



Thirty-two years – promoting and protecting labor-management relations for effective, efficient government.

**U.S. FEDERAL LABOR RELATIONS AUTHORITY
CONGRESSIONAL BUDGET JUSTIFICATION**

Decisions of the
FEDERAL
LABOR
RELATIONS
AUTHORITY

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**UNITED STATES
FEDERAL LABOR RELATIONS AUTHORITY**



**Congressional Budget Justification
Fiscal Year 2012**

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U.S. FEDERAL LABOR RELATIONS AUTHORITY

BACKGROUND AND MISSION

The U.S. Federal Labor Relations Authority (FLRA) is *the* sole agency responsible for establishing policies and guidance regarding the labor-management relations program for 1.6 million non-Postal, Federal employees worldwide, approximately 1.1 million of whom are represented in 2,200 bargaining units. The FLRA was created by Title VII of the Civil Service Reform Act of 1978, also known as the Federal Service Labor-Management Relations Statute (the Statute). The agency's real genesis, however, dates from the issuance of Executive Order 10988 by President Kennedy in 1962. Executive Order 10988 established the first government-wide, labor-management relations program within the Federal government. In 1970, President Nixon established the Federal Labor Relations Council by Executive Order 11491 to administer the Federal labor-management relations program and to make final decisions on policy questions and major disputes arising under the Order. Executive Order 11491, as amended, was the basis for President Carter's proposal to Congress to create a Federal Labor Relations Authority as an independent agency.

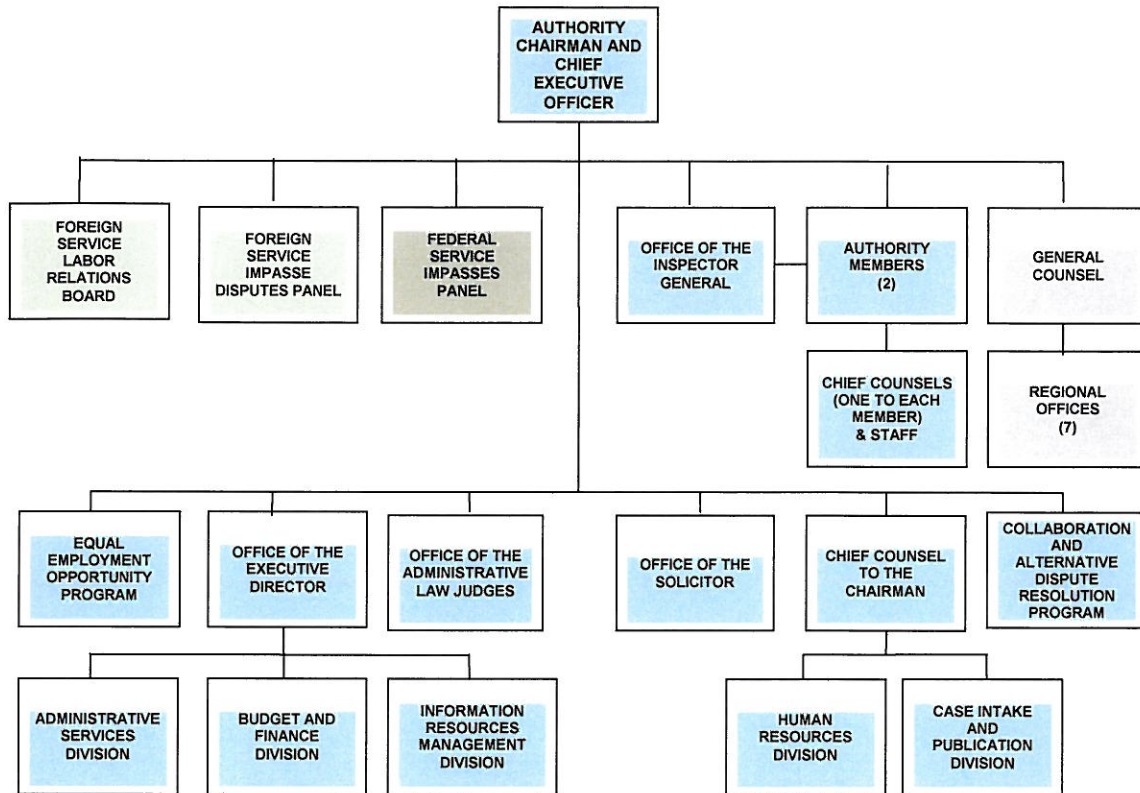
The Statute protects the rights of Federal employees to form, join, or assist a labor organization or to refrain from such activity freely and without fear of penalty or reprisal. These rights include acting for a labor organization as a representative and, in that capacity, presenting the views of the organization. Employees also have the right to engage in collective bargaining with respect to conditions of employment through representatives chosen by the employees themselves.

The mission of the FLRA is to promote stable, constructive labor-management relations in the Federal government by resolving and assisting in the prevention of labor disputes in a manner that gives full effect to the collective bargaining rights of employees, unions, and agencies. Although the FLRA is a small agency, accomplishing its mission, including the timely, quality resolution of disputes, is essential for program performance government-wide. If a labor-management dispute in another agency remains unresolved for too long, the mission accomplishment in that agency likely will suffer. In many ways, the FLRA provides grease for the wheels of government. As such, its vitality is important beyond its size.

ORGANIZATIONAL STRUCTURE

The FLRA consists of the Authority, the Office of the General Counsel, and the Federal Service Impasses Panel. The agency also provides full staff support to two other organizations, the Foreign Service Impasse Disputes Panel and the Foreign Service Labor Relations Board.

U.S. Federal Labor Relations Authority



The Authority

The Authority is composed of three full-time Members appointed by the President with the advice and consent of the Senate. The Members are appointed for five-year, staggered terms and one Member is designated by the President to serve as Chairman. The Authority is empowered to: resolve disputes over the negotiability of proposals made in collective bargaining; decide whether conduct alleged in a complaint constitutes an unfair labor practice (ULP); resolve exceptions to grievance arbitration awards; and review the decisions of Regional Directors in disputes over union elections and unit determinations.

The Authority appoints Administrative Law Judges (ALJs) to hear and prepare decisions in cases involving alleged ULPs, as well as decisions involving applications for attorney fees filed pursuant to the Back Pay Act or the Equal Access to Justice Act. The Office of the Administrative Law Judges also provides settlement opportunities in all ULP cases. Decisions of the ALJs may be appealed to the Authority.

The Office of the Solicitor represents the Authority in court proceedings. Parties aggrieved by certain Authority decisions may institute an action for judicial review within 60 days after the

decision issues. The Authority may also seek enforcement of its orders, temporary relief or restraining orders in the appropriate U.S. court of appeals or district court.

The Office of the General Counsel

Appointed for a five-year term by the President with the advice and consent of the Senate, the General Counsel has responsibility for investigating ULP charges and for filing and prosecuting ULP complaints. Pursuant to the Statute, the General Counsel has direct authority over, and responsibility for, all employees in the Office of the General Counsel (OGC), including those in the regions. The Regional Offices, on behalf of the General Counsel, investigate alleged ULPs, file and prosecute ULP complaints, and provide training and alternative dispute resolution (ADR) services. In addition, through delegation by the Authority, the Regional Offices process and determine representation matters.

The General Counsel has a management staff in FLRA Headquarters, located in Washington, DC, and the seven Regional Offices. Headquarters management staff provides administrative oversight and develops policies, guidance, procedures, and manuals that provide programmatic direction for the OGC's seven regions and training and education for the parties. Each Regional Office has a Regional Director who provides leadership and management expertise for the respective region.

[Atlanta Regional Office](#)

[Boston Regional Office](#)

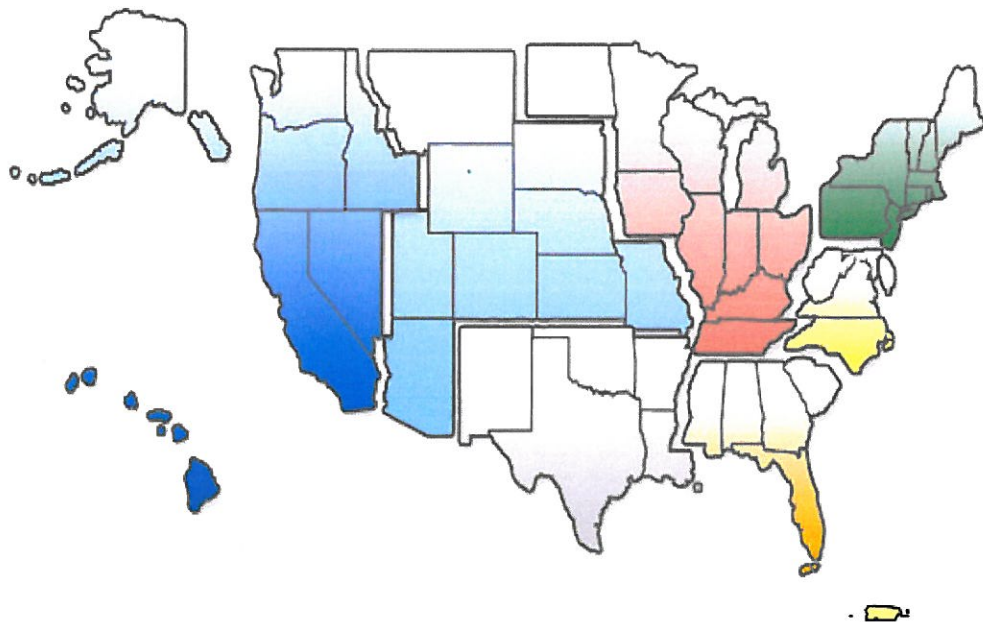
[Chicago Regional Office](#)

