

Congressional Budget Submission



Fiscal Year

2021

FEDERAL MEDIATION AND CONCILIATION SERVICE

FISCAL YEAR 2021

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**Submitted to the
Congress
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Table of Contents

I.	Executive Summary	1
A.	Budget Request Overview	2
B.	Rising to the Challenge of the 21 st Century Workplace	3
II.	Program Structure and Service Descriptions.....	4
A.	Alternative Dispute Resolution Services to Government.....	5
B.	Collective Bargaining Mediation	7
C.	Grievance Mediation	8
D.	Relationship Development and Training.....	8
E.	International Training and Exchange	9
F.	Arbitration Services.....	10
G.	FMCS Institute for Conflict Management.....	10
H.	Accountable Government	10
I.	Conclusion	12
III.	Appropriation Language	13
IV.	FMCS Organizational Chart.....	14
V.	Statutory and Other Legal Authority	15
VI.	Budget Tables and Detailed Financial Requirements	19
VIII.	Workload Projections – 2020 and 2021	26
IX.	Annual Performance Plan.....	29

I. Executive Summary

More than seventy years ago, Congress created the Federal Mediation and Conciliation Service (FMCS) through the Labor-Management Relations Act of 1947 (Taft-Hartley) as an independent agency of the Federal Government and charged it with preventing and minimizing labor-management disputes affecting interstate commerce by providing mediation, conciliation, and voluntary arbitration services. In 1978, and again in 1990, Congress expanded FMCS's mission to include: resolving Federal sector labor disputes; encouraging labor-management cooperative activities; resolving disputes arising out of grants, contracts, licenses, or other agency administrative actions; and assisting in the negotiated rulemaking process.

Congress had the wisdom and foresight to recognize that although workplace conflict is inevitable, disruptive work stoppages, dysfunctional labor-management relationships, and protracted disputes need not be. Through FMCS, the Federal Government plays a critical role in strengthening America's private sector and Federal workplaces by providing limited, voluntary, and strategic assistance that minimizes or averts the adverse economic impacts of conflict. More importantly, an environment of thriving labor-management relationships, collaboration, and pragmatic problem-solving between parties in dispute not only prevents costly disputes, but also significantly contributes to increased competitiveness, efficiency, job growth, and enhanced economic well-being.

As a non-regulatory and independent agency, the services that FMCS provides to American business and Federal agencies are largely voluntary. Consequently, FMCS mediators must provide useful and relevant services in order to accomplish its mission. Every day, the Agency's small corps of skilled mediators provide private sector and Federal customers with essential conflict resolution strategies designed to enhance organizational effectiveness, improve competitiveness, increase jobs and job security, and promote organizational efficiency.

The need for FMCS conflict resolution strategies is just as great in this third decade of the 21st Century as it was 74 years ago. As in earlier periods of economic transition, new technologies and business models are fundamentally changing nearly every sector of the U.S. economy and as a result, increasing the likelihood of workplace conflict. Additionally, employers and workers continue to confront instability and rapid change in both retirement and health care benefits. Such change presents enormous challenges and opportunities for American workers and employers across all economic sectors. FMCS commits to assist with making these changes as smooth as possible.

A. Budget Request Overview

FMCS requests \$48.6 million for 2021. This amount will allow FMCS to continue meeting anticipated demand for its services from both private and Federal sector customers. This request represents an increase of \$1.4 million (3 percent) over its 2020 request. In 2021, these additional funds will provide for:

Funding for FERS actuarial adjustments, employee awards, and pay increases (\$900,000). On July 12, 2019, OMB issued Memorandum 19-24 (Guidance on Awards for Employees and Agency Workforce Fund Plan), directing agencies to review and update their current awards spending plans. This increase in awards spending supports agency pay-for-performance efforts and must be no less than 1 percentage point of GS salary spending in FY 2021. For 2021, this represents an increase of \$230,000 for FMCS in its awards spending and brings its total employee incentives award program to approximately 2.5 percent of 2021 salaries.

In June 2019, the Office of Personnel Management (OPM) announced actuarial changes to the Federal Employees Retirement System (FERS) that resulted in an overall 2.3 percentage point increase for 2020 (16.8 percent for FERS and 19.3 percent for FERS-RAE/FRAE) and an overall 1.3 percentage point increase for 2021 (8.1 percent for FERS and 9.1 percent for FERS-RAE/FRAE). These increases cost FMCS \$673,000 in 2020 and will cost an estimated \$335,000 in 2021.

