td>IRS official time</td>
<td>183,681</td>
<td>173,798</td>
<td>175,396</td>
<td>205,831</td>
<td>238,552</td>
<td>348,211</td>
</tr>
<tr>
<td>IRS bank time</td>
<td>227,302</td>
<td>224,084</td>
<td>239,904</td>
<td>259,648</td>
<td>203,851</td>
<td>179,119</td>
</tr>
</tbody>
</table>

Amount of Dues Collected

In fiscal year 1995, about 623,000, or 83 percent of the Postal Service employees represented by a union, paid union dues through payroll deductions. The estimated dues collected were $192 million. At VA, approximately 48,000, or 29 percent of the employees represented by unions, paid about $13 million in dues during this time period. About 43,000 IRS employees, or 44 percent of all IRS employees represented by the union, paid about $11 million in dues. (See table II.5.)
## Table II.5: Union Dues Collected by Payroll Deduction, Fiscal Year 1995

<table>
<thead>
<tr>
<th>Agency/Union</th>
<th>Number of employees paying union dues by payroll deduction</th>
<th>Amount of dues collected by payroll deduction*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Postal Service</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Postal Workers Union</td>
<td>275,432</td>
<td>83,675,013</td>
</tr>
<tr>
<td>National Association of Letter Carriers</td>
<td>226,280</td>
<td>84,978,484</td>
</tr>
<tr>
<td>National Postal Mail Handlers Union</td>
<td>68,462</td>
<td>14,698,906</td>
</tr>
<tr>
<td>National Rural Letter Carriers’ Association</td>
<td>52,667</td>
<td>8,228,676</td>
</tr>
<tr>
<td><strong>VA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Federation of Government Employees</td>
<td>38,604</td>
<td>10,496,183</td>
</tr>
<tr>
<td>National Federation of Federal Employees</td>
<td>3,295</td>
<td>743,844</td>
</tr>
<tr>
<td>Service Employees International Union</td>
<td>2,289</td>
<td>603,699</td>
</tr>
<tr>
<td>National Association of Government Employees</td>
<td>2,255</td>
<td>655,905</td>
</tr>
<tr>
<td>American Nurses Association</td>
<td>1,287</td>
<td>381,210</td>
</tr>
<tr>
<td><strong>IRS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Treasury Employees Union</td>
<td>42,580</td>
<td>$11,113,408</td>
</tr>
</tbody>
</table>

*These dollar amounts are the result of multiplying the dues withheld during one pay period by 26, the number of pay periods in 1 year.

*A Postal Service official told us that a combination of two things caused the number of employees paying dues to exceed the number of employees represented by this union. First, transitional employees were represented by this union and were in some cases dues-paying members. However, these employees were not on the rolls at the end of the year. Second, several lawsuits in recent years have resulted in the reclassification of employees in two positions: “mail handlers,” who had been represented by the National Postal Mail Handlers Union, and “clerks,” who had been represented by the American Postal Workers Union.

*The actual union dues collected by IRS for the 25 pay periods that ended February 2, 1996, totaled $10,685,970. We estimated that dues for fiscal year 1995 were about $11,113,408 (we obtained this figure by dividing $10,685,970 by 25 and multiplying the result by 26).
Time-Reporting System

The reporting systems at the seven field facilities that we visited varied: Some facilities had electronic “clocking” systems; others had no reporting system at all. None of the systems used at the field facilities we visited was designed to capture time spent by management or other employees on union-related matters or to report the number or names of union representatives charging union time.

At the three Postal Service facilities we visited, union representatives electronically clocked out when performing union activities if an electronic badge reader was available, and the time spent was automatically entered into a computerized system. If no electronic badge reader was available, the supervisor recorded the information on a form, and the information was manually entered into the computerized system.

VA did not have a system to aggregate the hours charged to union activities departmentwide, and the medical center that we visited did not have its own system to capture this information. The reporting systems at the VA regional office varied from unit to unit.

One of the IRS facilities we visited had standard procedures for reporting time charges for union activities. In the other facility that we visited, practices varied from unit to unit. Some units recorded union time charges, while others recorded union time as excused time. Still other units provided information on union time charges orally to supervisors without any documentation.

Effects of Partnership Activities on Union Time

As an independent governmental establishment, the Postal Service is not subject to the provisions of Executive Order 12871, which articulated the new vision of labor/management relations called “Partnership.”

VA and IRS officials at the headquarters level were uncertain about whether time spent on union activities had increased or decreased as a result of the administration’s Partnership agreement and activities. VA officials told us that it was too early to determine the impact of the Partnership agreement. However, they also said that as they moved into the Partnership process, formal negotiations appeared to be shorter and normally negotiable items were less complex. They went on to say that ULPs were down 14 percent and that the number of grievances appeared to have been greatly reduced. IRS officials told us that because the agency was reorganizing, any increase or decrease in time spent on union activities could not be attributed directly to Partnership activities.
VA and IRS officials at each of the four field facilities we visited told us that time spent on Partnership activities increased substantially in 1995. They said that these costs were absorbed by the agencies' general program budgets because Partnership activities were considered a cost of doing business.