[Dallas Regional Office](#)

[Denver Regional Office](#)

[San Francisco Regional Office](#)

[Washington DC Regional Office](#)



The Federal Service Impasses Panel

The Federal Service Impasses Panel (FSIP or the Panel) resolves impasses between Federal agencies and unions representing Federal employees arising from negotiations over conditions of employment under the Statute and the Federal Employees Flexible and Compressed Work Schedules Act. The Chairman and six other Members of the Panel are appointed by the President for five-year terms. If bargaining between the parties, followed by mediation

assistance, does not result in a voluntary agreement, either party or the parties jointly may request the FSIP's assistance. Following a preliminary investigation by its staff, the Panel may determine to assert jurisdiction over the request. If jurisdiction is asserted, the FSIP has the authority to recommend and/or direct the use of various ADR procedures. These include informal conferences, additional mediation, fact-finding, written submissions, and mediation-arbitration by Panel Members, the Panel's staff, or private arbitrators. If the parties still are unable to reach a voluntary settlement, the FSIP may take whatever action it deems necessary to resolve the dispute, including imposition of contract terms through a final action. The merits of the FSIP's decision may not be appealed to any court.

AGENCY TRENDS AND CHALLENGES

Over 60 percent of eligible Federal employees are represented by a labor organization. As a result, work place change in the Federal government frequently includes collective bargaining or a representation proceeding. Indeed, the vast majority of ULP charges and representation petitions are filed in connection with a management-initiated change. Defense Secretary Gates, for example, recently announced his intention to implement changes affecting conditions of employment as part of a previously-announced plan to cut defense spending. These changes may require collective bargaining, and thus could lead to an increase in the need for FLRA services. The Defense Department is also engaged in Round III of its Joint Base initiative, a process that has to date generated many representation case filings as bargaining units are shifted around during the consolidation of bases among the various services and in different locations. This process will continue to generate representation cases, and collective-bargaining may be necessary to implement the consolidations.

In addition, President Obama's recently announced call for the reorganization of Federal agencies – described as the most aggressive reorganization of the Federal government in at least half a century – will undoubtedly involve changes in the way Federal agencies deliver services and include consolidating operations, moving offices, implementing new technologies, and other changes that have to be resolved expeditiously to ensure that high-quality services can continue to be provided to the American public. The FLRA's services will be critical in facilitating orderly, efficient and effective change within the Federal government. Several legislative changes having potentially significant impacts on the FLRA are also on the horizon. For example, legislation providing the FLRA with jurisdiction over collective bargaining activities involving public safety employees in states and territories, which has been under active consideration, would greatly increase the number and complexity of cases and other activities.

Among the external initiatives that will be important in FY 2012 is training and education for labor and management representatives and others, including arbitrators. Indeed, requests for training are received daily in all the FLRA's components, and this demand is expected to continue if not increase. Having the capacity to provide training on rights and responsibilities under the Statute as well as other matters, such as ADR, reduces the number and complexity of labor-management disputes submitted to the FLRA and otherwise enhances government performance. Similarly, making more information more easily available to the public in an increasingly electronic world remains an initiative.

Further, the FLRA will continue its deep involvement in implementing President Obama's Executive Order on "Creating Labor-Management Forums to Improve Delivery of Government Services." In fact, the FLRA was identified as a critical resource for both labor and management in the Order. Serving as this critical resource, the agency is providing, and will continue to provide, training, materials, and facilitation to parties that establish labor-management forums, including training on establishing forums given by the OGC in cooperation with the Federal Mediation and Conciliation Service, and assistance from the FLRA's Collaboration and Alternative Dispute Resolution Office (CADRO) in the development of forum charters. These efforts are consistent with the FLRA's initiatives to reduce litigation and its related costs throughout the government by assisting parties to resolve their disputes through collaboration and other ADR techniques.

The FLRA is currently playing a significant role in supporting agencies and unions that are participating in the pilot projects set forth in section 4 of the Order. Among other things, the FLRA offers a two-day program to pilot participants that focuses on providing guidance and training on bargaining over section 7106(b)(1) matters – the substantive legal issues and standards – as well as interest-based bargaining techniques and consensus decision-making. In addition, the CADRO is providing facilitation services to assist the pilots in the development of their charters. It is envisioned that the CADRO will be available to facilitate pilot meetings and negotiations as the groups move forward.

The FLRA was recently honored to receive the award as "Most Improved Small Agency in 2010" from the Partnership for Public Service. Nevertheless, in overall small-agency rankings, the FLRA moved only from 34th (last) to 20th. Moreover, although the FLRA ranked among the top four small agencies in several survey categories, including overall leadership, the survey revealed that significant work remains to be done in such areas as employee training and development. Ensuring that employees have access to training necessary for job performance as well as advancement into management and executive positions is vital for the agency to continue to improve employee satisfaction and accomplish its mission and performance objectives.

Moving forward, the FLRA will continue to take steps necessary to restore confidence in the agency's leadership, its management, and staff to accomplish its important mission of providing guidance in resolving labor-management disputes in the Federal sector. The FLRA's growth in staffing over the past year – increasing from 114 full-time equivalents (FTEs) in FY 2009 to 128 in FY 2010 – is significant yet small in comparison to the 212 FTEs that performed the mission a decade ago. A renewed and revitalized FLRA depends on not only funding but also creativity in using existing resources as well as vigorous dedication to improving program performance, agency management, and employee morale and satisfaction.

ANNUAL PERFORMANCE PLAN

STRATEGIC AND PERFORMANCE PLANNING FRAMEWORK

The FLRA opened FY 2010 with its first collaborative strategic planning effort in nearly ten years. This effort built upon the agency's work in FY 2009 addressing mission needs through effective management and planning. The FLRA's performance planning framework is based on the FY 2010-2015 Strategic Plan, and is supported by the Annual Performance Plan. The FLRA's FY 2012 Performance Plan reflects the agency's commitment to establishing measures that will enable it to assess performance outcomes, align resources, and effectively identify staffing and training needs for future years. To accomplish its mission, the FLRA has established the following four strategic goals.

FLRA Strategic Goals

1. Achieve superior customer service.
2. Develop leaders at every level to meet goals and position the agency for the future.
3. Advance performance through organizational and management excellence.
4. Develop, empower, and engage FLRA employees to meet program needs and improve job satisfaction.

The agency seeks to achieve its strategic goals primarily through the timely review and disposition of cases. The FLRA supports these efforts by focusing on improvements in information technology (IT) and more effective and efficient use of its human capital. In this regard, staffing levels are reviewed on an on-going basis to ensure that the agency's human resources are strategically aligned to meet performance targets and all regulatory requirements. Increasing capacity in the FLRA Human Resources Division, for example, has resulted in steady progress in revising outdated agency policy, procedures, and instructions.

FY 2012 Performance Goals

1. Provide timely review and disposition of unfair labor practice cases.
2. Provide timely review and disposition of representation cases.
3. Provide timely review and disposition of arbitration cases.
4. Provide timely review and disposition of negotiability cases.
5. Provide timely review and disposition of bargaining impasse cases.
6. Use collaboration techniques and alternative dispute resolution services to minimize and/or resolve labor-management disputes.
7. Modernize agency information technology business systems to support and enhance program achievement.
8. Develop, manage, and utilize the FLRA's human capital to meet program needs.

Timeliness

Improvements in the quality and timeliness of case dispositions further the FLRA's critical role in facilitating orderly, efficient and effective change within the Federal government. The agency's mission has a direct bearing on how well and quickly any improvements in government operations can be effectuated because such changes inevitably impact employee working conditions and implicate bargaining rights. Unless management and labor can timely reach agreements or, failing that, have their disagreements resolved expeditiously, the mission accomplishment in that agency likely will suffer. This is particularly relevant now as Federal agencies are making significant adjustments and changes in how they perform their missions.

Moreover, the core purpose of the Federal Labor-Management Relations Statute (the Statute) is to promote collective bargaining as a means of fostering improved employee performance and government operations. The failure of the agency to process cases in a timely manner adversely impacts the accomplishment of this purpose. Consistent with the need to improve quality and timeliness, the Authority has successfully adhered to a Corrective Action Plan (CAP) developed in FY 2009 to eliminate its case backlog by FY 2012. To date, the Authority has reduced both its overall inventory and its inventory of overage cases by 50 percent.