In addition to those increases, in December 2019 Congress approved a 3.1 percent pay raise for 2020, which will cost FMCS \$665,000. Finally, the Administration has announced plans to propose a one percent civilian pay increase in 2021 that will cost an estimated \$263,000.

Redeveloping and enhancing the ADR.gov web site (\$300,000). In 2019, FMCS assumed operation of the ADR.gov web site from the Department of Justice, and the Shared Neutrals program from the Department of Health & Human Services, at no cost to the government. These acquisitions enhance FMCS's capacity to become the alternative dispute resolution (ADR) provider of choice for the Federal Government. FMCS proposes to expand the functionality of the ADR.gov web site at a minimal cost to better promote the program and to provide ADR practitioners in the Federal Government with access to critical resources. These include best practices, training materials, and enhanced "Find a Neutral" search functionality.

Offsetting mandatory increased FPS charges (\$200,000). In early 2019, the Federal Protective Service (FPS) notified FMCS that a new pricing model would result in a 635 percent increase in FMCS's FPS costs, from \$143,000 in 2019 to \$1,050,000 in 2022. In the entire Federal Government, this pricing change affected FMCS the most, due to FMCS having offices in non-Federal spaces.

FMCS moved aggressively in 2019 to minimize the effect of these future cost increases, converting more than 20 of its field stations around the country into home offices. Despite these closings, FMCS still faces a nearly \$200,000 increase in FPS costs in 2021. FMCS has an additional 10 offices that it can potentially close, but due to existing reimbursable work agreements and leases with the General Services Administration (GSA), these additional closings are not feasible in 2021.

B. Rising to the Challenge of the 21st Century Workplace

As FMCS approaches its 74th year strengthening the conflict management and resolution capacities of numerous Federal agencies and resolving some of the country's most intractable and economically threatening labor disputes, its role today is no less important than in the past. In recent years, FMCS mediators have worked with critical agencies such as the Department of Homeland Security, the Internal Revenue Service, and the Department of Health and Human Services, to train their staff to mediate disputes and manage conflict internally on an ongoing basis. FMCS mediators have also mediated labor negotiations in the movie making, ship building, professional sports, manufacturing, education, and symphony orchestra industries.

Through its experiences with the specialized issues of numerous industries, working in a variety of settings, and adapting to the challenges that social media communications bring to training and bargaining, FMCS has learned to assist labor and management in new ways using new methods. At the same time, FMCS has remained true to the intent of Congress, both when it created the Agency and when it subsequently expanded FMCS's role to include dispute resolution in the Federal sector.

Building upon its core traditional negotiation and relationship development training program, FMCS has added cutting-edge conflict theory to its skill set. Recent examples of trainings in this area includes: The Neuroscience of Conflict, Communicating Across Perceptions, Alternative Bargaining Models, the Art of Negotiation, Repairing Broken Relationships, Conflict Coaching, and the applying technology to these processes. In recent years, FMCS mediators have pioneered an innovative bargaining model—Affinity Bargaining—which accomplishes a once-thought impossible goal of negotiating complex economic issues in a problem-solving, transparent fashion. This model has enabled parties, in even the most strained financial circumstances, to reach mutually satisfying outcomes in record time. The economic portion of negotiations can normally take days, weeks and even months, yet in most instances, parties are reaching economic deals in less than a day with the Affinity Bargaining model.

FMCS is proud of its past accomplishments and looks forward, in 2021, to intensifying its efforts to educate and inform business and labor of the value and benefits of the Agency's training, facilitation, and dispute resolution services.

II. Program Structure and Service Descriptions

Congress established the Federal Mediation and Conciliation Service (FMCS) in 1947 through the Labor Management Relations Act (Taft-Hartley) amendments to the National Labor Relations Act (NLRA) as an independent agency whose mission is “to assist parties to labor disputes in industries affecting commerce to settle such disputes through conciliation and mediation.” Subsequent acts of Congress and presidential orders have expanded FMCS’s role to provide mediation services to the Federal sector and alternative dispute resolution (ADR) programs to Federal Government agencies, as well as promote and establish labor-management partnerships.