In commenting on this report, NTEU said it believed that Partnership activities have been the predominant cause of the increase in time spent on union activities at IRS.
Appendix III

Comments From the Social Security Administration and Our Evaluation

Ms. Jane L. Ross, Director
Income Security Issues
U.S. General Accounting Office
Washington, D.C. 20548

Dear Ms. Ross:

Thank you for the opportunity to comment on the draft report, "Union Activities at the Social Security Administration" (GAO/HEHS-96-199).

Before I address your specific conclusions, it is important to note, as you acknowledged in your report, that payment of official time (i.e., authorized time off from assigned duties in order to perform union/SSA-related activities) to SSA employees who are union representatives is both legal and consistent with routine methods of union operations throughout the Federal government.

In the conclusions section of its report, GAO stated, "SSA has a special fiduciary responsibility to effectively manage and maintain the integrity of the Social Security trust funds from which most of these expenses are paid. In a time of shrinking budgets and personnel resources, it is especially important for SSA, as well as other agencies, to evaluate how resources are being spent and to have reliable monitoring systems that facilitate this evaluation."

We believe that a strong management-labor relationship is essential to both effective oversight of our operations and programs and to protection and integrity of the Trust Funds. We are implementing this relationship at SSA through what we refer to as a "partnership" with our unions, and we do not believe the report accurately portrays the importance of this partnership. One of SSA's three fundamental goals set forth in the Agency Strategic Plan is to create an environment that ensures a highly skilled, motivated workforce dedicated to meeting the challenges of SSA's public service mission. The partnership with the unions is an important means of advancing that goal. By working with the unions, we involve our employees in consultations about things that need to be done and how best to do them. It is in SSA's best interest to support the union's continued participation by funding certain activities, since the ultimate success of our efforts to improve operations rests with the employees who put them into practice every day.

See comment 1.
In past years, official time has traditionally been used for costly third party matters such as arbitrations and unfair labor practice complaints. Under the partnership agreement, our relationship with the union has shifted from an adversarial one to one of cooperation. As a result, since the inception of our partnership, the number of unfair labor practice charges has decreased from 467 in FY 1990 to 209 in FY 1995. The GAO estimated that each unfair labor practice charge costs $28,000, and using this estimate we calculate that the reduction will save over $7 million per year.

We agree with GAO’s conclusion that an automated Agencywide reporting system would provide more accurate data on the amount of official time spent on union activities. As the draft report indicates, SSA’s new system will be piloted and tested in field offices and teleservice centers. The first phase, a limited test in several offices in one region, is scheduled to start by October 1, 1996. The results of the tests will be evaluated and the system phased in or fully implemented in the field office structure. If the system proves to be successful, we will expand it Agencywide.

The report states that local SSA managers indicate that they have little or no control over when and how union activities are carried out. This is not entirely the case. While local managers have no control over which employees the union designates as its representatives, the amount of time spent is subject to the control of local management. The amount of official time used must be "reasonable" and managers are authorized to deny any request for unreasonable amounts of official time. In addition, it is important to note that managers may postpone approval of a request for official time if the specific time requested would disrupt service to the public while operational exigency exists. Instructions clarifying the circumstances under which requests for official time may be denied have recently been issued to SSA managers.

In addition to the above major points, we would like to provide the following technical comments:

The report states, (page 5) that neither reporting system is designed to capture the number or names of individuals charging union time. This is incorrect. The Headquarters time tracking system requires the name of union representatives who use official time.

Table 1, (page 14) lists one full-time union representative with a salary of $90,001 - 90,000. We have subsequently learned that SSA does not have a full-time union representative within that salary range. We would appreciate the table being revised to reflect that fact in the final report.
Appendix III
Comments From the Social Security Administration and Our Evaluation

The report states (page 22) that SSA and the American Federation of Government Employees (AFGE) agreed to rollover the existing contract, with some modifications, in July 1996 and that it would remain in force until July 1999. This is incorrect. The “revised” National Agreement between SSA and AFGE became effective on March 5, 1996 and will remain in force for 3 years from that date.

Page 26, paragraph 2, penultimate line: “full-time” is misspelled.

If you have any questions, please call me or have your staff contact Barbara Doering at (410) 965-2290.

Sincerely,

Shirley S. Chater
Commissioner
of Social Security
The following are GAO’s comments on the Social Security Administration’s letter dated September 6, 1996.

GAO Comments

1. SSA believed that our report did not adequately portray the importance of Partnership between the agency and its unions. It also attributed $7 million in yearly savings from decreased ULPs and arbitration cases from 1990 through 1995 to the results of Partnership. Our report states that the executive order on Partnership directs agencies to involve labor organizations as full partners with management to better fulfill the agencies’ mission. It also states that, today, unions operating in federal government agencies have significant involvement in operational and management decisions. Partnership activities at SSA are just beginning, and it would be inappropriate at this time to make such a direct correlation between the decline in ULPs and arbitration cases and Partnership. Figures 4 and 5 in the body of the report show similar declines in these activities from 1990 to 1991, before the initiation of Partnership.