Alternative Dispute Resolution

The FLRA established the Collaboration and Alternative Dispute Resolution Office (CADRO) to place greater emphasis on the use of alternative dispute resolution (ADR) and consensus decision-making in resolving workplace disputes. These efforts have been integrated into all of the FLRA's case processes. The CADRO provides overall coordination and support for the agency's labor-management cooperation and ADR efforts. The program assists agencies and unions in improving their labor-management relationships and in resolving disputes.

Information Technology

The agency makes extensive use of automated IT systems in meeting its timeliness goals. Recent IT advancements include adopting a "Cloud First" philosophy and migrating the FLRA's onsite Oracle-based case management system (CMS) to the QuickBase-hosted CMS currently in use. Migrating away from Oracle will result in a significant savings to the agency by reducing licensing fees and by not requiring access to an Oracle Database Administrator. The agency also makes continual improvements to the FLRA website to provide more useful tools and resources to the public. New features include posting of Authority decisions within 24 hours, improved research capabilities of Authority decisions, manuals, and guidance, and announcement of training and educational opportunities for the parties. The FLRA is also leveraging technology including the internet and telephone as a means to conduct representation elections that employ remote access voting.

With respect to cybersecurity, actions are currently underway to fully implement a mandatory set of processes and system controls to make certain the confidentiality, integrity, and availability of system-related information and information resources, as well as to ensure the security of agency records. The FLRA Information Resources Management Division (IRMD) will begin a formal

continuous monitoring program, continue development and enforcement of agency information assurance policy, and make certain that all security issues and threats are mitigated on an continuing basis. To ensure compliance with Federal Information Security Management Act requirements, the IRMD established an on-going program for information security management in late FY2009. Part of this effort was the successful certification and accreditation of the FLRA general support system. Furthermore, the FLRA will continue its efforts to ensure compliance with agency policies, processes, and procedures concerning the appropriate handling and safeguarding of documentation by providing staff with clear instruction on handling all types of records.

Human Capital

In FY 2010, the FLRA focused its attention on improving all aspects of employee worklife, including: providing workplace flexibilities; empowering career managers with decision and budget authority; instituting regular presidential and career management meetings; establishing collaborative workgroups to address workplace issues; and increasing internal communication between and among employees at all levels. Consistent with Executive Order 13522, the FLRA and the Union of Authority Employees have established a Labor-Management Forum. The Forum is built on the principles of teamwork, mutual respect, cooperation, and trust, and is designed to enhance mission performance and to improve the labor-management relations climate and the quality of agency employees' worklife. In November 2010, the Forum began work to further improve and sustain employee morale and job satisfaction, to address all issues involving succession planning, and to have the FLRA prepared to respond to internal and external workforce changes.

The FLRA analyzes the Office of Personnel Management's Human Capital Survey results each year to maintain agency strengths, to take steps to improve areas where there are relative weaknesses, and to evaluate employee satisfaction levels. The agency is currently analyzing data from the 2010 survey to determine potential areas of improvement. The FLRA also contracts with the Department of Health and Human Services to provide basic occupational health and wellness services, as well as access to an employee assistance program (EAP) for employees throughout the country. The EAP assists the agency in addressing productivity issues by providing both prevention and intervention for employee problems.

GOAL 1: PROVIDE TIMELY REVIEW AND DISPOSITION OF UNFAIR LABOR PRACTICE CASES.

The General Counsel has responsibility for the investigation, settlement, and prosecution of unfair labor practice (ULP) charges. All ULP proceedings originate with the filing of a charge in a Regional Office by an employee, labor organization, or agency. Once a charge has been filed, Regional Office staff will investigate the charge to determine if it has merit. If the Regional Director determines that the charge has merit, he or she will, absent settlement, issue and prosecute a complaint before an Administrative Law Judge (ALJ). If the Regional Director determines that the charge lacks merit, the charging party is entitled to a written explanation, and if not satisfied, may appeal the decision to the General Counsel in Washington, DC. If the dismissal is upheld, the case is closed. The Authority has appointed ALJs to hear ULP cases

prosecuted by the General Counsel. Decisions of the ALJs are transmitted to the Authority, and may be affirmed, modified, or reversed in whole or in part. If no exceptions are filed, a decision by the ALJ is adopted by the Authority.

OGC	2006	2007	2008	2009	2010	2011 Est.	2012 Est.
Cases pending, start of year	1,164	1,705	2,300	1,237	1,587	1,811	2,046
Charges filed	<u>4,799</u>	<u>4,687</u>	<u>3,572</u>	<u>3,954</u>	<u>4,398</u>	<u>4,618</u>	<u>4,849</u>
Total caseload	5,963	6,392	5,872	5,191	5,985	6,429	6,895
Charges withdrawn/settled	2,979	2,920	2,648	2,455	3,141	3,298	3,463
Charges dismissed	1,008	1,038	1,941	1,075	751	789	828
Complaints issued	<u>271</u>	<u>134</u>	<u>46</u>	<u>74</u>	<u>282</u>	<u>296</u>	<u>311</u>
Total cases closed	4,258	4,092	4,635	3,604	4,174	4,383	4,602
Cases pending, end of year	1,705	2,300	1,237	1,587	1,811	2,046	2,293
OALJ	2006	2007	2008	2009	2010	2011 Est.	2012 Est.
Cases pending, start of year	18	32	25	0	67	54	45
Complaints issued by GC	<u>271</u>	<u>134</u>	<u>46</u>	<u>74</u>	<u>282</u>	<u>296</u>	<u>311</u>
Total caseload	289	166	71	74	349	350	356
Settlements before hearing	216	114	59	7	275	275	275
Settlements during hearing	2	0	0	0	0	0	0
Cases closed by decision	<u>39</u>	<u>27</u>	<u>12</u>	<u>0</u>	<u>20</u>	<u>30</u>	<u>30</u>
Total cases closed	257	141	71	7	295	305	305
Cases pending, end of year	32	25	0	67	54	45	51
Authority	2006	2007	2008	2009	2010	2011 Est.	2012 Est.
Cases pending, start of year	19	24	36	32	14	14	7
Exceptions filed	<u>38</u>	<u>25</u>	<u>11</u>	<u>1</u>	<u>18</u>	<u>18</u>	<u>18</u>
Total caseload	57	49	47	33	32	32	25
Cases closed procedurally	25	13	9	0	9	11	11
Cases closed based on merits	<u>8</u>	<u>0</u>	<u>6</u>	<u>19</u>	<u>9</u>	<u>14</u>	<u>10</u>
Total cases closed	33	13	15	19	18	25	21
Cases pending, end of year	24	36	32	14	14	7	4

Measure 1.1: The percentage of ULP charges resolved by the OGC by complaint, withdrawal, dismissal, or settlement within 120 days of filing of the charge.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
63%	48%	71%	49%	55%	57%

The target for this performance measure for FY 2011 has been reduced from 75 percent to 55 percent. Actual FY 2010 performance was 49 percent, and to date in FY 2011, the OGC is meeting its goal 52 percent of the time. The FLRA's multi-year rebuilding plan and FY 2011 performance expectations were predicated in large part on increased staffing levels. OGC performance expectations, as well as certain agency operations, have been adjusted in light of the FLRA's current funding and corresponding staffing levels. Accordingly, the OGC anticipates being able to reach its 120-day goal in ULP case processing in 55 percent of its cases.

Measure 1.2: The percentage of decisions on an appeal of a Regional Director's dismissal of a ULP charge issued within 60 days of the date filed, and in no case more than 120 days.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
89%	19%	2%	31%	90%/100%	90%/100%

In FY 2011 and FY 2012, an additional target has been established to measure the percentage of decisions on appeal issued within 120 days (100%).

Measure 1.3: The percentage of ULP complaints issued by the General Counsel resolved or decided in the OALJ within 180 days of the complaint being issued.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	90%	90%

This measure was established in FY 2011, as a consolidation of two previous 90-day measures into one of 180 days.

Measure 1.4: The percentage of ULP cases decided within 180 days of assignment to an Authority Member.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	5%	18%	50%	50%

This measure and the associated targets for FY 2009 through FY 2012 were established in the Authority's CAP.

GOAL 2: PROVIDE TIMELY REVIEW AND DISPOSITION OF REPRESENTATION CASES.

The Statute sets out a specific procedure for employees to petition to be represented by a labor union and to determine which employees will be included in a “bargaining unit” that a union represents. Implementing this procedure, the FLRA conducts secret-ballot elections for union representation and resolves a variety of issues related to questions of union representation of employees. These issues include, for example, whether particular employees are managers or “confidential” employees excluded from union representation, whether there has been election misconduct on the part of agencies or unions, and whether changes in union and agency organizations affect existing bargaining units. Representation cases are initiated by the filing of a petition by an individual, labor organization, or agency with a Regional Office. After a petition is filed, the Regional Director conducts an investigation to determine the appropriateness of a unit or other matter related to the petition. After concluding such investigation, the Regional Director may issue a Decision and Order determining the appropriate unit, directing an election dismissing the petition, or making other disposition of the matter. The Regional Director’s Decision and Order is final unless an application for review is filed with the Authority.

