

UPDATE

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Could Big Civil Service Changes Lie Ahead?

Sweeping changes ([here](#) and [here](#)) to civil service rules and employee compensation could come about under plans being prepared by President-elect Trump's transition team and the GOP-controlled Congress. Last November's anti-Washington mandate has put a [bulls-eye](#) on the federal bureaucracy as part of efforts to "drain the swamp" and eliminate "government waste."

Conservative think tank [proposals](#), based on the questionable assumption that federal pay and benefits are overly generous, could now become the playbook for Congressional action. Unified GOP control of Congress and the White House will make enactment of some changes possible. Proposals blocked in the past by a Democratic President and the Senate could now become law.

Some changes could affect only federal civil servants, while others could reach to postal employees, particularly those involving retirement and health benefits and new postal hires. Congress will take aim at reducing the defined benefit portion of FERS and move newly-hired federal and postal employees to a defined contribution arrangement, consisting of Social Security and the Thrift Savings Plan. House chairman Jason Chaffetz (R-UT) has [suggested](#) the possibility of a higher TSP government match in return for elimination of the FERS defined benefit component. Reductions in the government's contribution toward health insurance premiums (now set at 72%) could also come into play.

Some potential civil service changes could be helpful to civil service and postal managers, like the streamlining of rules to remove poor performers. [Legislative proposals](#) currently applicable only to the Veterans Administration personnel actions could be broadened to become governmentwide.

The Holman Rule is Back

One of the first expressions of GOP appetite to attack the jobs and salaries of federal employees who administer controversial enforcement and regulatory programs in the Executive Branch occurred last week. On the very first day of the new Congress, GOP House members [adopted](#) a procedural rules package that reinstated the [Holman Rule](#), which will permit House members during floor debate on government funding bills to offer amendments that directly reduce specific jobs and salaries at particular agencies, down to as little as \$1 a year.

The Holman Rule has not been used since the 1980's, when it was set aside over internal Congressional squabbles. But the return of the Holman Rule signals a new aggressiveness by House conservatives to return power to rank-and-file members aiming to decrease federal spending and taxpayer costs to levels lower than those recommended by the established appropriations committees.

As a result, House lawmakers now will have the power to make surgical cuts into agency budgets, identifying particular jobs, and even their incumbents and salaries, to be cut. Fortunately, it appears that the Postal Service is relatively protected from the reach of the Holman Rule because of the relatively small amount of dollars (and in turn jobs) that Congress appropriates to the Postal Service, whose funding comes primarily from postage.

More Trouble Ahead: The PAGE Act

Also during the first week of the new Congress, some members wasted no time in readying measures that would reduce the size of the federal workforce and establish dramatic personnel reforms. Most notably, [Rep. Todd Rokita \(R-IN\)](#) prepared to reintroduce legislation, the Promote Accountability and Government Efficiency Act ("PAGE Act", [HR 6278](#) in the last Congress) that would, among other things, turn all new federal workers into ["at-will" employees](#), permitting supervisors to fire them without due process rights or the opportunity to appeal. Such changes would not appear to apply to Postal Service new hires, but would have profound impact upon labor relations throughout the federal workplace. The Rokita bill also would end "official time" practices, which permit civil service union stewards to engage in union activity while receiving a federal salary.

Postal Reform: What's In Store?

Postal reform legislation failed to cross the finish line in the last Congress, and its prospects for passage in the 115th Congress remain mixed. As time ran out in December on the lame duck Congress, efforts by House and Senate negotiators to reach a deal on a comprehensive postal bill failed to resolve questions about Medicare integration and other issues. Discussions on the bill are expected to

pick-up once again in the new Congress and [possibly lead](#) to final action sometime in 2017.

NAPS will keep a close watch on these developments and proposals in the weeks ahead and keep its members advised on its actions. Some measures could provide helpful management tools, while others could be disruptive to the pocketbooks and protections for all federal and postal employees. They will receive special attention during the [2017 NAPS Legislative Training Seminar, March 5-8](#). Register today.

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