In support of its mission, FMCS commits to:

- Promoting the development of sound and stable labor-management relationships;
- Preventing or minimizing work stoppages by assisting labor and management to settle their disputes through mediation;
- Advocating collective bargaining, mediation, and voluntary arbitration as the preferred process for settling disputes between employer and representatives of employees;
- Developing the art, science, and practice of conflict resolution; and,
- Fostering the establishment and maintenance of constructive joint processes to improve labor-management relationships, employment security, and organizational effectiveness.

For more than 70 years, FMCS has provided services that embrace this mission and demonstrate its commitment to preventing or minimizing interruptions of the free flow of commerce growing out of labor disputes. As labor-management relationships have evolved over time, so, too, has the nature of FMCS’s work within collective bargaining relationships. FMCS today provides a range of services to labor and management, such as relationship-development training and training in interest-based bargaining, to help parties deal effectively with disputes that may arise between them without resorting to work stoppages. The following section describes FMCS’s comprehensive package of core programs and services.

A. Alternative Dispute Resolution Services to Government

The Federal Government has long recognized that ADR provides a much less expensive and time-consuming alternative to litigation in the Federal courts. FMCS provides professional services to a wide range of Federal, state, and government agencies on a cost-reimbursable basis. Through this work, FMCS seeks to reduce litigation costs and to promote better government decision-making. Services offered by FMCS include:

- **Workplace and Employment Disputes.** FMCS mediates workplace and employment disputes for Federal and state agencies. The majority of these disputes concern claims of employment discrimination, other types of personnel issues, and workplace conflicts. FMCS accepts individual and multi-party conflicts for mediation.
- **Disputes Involving Administrative Programs.** FMCS also mediates disputes between agencies and their “regulated public,” such as whistleblower complaints or disputes involving contracts, grants, licenses, enforcement, and administrative programs.
- **Training Persons in the Skills and Procedures Employed in Alternative Means of Dispute Resolution.** FMCS also provides training in conflict resolution to aid in the effective use of alternative dispute resolution throughout the Federal Government. To that end, FMCS offers both live and web-based training on a variety of topics relating to conflict dynamics.
- **Consultation, Evaluation, and Systems Design.** FMCS provides professional conflict resolution specialists to help agencies design conflict prevention and resolution systems to build capacity for constructive conflict management systems. Systems design may include an initial consultation, an assessment, program design and development, training delivery, and program management follow-up.
- **Facilitation During Decision-Making.** Particularly in times of limited budgets, FMCS facilitation services can help agencies achieve cost savings when decision-making is delegated to a committee, task force, or other type of group. FMCS facilitation services, including consultation, convening, training, and the actual facilitation, help groups accomplish their tasks within specified time frames. Notably, these services can be provided both onsite and virtually, another valuable time- and cost-saving feature of FMCS facilitation services.
- **Negotiated Rulemaking.** Negotiated rulemaking is a process in which a government agency invites persons and groups potentially impacted by a proposed rule to participate in its drafting. Interested parties who might otherwise oppose or challenge the rule are given the chance to participate in its formulation, thus reducing post-issuance challenges.
- **Agency Cooperation & Collaboration.** FMCS can facilitate intra-agency or multiple agency groups tasked with developing a strategic plan or identified

objective involving complex matters. Interest-based problem-solving and collaboration skills are essential to achieving successful outcomes.

- **Public Policy Dialogues.** Similarly, FMCS is called upon to facilitate public policy discussions involving Federal agencies and public-private stakeholders such as those conducted under the Federal Advisory Committee Act. These multi-party stakeholder discussions can benefit from the assistance of a skilled and neutral facilitator experienced in synthesizing discussion points and interests, as well as establishing and overseeing meeting structures and processes. Training and coaching are also available for participants.

FMCS provided conflict management and ADR services to government entities more than 1,210 times in 2019. These services included:

- Facilitated dialogue among affected stakeholders prior to the finalization of regulations issued by Federal agencies. For decades, this process has reduced litigation challenging such regulations and thereby avoids the direct and indirect costs of such litigation to both Federal agencies as well as the non-Federal stakeholders. Clients included the Department of Energy, the Department of Transportation, and the Department of Education.
- Reached agreements with Federal agencies to improve the efficiency of their dispute resolution systems. Recent agreements include a project to reduce a backlog of 1,000 complaints by the general public against the Social Security Administration and to reduce a 13,000 case backlog at the Equal Employment Opportunity Commission's Administrative Judge stage of litigation. These agreements are in addition to longstanding mediation services provided to various agencies within the Department of Homeland Security (e.g., ICE, CBP, USCIS), the U.S. Postal Service, the National Institutes of Health, and the Department of Health & Human Services, Office of Civil Rights, among many others.
- Worked with nine of the 28 local Federal Executive Boards (FEBs) to provide mediation trainings for the interagency mediation Shared Neutrals program. Shared Neutrals provides participating federal agencies with access to a pool of trained, collateral-duty federal employees who provide mediation services to other agencies in exchange for like services from other participating agencies. FMCS mediators delivered the initial trainings and will co-mediate and mentor the Shared Neutrals until they gain enough experience to serve as lead mediators and subsequently mentor others. FMCS is currently working or has recently worked with the FEBs to provide trainings to Shared Neutrals in Denver, Boston, Chicago, Minneapolis, New Orleans, New York, Newark, Pittsburgh, and St. Louis, and is holding discussions with other FEBs to develop future training programs.
- Trained mediators outside of the Shared Neutrals program at a variety of Federal agencies. Recent clients include the Department of Health & Human

Services, Internal Revenue Service, and Office of Personnel Management’s Senior Executive Service Training program, among others.

B. Collective Bargaining Mediation

Through collective bargaining mediation, FMCS helps avert or minimize the cost of work stoppages to the U.S. economy. As part of its core work, FMCS mediates collective bargaining negotiations for initial contract negotiations—which take place between an employer and a newly certified or recognized union representing its employees—and for negotiations for successor collective bargaining agreements. FMCS provides mediation services to the private sector, and also to the public sector, including Federal agencies and state and local governments.

During mediation, the mediator’s task is to help the parties identify alternative solutions and compromises, encourage settlement where appropriate, control the critical timing of offers, and persuade the parties to honestly discuss their differences.

Appalachian Regional Hospital and United Steel Workers

This negotiation involved 2,200 employees in 11 different bargaining units across 11 hospitals in Kentucky and West Virginia, all with differing agendas. After several 12-hour negotiating sessions mediated by FMCS, the parties reached a tentative agreement on a master contract covering housekeeping, maintenance, janitorial, radiology, nursing aids, truck drivers, office staffing, respiratory, and clinical staff. The mediator tested 30 different settlement scenarios until the parties reached a consensus on one of them.

The parties later said they never would have gotten an agreement without FMCS’s assistance. In fact, the union was ready to strike without voting. The union’s International President sent two National Representatives to the negotiations and was just about to release the strike notice when a deal was struck with FMCS assistance. The International President asked the National Representatives “did you have Houdini?” They replied “no—we had a Federal mediator.”

In 2019, FMCS mediators were actively involved in nearly 2,900 collective bargaining contract negotiations in every major industry throughout the United States.

In 2021, FMCS expects to receive approximately 19,000 notices of expiring collective bargaining agreements. Some 240 of the known expiring contracts involve bargaining units of 1,000 members or more and represent a total of more than 1 million members. Many of these expiring agreements are in key private sector industries, such as the construction and mechanical trades, groceries, telecommunications, transportation, and health care, and also in Federal agencies with critical national security roles.

**Nevada National Security Test Site (Aviation Mechanics)
and Teamsters Local 631**

This bargaining unit is composed of 42 aircraft mechanics who service aircraft from the Nevada National Test Site and other secure areas of interest to national security. In addition to its impact on national security, a work stoppage would have resulted in serious financial impact to over 2,400 employees who depend on air service or associated work at the test site. FMCS was called in following stalled negotiations, two failed ratification votes on “last, best and final” offers, and a passed strike authorization vote.

At the time FMCS was called in, the predominant issues were wages and paid time off (PTO) accruals. The mediator worked with the parties to not only understand the other side’s proposals but, more importantly, understand their figures and comparisons. This was key in reaching an agreement. With both sides understanding the figures with more depth, the parties were able to clear up previous misunderstandings as to costs and move on to the PTO and wages. By the second day of mediated negotiations, the parties were able to reach a tentative agreement that was eventually ratified.

C. Grievance Mediation

Grievance mediation involves the use of a neutral party to mediate disputes that may arise over the terms and conditions of a collective bargaining agreement. FMCS mediators provide this service to the private and public sectors with the goal of preventing unresolved contract interpretation issues from becoming contentious issues in future contract negotiations. Lengthening contract terms increase the importance of resolving contentious issues arising during the term of a contract. In 2019, FMCS mediated 2,441 grievance mediation cases and helped the parties reach agreement in 1,763 of these (72 percent).