OGC	2006	2007	2008	2009	2010	2011 Est.	2012 Est.
Cases pending, start of year	123	160	156	140	104	102	84
Petitions filed	<u>276</u>	<u>297</u>	<u>289</u>	<u>275</u>	<u>278</u>	<u>281</u>	<u>281</u>
Total caseload	399	457	445	415	382	383	365
Petitions withdrawn	99	136	132	142	113	129	128
Cases closed based on merits	<u>140</u>	<u>165</u>	<u>173</u>	<u>169</u>	<u>167</u>	<u>170</u>	<u>169</u>
Total cases closed	239	301	305	311	280	299	297
Cases pending, end of year	160	156	140	104	102	84	68
Authority	2006	2007	2008	2009	2010	2011 Est.	2012 Est.
Cases pending, start of year	1	1	4	3	5	5	3
Applications for review	<u>12</u>	<u>13</u>	<u>14</u>	<u>17</u>	<u>14</u>	<u>12</u>	<u>12</u>
Total caseload	13	14	18	20	19	17	15
Cases closed procedurally	1	0	1	1	1	0	0
Cases closed based on merits	<u>11</u>	<u>10</u>	<u>14</u>	<u>14</u>	<u>13</u>	<u>14</u>	<u>13</u>
Total cases closed	12	10	15	15	14	14	13
Cases pending, end of year	1	4	3	5	5	3	2

Measure 2.1: The percentage of representation cases resolved by the OGC through withdrawal, election, or issuance of a Decision and Order within 120 days of the filing of a petition.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	60%	65%	60%	62%

This performance measure was established in FY 2009 to consolidate three previous measures. The performance target for FY 2011 has been adjusted from 70 percent to 60 percent based upon a number of factors. Most significantly, representation matters require significant technical expertise and field experience, and are performed primarily by senior OGC field agents. As such, performance in relation to this goal is particularly vulnerable to the adverse effects of attrition. In FY 2011, the OGC expects a significant loss in senior staff due to attrition. Thus, although there is a slight increase in FTE usage in FY 2011 over FY 2010, the new agents accounting for this increase will be unable to resolve the complex representation matters as expeditiously. Furthermore, in FY 2009, the Department of Defense began reorganizing, implementing Joint Base initiatives. In FY 2011, representation petitions involving Joint Base reorganizations, which tend to raise complex issues, have already been filed in four regions. It is also expected that Executive Branch agencies will engage in significant reorganizations to achieve greater efficiencies during FY 2011 and 2012, potentially increasing the number and complexity of representation case filings during this period.

Measure 2.2: The percentage of representation cases in which a decision whether to grant review is issued within 60 days of assignment to an Authority Member.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	100%	100%	100%

This measure was established in FY 2010 to be consistent with the time limitation provided for in the Statute.

GOAL 3: PROVIDE TIMELY REVIEW AND DISPOSITION OF ARBITRATION CASES.

Either party to grievance arbitration may file with the Authority an exception (or appeal) to an arbitrator's award issued after the arbitration. The Authority will review an arbitrator's award to which an exception has been filed to determine if the award is deficient because it is contrary to any law, rule, or regulation or on the grounds similar to those applied by Federal courts in private-sector, labor-management relations.

Authority	2006	2007	2008	2009	2010	2011 Est.	2012 Est.
Cases pending, start of year	58	108	216	298	247	173	101
Exceptions filed	136	162	126	157	134	132	132
Total caseload	194	270	342	455	381	305	233
Cases closed procedurally	13	18	12	43	31	24	24
Cases closed based on merits	73	36	32	165	177	180	180
Total cases closed	86	54	44	208	208	204	204
Cases pending, end of year	108	216	298	247	173	101	29

Measure 3.1: The percentage of arbitration cases decided within 180 days of assignment to an Authority Member.					
Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	22%	30%	40%	50%

This measure and the associated targets for FY 2009 through FY 2012 were established in the Authority CAP.

GOAL 4: PROVIDE TIMELY REVIEW AND DISPOSITION OF NEGOTIABILITY CASES.

For certain types of cases, there is a procedure for resolving disputes over the negotiability of a matter proposed to be bargained. A Federal agency bargaining with a union may claim that a particular union proposal cannot be bargained because it conflicts with Federal law, a government-wide rule or regulation, or an agency regulation for which there is a compelling need.

Authority	2006	2007	2008	2009	2010	2011 Est.	2012 Est.
Cases pending, start of year	25	27	43	51	39	22	10
Claims filed	68	52	38	43	52	55	55
Total caseload	93	79	81	94	91	77	65
Cases closed procedurally	53	30	22	41	46	35	30
Cases closed based on merits	13	6	8	14	23	32	30
Total cases closed	66	36	30	55	69	67	60
Cases pending, end of year	27	43	51	39	22	10	5

Measure 4.1: The percentage of negotiability cases decided within 180 days of assignment to an Authority Member (reflecting reasonable time for a post-petition conference).

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	6%	17%	45%	50%

This measure and the targets for FY 2009 through FY 2012 were established in the Authority's CAP.

GOAL 5: PROVIDE TIMELY REVIEW AND DISPOSITION OF BARGAINING IMPASSE CASES.

In carrying out the right to bargain collectively, it is not uncommon for a union representative and a Federal agency to simply not agree on certain issues and for the bargaining to reach an impasse. Several options are available by which the parties may attempt to resolve the impasse. The parties may: decide on their own to use certain techniques to resolve the impasse – proceeding to private binding arbitration may only occur after the Federal Service Impasses Panel (FSIP or the Panel) approves the procedure; seek the services and assistance of the Federal Mediation and Conciliation Service; or seek the assistance of the Panel in resolving the negotiation impasse, only after the previous attempts have failed.

FSIP	2006	2007	2008	2009	2010	2011 Est.	2012 Est.
Cases pending, start of year	45	34	23	22	69	36	63
Impasses filed	<u>134</u>	<u>115</u>	<u>111</u>	<u>136</u>	<u>143</u>	<u>150</u>	<u>150</u>
Total caseload	179	149	134	158	212	186	213
Cases closed	<u>145</u>	<u>126</u>	<u>112</u>	<u>89</u>	<u>176</u>	<u>123</u>	<u>150</u>
Cases pending, end of year	34	23	22	69	36	63	63

The FSIP's initial FY 2011 performance goals were significantly different from previous years because they concisely set forth timeliness targets for the Panel's three most important categories of case disposition. The initial FY 2011 goals were based on the following assumptions: (1) case intake would be slightly higher than in FY 2010; (2) unlike previous years, individual Panel Members would resolve a significant percentage of impasses through mediation-arbitration rather than procedures requiring the participation of the full Panel; (3) FY 2011 would be the first full year after the Panel successfully eliminated the backlog of cases that had built up during FY 2009 when there were no Panel Members for what amounted to an eight-month period; and (4) most importantly, the FSIP would have an additional, full-time attorney position in FY 2011 devoted to the investigation of requests for assistance and the support of individual Panel Members assigned to handle cases over which jurisdiction is asserted, thereby increasing the number of full-time attorneys from three to four.

To date, all of the assumptions upon which the initial FY 2011 performance goals were based remain valid except for the anticipated increase in staffing, which appears unlikely. Accordingly, the FSIP has revised its FY 2011 performance goals by increasing the number of days required to process requests for assistance under all three categories of case disposition. The efficacy of the revised goals was tested by: (1) compiling baseline data regarding actual case processing times for all cases filed during FY 2010 and FY 2011 that were closed under the three categories of case disposition; and (2) using this data, determining what the outcomes would have been if the revised FY 2011 performance goals had been in effect. The analysis confirmed that the revised FY 2011 performance goals are justified on the basis of the performance previously achieved with three full-time attorneys, and are challenging yet realistically attainable.

Measure 5.1: The percentage of bargaining impasse cases in which jurisdiction is declined closed within 140 days of the date filed.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	90%	90%

Measure 5.2: The percentage of bargaining impasse cases voluntarily settled after jurisdiction has been asserted within 160 days of the date filed.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	80%	80%

Measure 5.3: The percentage of bargaining impasse cases resolved through a final action closed within 200 days of the date filed.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	80%	80%

GOAL 6: USE COLLABORATION TECHNIQUES AND ALTERNATIVE DISPUTE RESOLUTION SERVICES TO MINIMIZE AND/OR RESOLVE LABOR-MANAGEMENT DISPUTES.