2. SSA disagrees in part with what their field managers told us regarding when and how union activities are carried out. SSA states that the amount of time spent on union activities is subject to the control of local management to the extent that these requests for time are reasonable. In an April 1996 memo to field managers from the Deputy Commissioner for Human Resources, SSA attempted to clarify the circumstances under which requests for official time may be delayed or denied. The memo does not address union designation of representatives nor the specific amount of time allocated to representatives to perform union activities. Our report has been changed to reflect this.

3. We disagree with SSA’s statement that the headquarters reporting system is designed to capture the number and names of individuals. We found that the documents forwarded to headquarters and retained as system source documents do not routinely identify the name and number of individuals charging union time.

4. SSA originally supplied documentation that listed an individual receiving a salary of $80,001 to $90,000 as a full-time union representative. It subsequently indicated that this information was incorrect, and that, while he was a union steward, the individual was not a full-time union representative. We have changed the report to reflect this.
Appendix IV
Comments From the National Treasury Employees Union

Note: The attachments mentioned in this letter are not reprinted here because their content is explained in this letter.

September 9, 1996

Jane L. Ross
Director, Income Security Issues
U.S. General Accounting Office
Washington, DC 20548

Dear Ms. Ross:

Thank you very much for the opportunity to comment on GAO’s draft report entitled, Social Security: Union Activity at the Social Security Administration. NTEU’s comments pertain primarily to the information referencing the Internal Revenue Service contained in the draft report’s appendix sections.

The draft report indicates that the Internal Revenue Service was uncertain as to whether or not time spent on union activities had increased or decreased as a result of partnership. It is our understanding from the federal employees we represent that partnership activities have played a singularly significant role in the amount of hours charged to official time in the last two years. We have been happy to participate and are extremely pleased with some of the solutions to which this new era of labor-management cooperation has led.

As further evidence of our belief that partnership activities have been the predominant cause of increases in the use of official time, I have attached a chart recently provided to me by the IRS. As you know, IRS official time is divided into two categories -- official time which is for hours used for meetings called by management, and bank time which can be negotiated for use by union volunteers to prepare for meetings with management on issues as diverse as grievances, arbitrations, and collective bargaining agreements.

This chart is significant because it shows that between 1993 and 1995, bank time usage at IRS dropped by more than 80,000 hours -- a 31 percent reduction in bank time usage during the two year period following President Clinton’s Executive Order establishing labor-management partnerships and ushering in a new era of labor-management relations. The dramatic drop in this category of official time is further evidence of a significantly reduced level of adversarial relations at the IRS in the wake of partnership.

Furthermore, as the GAO showed in its review of official time at SSA, a drop in adversarial relations carries with it a significant savings to the agency -- in the case of SSA, the

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Appendix IV

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A reduction in unfair labor practices alone led to an estimated $14 million savings in the two years since partnership. This, of course, more than offset SSA's $6 million increase in official time expenditures during this same two year period.

Moreover, the same attached chart provides evidence of a 142,000 hour increase in the category referred to as official time between 1993 and 1995. We believe this 41 percent increase in the two years since the implementation of labor-management partnerships is primarily a reflection of the level of sophistication of the labor-management partnership at IRS. Many cost savings and customer service improvements have been implemented as a result of labor and management working together to find solutions. In addition, it reflects the increased need for labor-management cooperation in the wake of constant downsizing, streamlining and reengineering at the IRS.

I have also taken the liberty of attaching two charts that I would encourage you to include in your final report. These reports are from the 1995 National Partnership Council Report entitled, A New Vision for Labor-Management Relations. Federal employees across the spectrum, those representing management, union members and other non-bargaining unit employees participated in a survey to determine perceptions of labor-management cooperation both before and after partnership. The perceived relationship between management and labor was described as cooperative by only 47 percent of the respondents before partnership, but following the implementation of President Clinton's Executive Order, jumped to 69 percent. Similarly telling is the chart showing that 75 percent of management and 92 percent of union respondents support labor-management partnerships in the federal sector.

I have also enclosed a letter recently sent to members of Congress by the Senior Executive Association (SEA), which as you know, represents employees in the highest managerial levels of government. The SEA strongly supports the partnership efforts underway throughout the federal government and believes they have resulted in substantial savings to the government and vastly improved labor-management relations. I believe the fact that the positive effects of partnership are being felt at the highest levels of government should have a place in your report and I encourage the inclusion of these views.

Thank you again for the opportunity to provide comments for this report.

Sincerely,

Robert M. Tobias
National President

Attachments
Appendix V

GAO Contacts and Staff Acknowledgments

GAO Contacts

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Acknowledgments

In addition to those named above, the following individuals also made important contributions to this report: William J. Staab, Jacquelyn O. Stewart, Vernette G. Shaw, Brenda J. Bridges, Cleofas Zapata Jr., and James L. Rose, Evaluators; John A. Leitch, Assistant Director; and Daniel A. Schwimer, Attorney Advisor.
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