The FLRA has integrated ADR and consensus decision-making into virtually all of its processes. ADR is an informal process that allows parties to discuss and develop their interests in order to resolve the underlying issues and problems in their relationship. This includes interest-based conflict resolution and intervention services in pending ULP cases, representation cases, negotiability appeals, and impasse bargaining disputes. The agency also provides facilitation, training, and education to help labor and management develop collaborative relationships. In FY 2012, many of the FLRA's training programs will also be available as web-based training modules, bringing educational tools and resources directly to the agency's customers to further

assist them in resolving labor-management disputes. This is a new performance goal for FY 2011, encompassing all three FLRA components.

Measure 6.1: Percentage of ULP cases in the OGC in which an offer of ADR services is accepted by the parties that are partially or totally resolved.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	55%	55%

Measure 6.2: Percentage of ULP cases in the OALJ in which an offer of Settlement Judge services is accepted by the parties that are partially or totally resolved.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	70%	70%

Measure 6.3: Percentage of representation cases in the OGC in which an offer of ADR services is accepted by the parties that are partially or totally resolved.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	50%	50%

Measure 6.4: Percentage of arbitration cases in which an offer of ADR services is accepted by the parties that are partially or totally resolved.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	50%	50%

Measure 6.5: Percentage of negotiability cases in which an offer of ADR services is accepted by the parties that are partially or totally resolved.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	80%	80%

Measure 6.6: Percentage of bargaining impasse cases in which an offer of ADR services is accepted by the parties that are partially or totally resolved.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	30%	30%

Measure 6.7: The number of training, outreach, and facilitation activities conducted.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	175	175

Measure 6.8: The number of participants involved in training, outreach, and facilitation activities.

Results				Targets	
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
N/A	N/A	N/A	N/A	5,000	5,000

GOAL 7: MODERNIZE AGENCY INFORMATION TECHNOLOGY BUSINESS SYSTEMS TO SUPPORT AND ENHANCE PROGRAM ACHIEVEMENT.

In FY 2009, the FLRA began designing new case management system (CMS) and electronic case filing (e-filing) solutions. The CMS was implemented in each component in September 2010. An e-filing application was also developed in FY 2010 to allow customers to file their case forms electronically beginning with FY 2011. In FY 2011, the FLRA will begin integrating its new CMS and e-filing systems, producing an end-to-end, electronic case processing solution. In FY 2012, the agency will develop and implement a pilot program for processing cases end-to-end. While the FLRA's goal of improving agency program efficiency by leveraging technology remains the same, the associated FY 2011 performance measures have been refined to serve as better indicators of success.

Measure 7.1: The percentage of cases filed electronically with the FLRA.

Results	
FY 2007	N/A
FY 2008	N/A
FY 2009	Began developing the capability to accept electronic case filings over the internet.
FY 2010	Completed development of an electronic case filing application.
Targets	
FY 2011	To implement the system and to begin accepting electronic case filings.
FY 2012	25% of all cases.

Measure 7.2: The percentage of cases processed electronically end-to-end.	
Results	
FY 2007	N/A
FY 2008	N/A
FY 2009	N/A
FY 2010	Developed e-filing forms for use by FLRA customers.
Targets	
FY 2011	To integrate the existing e-filing and case management systems.
FY 2012	To develop and implement a pilot program for end-to-end electronic case processing.

GOAL 8: DEVELOP, MANAGE, AND UTILIZE THE FLRA’S HUMAN CAPITAL TO MEET PROGRAM NEEDS.

The agency relies on its employees, supervisors, and managers to develop and implement policies and operational processes to achieve its strategic goals. In FY 2010, the FLRA developed and implemented a Human Capital Strategic Plan. Consistent with that plan, and in order to ensure their continued success, the agency strategically recruits and develops its employees to make sure it has the right people with the right skills in the right jobs. The FLRA expects, beginning in FY 2011, a long-anticipated and sure-to-arrive wave of retirements. As of January 31, 2011, approximately 25 percent of the FLRA’s employees are eligible for retirement. This highlights the agency’s need to engage in succession planning, as well as employee and leadership development. In addition, ensuring that employees have access to training necessary for job performance as well as advancement into management and executive positions is vital for the FLRA to continue to satisfy its mission and performance goals.

Measure 8.1: Program managers ensure that the right employees are in the right place to achieve results.

Results	
FY 2007	N/A
FY 2008	N/A
FY 2009	N/A
FY 2010	Increased staffing levels in each program area; improved employee worklife balance through implementation of a robust telework program and videoconferencing, which reduces travel costs and time away from family; implemented an employee leadership developmental initiative in the OGC; and implemented a Student Temporary Employment Program. Also began human capital e-initiatives to: (1) improve hiring through the purchase of USA Staffing (an automated hiring system), which engages the hiring manager in all aspects of the hiring process, reduces time-to-hire metrics, and improves applicants' Federal hiring experience; and (2) gain greater efficiencies in records management through the purchase of eOPF, an electronic version of the paper Official Personnel Folder (OPF), providing web-enabled access for employees and human resources (HR) staff to view personnel and performance documents.
Targets	
FY 2011	Consistent with the Human Capital Strategic Plan, to conduct an agency-wide training needs assessment and create individual development plans to address areas needing skills improvement and to further increase mission-critical competencies; to implement a new performance management system for Senior Executive Service (SES) and non-SES employees; to develop an affirmative action plan and diversity outreach program; to continue human capital e-initiatives; and to initiate brown-bag programs to inform employees of relevant HR initiatives.
FY 2012	To enhance development offerings to include competency-based training, career-ladder developmental programs, and continuation of HR workshops and brown-bags; and to implement the affirmative action plan and diversity outreach program.

BUDGET JUSTIFICATION

FY 2012 APPROPRIATIONS LANGUAGE

Federal Funds

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan No. 2 of 1978, and the Civil Service Reform Act of 1978, including services authorized by 5 U.S.C. 3109, and including hire of experts and consultants, hire of passenger motor vehicles, and including official reception and representation expenses (not to exceed \$1,500) and rental of conference rooms in the District of Columbia and elsewhere, [\$26,000,000] \$26,440,000: *Provided*, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the government service, and compensation as authorized by 5 U.S.C. 3109: *Provided further*, That notwithstanding 31 U.S.C. 3302, funds received from fees charged to non-Federal participants at labor-management relations conferences shall be credited to and merged with this account, to be available without further appropriation for the costs of carrying out these conferences.

APPROPRIATION REQUEST

The FLRA requests \$26,440,000 in FY 2012 to fund employee salaries and related expenses necessary to meet its annual performance targets. The requested FY 2012 appropriation would fund 140 full-time equivalents (FTEs). The requested funding and FTE levels for FY 2012 reflect increases of \$1,674,000 and twelve FTEs, respectively, over the FY 2010 actual spending level.

(In thousands of dollars)

Program Activity	FY 2010 Actual	Annualized FY 2011 CR Level	FY 2012 Request	Change from FY 2010
Authority	\$14,183	\$13,845	\$15,108	\$925
Office of the General Counsel	9,806	10,226	10,426	620
Federal Service Impasses Panel	777	802	906	129
Total	\$24,766	\$24,873	\$26,440	\$1,674
FTEs	128	133	140	12

CHANGE FROM FY 2010

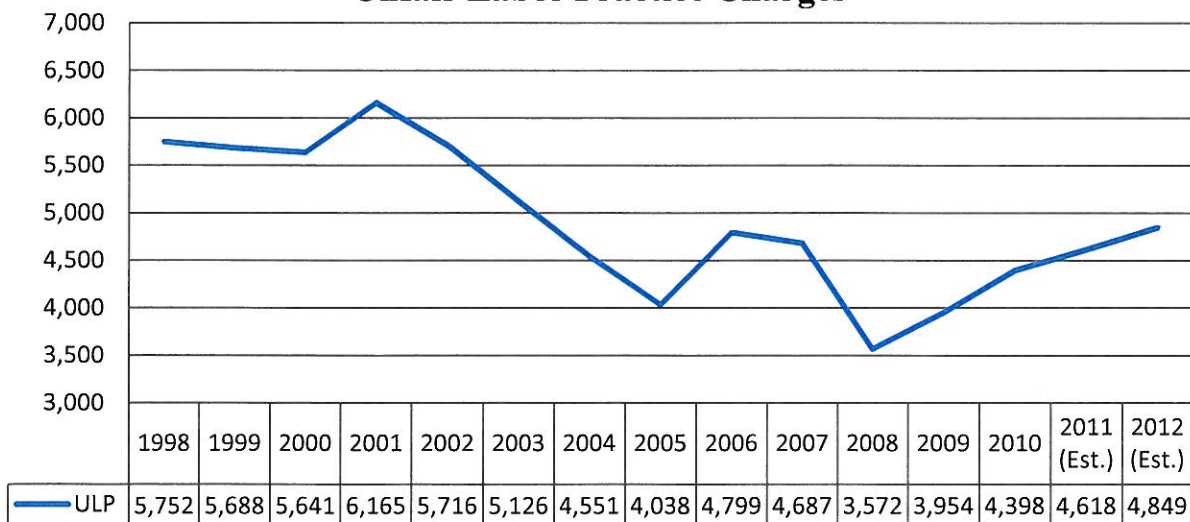
The agency made extensive efforts to reallocate existing resources in FY 2009 and FY 2010 to fill program needs, yet increasing caseloads will require additional resources to meet the demand in FY 2012. The FLRA's request for an additional \$1,674,000 in FY 2012 reflects the following.

Personnel Compensation and Benefits

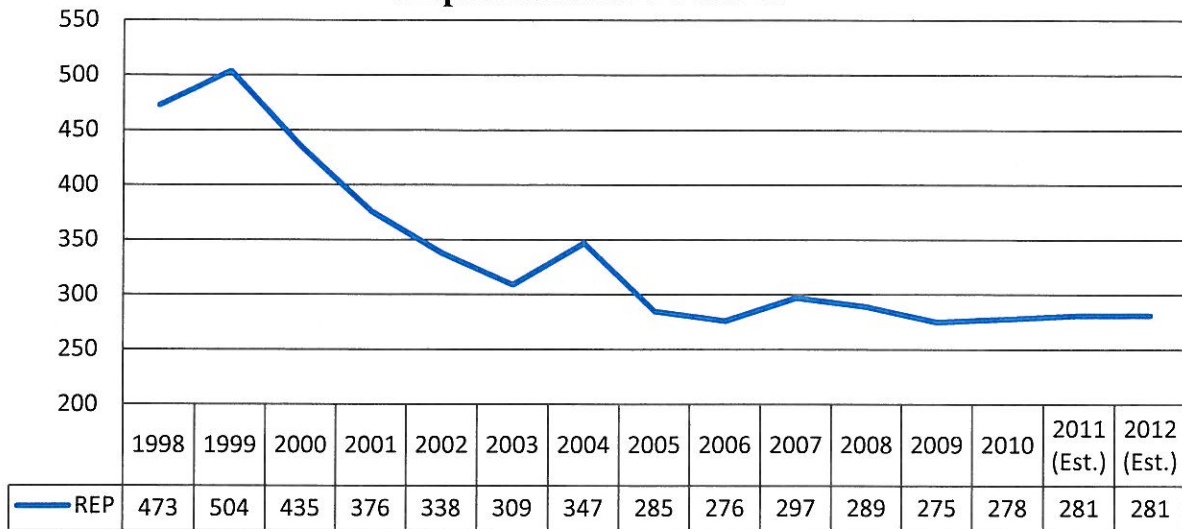
The FLRA requests an additional \$170,000 in FY 2012 to fund two entry-level field agent positions in the Office of the General Counsel (OGC) to keep pace with the growing number of unfair labor practice (ULP) charges filed with the agency. The OGC has experienced a 23 percent increase in ULP filings since FY 2008. This is attributable, at least in part, to the absence of a General Counsel and Deputy General Counsel for a 17-month period between March 2008 and August 2009, a period when no authority was in place to issue complaints. Representation case intake was not affected by the absence of a General Counsel and Deputy, and has thus remained fairly constant since FY 2005.

The OGC anticipates that the increase in ULP filings will continue, albeit at a slower rate of five percent annually in both FY 2011 and FY 2012. Implementation of labor-management forums in Federal agencies pursuant to Executive Order 13522 can be expected to lead to more efficient and productive interaction between management and labor, which may result in more informal resolutions of collective bargaining disputes. Furthermore, the many management changes that will inevitably result from President Obama's recently announced plan to reorganize the Federal government will be accompanied by an increased incidence of bargaining obligations, which normally results in parties filing more ULP charges.

Unfair Labor Practice Charges



Representation Petitions



Assuming a five percent annual increase in ULP filings and the three-year average in representation petitions, the OGC anticipates receiving 5,130 new cases (4,849 ULP and 281 representation) in FY 2012. If held to its FY 2010 FTE level, the 50 FTEs that the OGC currently devotes to the case processing function will be responsible for over 100 new cases each. This is an untenable ratio, based on prior experience, which will inevitably result in longer case processing times. An analysis of employee productivity has shown that the ratio of annual case intake, including both ULP and representation cases, to the number of FTEs devoted to the case processing function is the most reliable predictor of performance. Performance data dating back to FY 2003 clearly demonstrates that case processing times increase when the number of cases per FTE increases. Conversely, the lower the ratio the faster cases are closed.

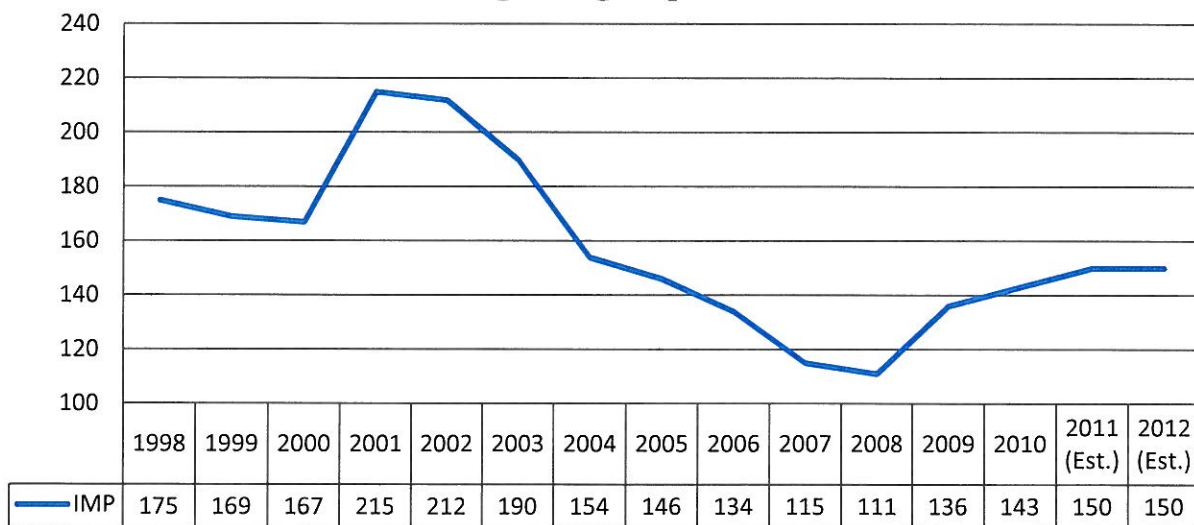
The pace at which the FLRA resolves ULP and representation cases directly affects the pace of government change. In this regard, the Federal Service Labor Management Relations Statute (the Statute) generally obligates management to maintain the status quo during negotiations and during the pendency of a representation proceeding. Furthermore, the quality of case dispositions and the extent to which field agents are able to take full advantage of dispute resolution opportunities also directly impacts the quality, effectiveness, and efficiency of government change. Two additional FTEs in FY 2012, therefore, would allow the OGC to not only show incremental improvements in performance, but also to improve case processing times and continue to provide the dispute resolution and prevention services that the office has provided the parties for over 30 years.

In addition, the FLRA requests \$40,000 to rebuild the former management structure in the OGC Regional Offices. Each region was once managed by a Regional Director (RD) and a Regional Attorney (RA) or Deputy Regional Director (DRD). Four of the seven RA/DRD positions have since been lost through natural attrition. These positions are critical both for providing first-line supervision of agents investigating and processing ULP and representation cases, and for managing the litigation of ULP cases in each region. In the four Regional Offices that have been working without a RA/DRD, the RD has had to perform those functions, as well as managing the

office and deciding cases on behalf of the General Counsel. A second manager will free the RD to perform his or her critical managerial and decision-making functions, and will also provide a much-needed mentor and guide for the agents in the field as they investigate and litigate cases.

The FLRA also requests an additional \$83,000 in FY 2012 to fund one entry-level attorney position in the Federal Service Impasses Panel (FSIP or the Panel) and to keep pace with current trends in Federal sector impasses. Since FY 2008, there has been a near 30 percent increase in the number of requests for assistance from the FSIP. The FSIP is projecting an additional five percent increase in FY 2011 before leveling out in FY 2012. In addition, the Panel is likely to see complex impasses involving some of the Federal sector's largest agencies and bargaining units in FY 2011, including: the Social Security Administration and the American Federation of Government Employees; and the Department of Veterans Affairs and the American Federation of Government Employees, to name just two. Such requests are extremely labor intensive, both to investigate and resolve on the merits. Additionally, the number of multiple-issue requests, primarily those involving impasses over successor collective bargaining agreements, will continue to increase proportionally with caseload.

Bargaining Impasses



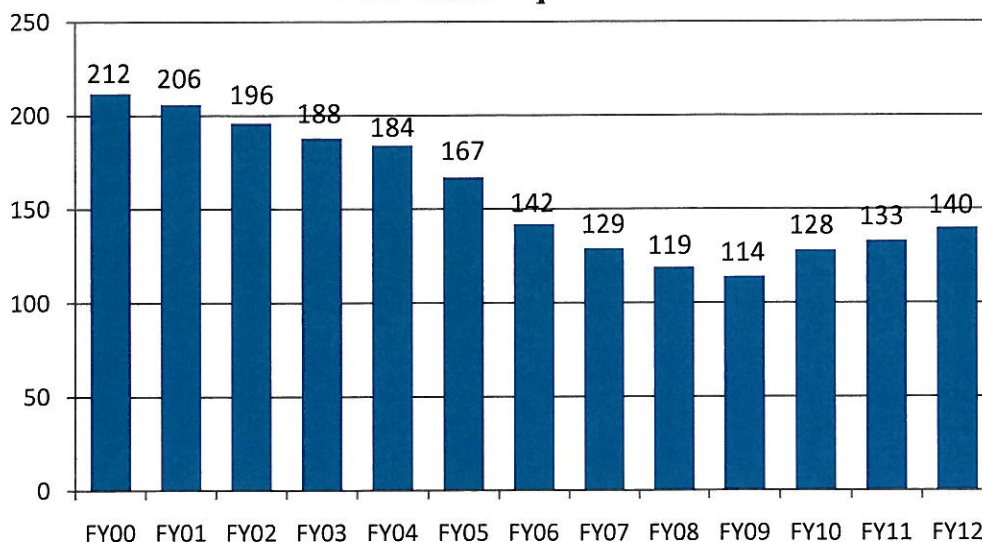
Delay in resolving impasses frequently costs taxpayers money. For example, every year the leases of many Federal offices expire, and it is not unusual for the parties to reach bargaining impasse when these offices relocate. If the FSIP is unable to provide prompt resolution, then the Federal government may be forced to pay rent at two locations, costing taxpayers thousands of dollars. The FSIP also has jurisdiction over agency determinations that existing alternative work schedules are causing reductions in productivity, diminishment in the level of services furnished to the public, and/or unnecessary increases in cost. In some cases, management at military installations contends that such schedules are adversely affecting the war efforts in Iraq and Afghanistan. The law requires the Panel to resolve such impasses in 60 days. Although the FSIP has never missed its 60-day deadline, that record of accomplishment may not continue at its current staffing level and in light of the projected increase in case filings.

While there was no Panel for eight months in FY 2009, the FSIP staff nevertheless continued to receive requests for assistance, investigate cases, and write recommendations on whether the Panel should decline or assert jurisdiction in anticipation of the new Members' arrival. When the new Panel Members convened for the first time in November 2009, the staff was able to present an unusually high number of recommendations in cases that were awaiting their arrival, resulting in the immediate resolution of a large number of cases in early FY 2010. The expected return to normalcy in FY 2011 will inevitably result in an increase in case processing times and the number of cases pending at the end of the year. An additional FTE will assist the FSIP in preventing its case backlog from growing any further in FY 2012, while continuing to meet its annual performance goals. Moreover, adequate staffing in FY 2012 will improve the morale of existing staff who are proud of what they do and want to continue providing the high level of service that taxpayers deserve.

Beginning in FY 2009, the FLRA – consistent with the need to use scarce resources wisely coupled with an increase in case filings – reallocated resources to increase staffing in certain offices. Through these restructuring efforts, the agency was able to adequately staff the Authority to ensure that appropriate resources were available to address its case backlog. As vacancies began to arise in FY 2010, the agency embarked on a more comprehensive restructuring effort to reallocate remaining staff resources to the OGC, which handles the vast majority of agency case filings, and its management support offices. In late FY 2010, the FLRA made a number of strategic hiring decisions based on current workload needs and performance trends, rather than simply continuing to backfill vacancies on a one-for-one basis. The new employees hired in accordance with this internal restructuring effort did not begin to arrive at the agency until early FY 2011.

The FLRA also identified a need to bring in-house certain human resources (HR) and information technology services that had previously been provided by contract. Among other things, the FLRA realized that on-site, full-time HR employees were necessary to enhance the agency's rebuilding efforts and to facilitate employees' access to HR advice and assistance, thereby improving employee satisfaction. Beginning with FY 2011, all HR services will be provided entirely by FLRA employees. Furthermore, the agency's case management system (CMS) was supported solely by contract until FY 2010. The FLRA has determined that transitioning responsibility for the system to a Federal employee will be to the benefit of both the taxpayer and the FLRA mission. An additional \$563,000 and nine FTEs – the foundation of the FLRA's multi-year rebuilding plan – will be necessary in FY 2012 in order to sustain the agency's projected increase in staffing over the next two years and to continue meeting its annual performance targets.

Full-Time Equivalents



The FLRA's appropriation request also assumes that the on-going, government-wide transition to the Federal Employees Retirement System (FERS) will cost the agency an additional \$429,000 by FY 2012. FLRA benefit costs, as a percentage of employee salaries, continue to rise gradually as the percentage of the agency's workforce under the FERS increases. As those in the Civil Service Retirement System (CSRS) retire or transfer to other agencies, they are generally replaced by those under the FERS. FERS employees cost the agency, on average, twice as much in benefits as CSRS employees. In addition, the agency contribution for FERS employees has grown by 0.5 percent, based on longer life expectancies.

Travel

An additional \$35,000 is requested in FY 2012 to ensure that agency travel requirements, in terms of being responsive to the needs of the parties, are met. The General Counsel recently authorized the Regional Offices to resume on-site investigations, training, facilitation, and alternative dispute resolution (ADR) activities. This was in conjunction with the FLRA's public pledge and commitment that it was back in business and ready to enforce the Statute and to provide dispute resolution and training services for the parties.

The additional funding will also allow the OGC to conduct a skills training conference for its attorneys and field agents in FY 2012. Similar to other law enforcement agencies, the OGC has periodically conducted nationwide skills training conferences for its professionals on all aspects of ULP and representation casework from investigation through litigation and hearing. Skills training is a key to the office's successful development of an experienced and talented cadre of attorneys and agents, as well as ensuring the continued development and application of high-quality investigative, litigation, and dispute resolution skills by its staff. In addition, such training is essential to the development of the agency's future leaders. It has been over eleven years since the agency has provided OGC-wide skills training for professional staff. During this time, there has been high turnover among the OGC's experienced staff and a significant influx of new attorneys and agents. Any further delay in skills training will impede the FLRA's ability to

provide efficient and effective case processing services to the parties and impair the agency's ability to develop and retain staff.

In order to successfully meet the agency's ADR performance goals, the OGC is also planning to conduct training and outreach activities at locations outside the seven Regional Office cities where large groups of Federal agencies and employees are located. Besides being necessary to meet the agency's ADR goals, it is important for the Regional Directors to periodically visit the principal cities in their regions as a way of demonstrating commitment to the parties and maintaining the visibility and presence of the FLRA in the field. Accordingly, each region is planning to conduct a total of four outreach sessions outside the Regional Office city in FY 2012, one session each quarter. Moreover, ADR, to be effective and efficient, requires face-to-face interaction. Since the OGC's cases come from all geographical areas, it is not practical or proper to limit an offer of ADR to cases in close proximity to the Regional Office.

Rent

An additional \$246,000 has been included in FY 2012 to cover fixed rent and real estate tax increases, over which the FLRA has very little control. The agency makes rental payments to the General Services Administration for office space in Atlanta, Boston, Chicago, Dallas, Denver, San Francisco, and Washington, DC. The FLRA also maintains a commercial, two-person satellite office in Diamond Bar, CA. The existing Chicago and San Francisco leases will both expire in FY 2011, while the Atlanta lease is due to expire in 2012. It is noted that factors beyond the agency's control may result in additional, unexpected costs that the FLRA would be forced to absorb within its already stretched, baseline operating level. For example, the Chicago lease, which expires in March, has already been placed in a two-month, administrative holdover status at a premium cost.

The agency places an emphasis on telework, and it will seek to consolidate space wherever possible in an effort to reduce operating costs. Since implementation of the telework program in January 2010, more than 30 percent of the FLRA's workforce has engaged in some form of telework, with roughly half of teleworkers engaged "regularly" and the other half engaged "periodically." Telework has also contributed to increased employee morale, as measured in the 2010 Human Capital Survey. Feedback from staff indicates that, due to a lack of disruptions, commuting time, and stress, participating employees believe that they are more productive and that they have fewer unscheduled absences. Furthermore, the opportunity to telework has proven useful as a recruitment tool, as it has been the deciding factor in job acceptance and has encouraged several employees to stay with the agency.

Telecommunications

The FLRA anticipates higher telecommunication costs in FY2012 due to the General Service Administration's (GSA) migration from FTS2001 to NetworX. In mid FY 2010, the agency began implementing the Federal government mandate requiring agencies to migrate their FTS2001 contracts to the new NetworX contract vehicle and to ensure that specific security capabilities are in place to protect agency information systems and data. A second mandate, the Trusted Internet Connection (TIC), includes requirements which are expensive both in terms of

technology and existing IT personnel skill-sets. It was determined that meeting the TIC requirements by procuring the security capability through an approved NetworX Managed Trusted Internet Service Provider was in the best interests of the agency. An additional \$108,000 will be necessary in FY 2012, therefore, to implement these necessary security measures and to ensure compliance with the TIC.

PROGRAM AND FINANCING SCHEDULE

(In thousands of dollars)

	FY 2010 Actual	Annualized FY 2011 CR Level	FY 2012 Request
Obligations by program activity:			
Authority	\$14,183	\$13,845	\$15,108
Office of the General Counsel	9,806	10,226	10,426
Federal Service Impasses Panel	<u>777</u>	<u>802</u>	<u>906</u>
Total new obligations	24,766	24,873	26,440
Budgetary resources:			
Budget authority:			
Appropriations, discretionary:			
Appropriation	24,773	24,773	26,440
Spending authority from offsetting collections (gross)	<u>61</u>	<u>100</u>	<u>0</u>
Total budgetary resources available	24,834	24,873	26,440
Change in obligated balance:			
Obligated balance, start of year (net):			
Unpaid obligations, brought forward (gross)	3,676	3,514	3,514
Obligations incurred, unexpired accounts	24,766	24,873	26,440
Outlays (gross)	(25,024)	(24,873)	(26,440)
Adjustments in expired accounts	<u>96</u>	<u>0</u>	<u>0</u>
Obligated balance, end of year (net):			
Unpaid obligations, end of year (gross)	3,514	3,514	3,514
Budget authority and outlays, net:			
Discretionary:			
Budget authority, gross	24,834	24,873	26,440
Outlays, gross:			
Outlays from new discretionary authority	21,714	21,640	23,003
Outlays from discretionary balances	<u>3,310</u>	<u>3,233</u>	<u>3,437</u>
Outlays, gross (total)	25,024	24,873	26,440
Budget authority, net (total)	24,773	24,773	26,440
Outlays, net (total)	\$24,971	\$24,773	\$26,440

OBJECT CLASSIFICATION SCHEDULE

(In Thousands of dollars)

	FY 2010 Actual	Annualized FY 2011 CR Level	FY 2012 Request
Direct obligations:			
Personnel compensation:			
Full-time permanent	\$13,678	\$14,425	\$15,106
Other than full-time permanent	1,019	885	859
Other personnel compensation	<u>314</u>	<u>0</u>	<u>286</u>
Total personnel compensation	15,011	15,310	16,251
Civilian personnel benefits	3,610	3,822	4,058
Benefits for former personnel	2	10	0
Travel and transportation of persons	231	242	318
Transportation of things	20	15	15
Rental payments to GSA	2,542	2,642	2,790
Rental payments to others	25	21	23
Communications, utilities, and misc. charges	393	501	501
Printing and reproduction	73	60	60
Advisory and assistance services	96	105	110
Other services from non-Federal sources	1,257	621	848
Other goods and services from Federal sources	1,050	831	905
Operation and maintenance of facilities	4	4	4
Operation and maintenance of equipment	123	233	233
Supplies and materials	148	131	131
Equipment	<u>120</u>	<u>225</u>	<u>193</u>
Direct obligations	24,705	24,773	26,440
Reimbursable obligations:			
Personnel compensation:			
Full-time permanent	<u>9</u>	<u>0</u>	<u>0</u>
Total personnel compensation	9	0	0
Travel and transportation of persons	<u>52</u>	<u>100</u>	<u>0</u>
Reimbursable obligations	<u>61</u>	<u>100</u>	<u>0</u>
Total new obligations	\$24,766	\$24,873	\$26,440

EMPLOYMENT SUMMARY SCHEDULE

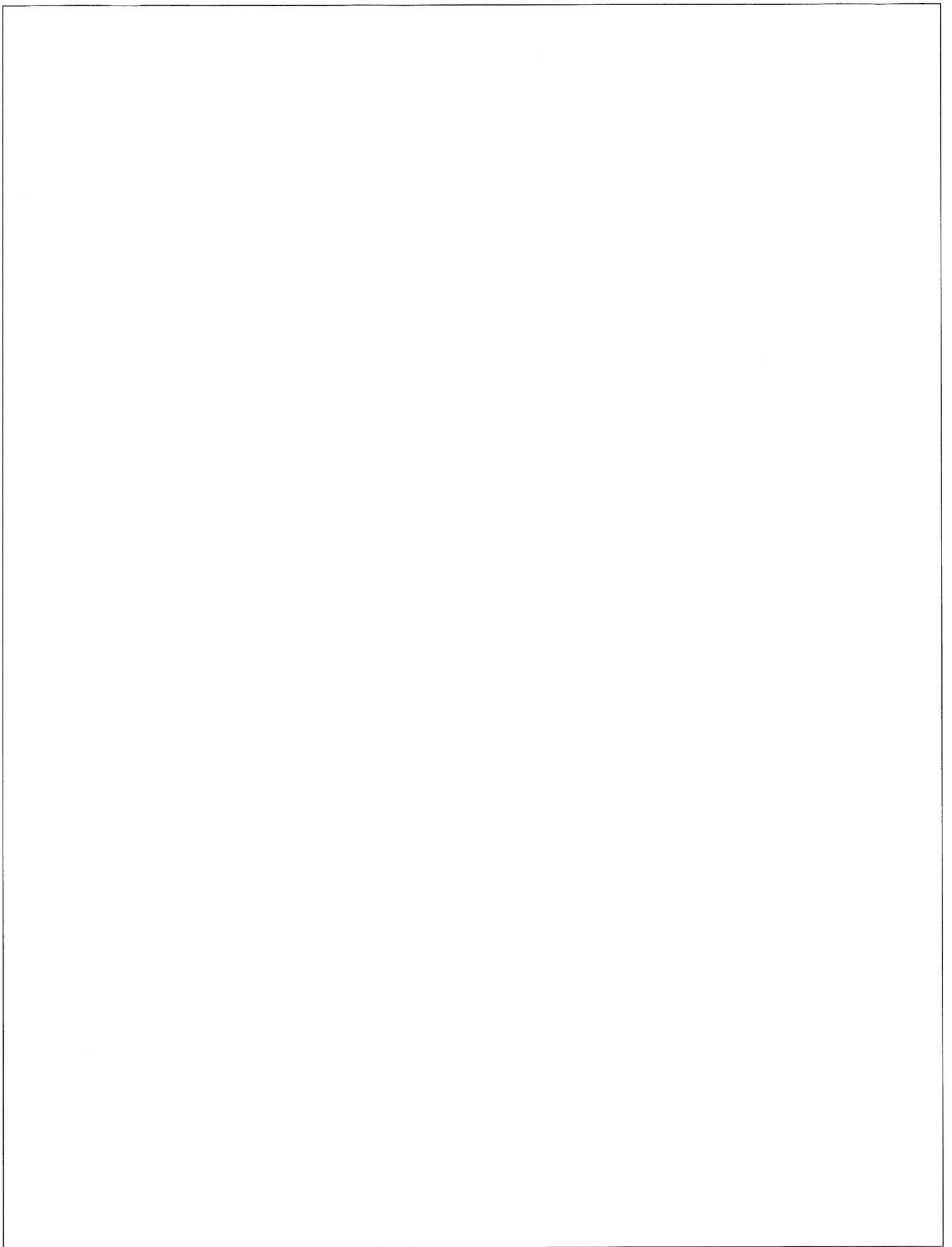
	FY 2010 Actual	Annualized FY 2011 CR Level	FY 2012 Request
Direct civilian full-time equivalent employment	128	133	140

INSPECTOR GENERAL RESOURCES

The Office of the Inspector General (OIG) provides independent and objective assessments of the FLRA's efficiency, effectiveness, and compliance with laws and regulations. This is accomplished through proactive evaluations of agency operational processes. In addition to striving to prevent and detect fraud, waste, and abuse of the FLRA's resources and operations, a key goal of the Inspector General (IG) is to serve as a catalyst for improving operations and maximizing the efficiency and integrity of agency programs.

In fulfilling these responsibilities and objectives, the IG conducts and supervises investigations, internal reviews, audits, and evaluations of the programs and operations of the agency. The IG communicates the results of investigations and assessments to FLRA management, the Congress, other oversight entities, and the public as appropriate. Generally, results are communicated in formal reports and contain findings and recommendations aimed at correcting any deficiencies identified and promoting efficiency and effectiveness in agency programs and operations. The IG also manages a hotline to provide employees and the public with a direct means for communicating information on potential fraud, waste, or abuse.

The FLRA's FY 2012 appropriation request includes \$404,000 for the OIG. The funding level requested by the IG, including \$5,000 for training and \$1,000 to support the Council of the Inspectors General on Integrity and Efficiency, has been funded in total. The IG has certified that the FLRA's funding request for the OIG satisfies all training requirements for FY 2012.



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