D. Relationship Development and Training

Preventing conflict that may arise during the term of a collective bargaining agreement is another important goal of FMCS. Experience demonstrates the enormous value of training parties in the tools and techniques of collaboration and joint problem-solving well in advance of any contract expiration. The Agency’s relationship-building training programs are designed to improve labor-management relationships by helping labor and management to develop collaborative problem-solving approaches. Use of these programs better enables the parties to jointly respond to rapidly changing business and economic conditions during the term of the contract and also make future mediation efforts more effective.

In the private and Federal sectors, FMCS will continue to offer a wide range of programs designed to prevent workplace disputes and improve labor-management relationships. These programs help the parties develop collaborative problem-solving approaches for managing conflict. Developed through decades of hands-on dispute resolution experience,

FMCS's labor relations model encourages an ongoing, joint problem-solving approach characterized by open communication, respect, trust, and transparency.

In 2019, FMCS mediators conducted more than 1,950 training programs with collective bargaining partners.

Core training programs consist of:

- **Labor-Management Work-Site Committee Training.** Helps labor-management committees extend to the work-site level, forming work-site committees, group interactions, and learning techniques to manage change.
- **Interest-Based Problem-Solving Training.** Gives the parties a structured methodology to agree on a common definition of a problem, share their respective underlying interests with respect to the problem and then jointly brainstorm solutions that can be justified and supported publicly using agreed-upon criteria.
- **Relationship by Objectives.** Improves the parties' relationship with one another, particularly where the relationship has worsened after a contentious representation election, initial contract negotiation, or strike.
- **Committee Effectiveness Training.** Assists the parties in developing joint labor-management committees designed to bring the parties into regular communication.
- **Partners in Change.** Explores the organization's current culture, identifies perceptions within the organization, creates a vision for the future, and designs systems that effectuate change.
- **Contract Administration/Steward-Supervisor Training.** Trains front-line supervisors and shop stewards on their roles and responsibilities in contract administration, grievance processing, the arbitration procedure, and interpersonal communications for building cooperative relationships.
- **Collective Bargaining and Mediation Training.** Trains the parties on effective negotiation and communication skills.

E. International Training and Exchange

Beyond the nation's borders, FMCS plays an important role in promoting conflict resolution around the world. FMCS delivers its international training programs using cost-reimbursable funds, largely through interagency acquisition agreements with other government agencies, such as the Department of Labor, and foreign governments and international organizations.

FMCS's international work is a small but integral part of its services. FMCS helps establish the labor dispute resolution institutions that are essential to the smooth

functioning of free market economies. These programs are also a knowledge-sharing experience: FMCS mediators gain familiarity with complex issues affecting the global economy and, as a result, are more effective in resolving domestic labor-management disputes with international implications.

In 2019, FMCS completed training and consultation programs in Guatemala, Thailand, and Jordan. During all these programs, FMCS mediators provided instruction for government labor inspectors, labor representatives, employer representatives, government officials, and other labor dispute stakeholders. They also provided consultative support for governments in these countries to assist in their efforts to develop effective dispute resolution systems and organizations.

In addition to programs delivered abroad, every year FMCS mediators host several foreign delegations visiting the United States and educate them in U.S. labor-management relations and conflict resolution practices. Notably in 2019, a mediator from Taiwan attended one week of new mediator training in Glendale, CA.

F. Arbitration Services

National labor policy favors arbitration over litigation for settling contractual disputes. FMCS's Office of Arbitration Services maintains a roster of approximately 1,000 independent arbitrators who are qualified to hear and decide disputes over the interpretation or application of collective bargaining agreements. Upon request from the parties, FMCS furnishes a list of names from which they may choose an arbitrator to hear their case and render a decision. FMCS administers its established policies and procedures on arbitration, which also incorporate the Code of Professional Responsibility for Arbitrators of Labor-Management Disputes, to which FMCS is a signatory.

During 2019, the Office of Arbitration Services processed nearly 11,000 requests and oversaw the appointment of more than 4,300 arbitrators nationwide.

G. FMCS Institute for Conflict Management

FMCS's Institute for Conflict Management (Institute) delivers accessible, innovative, and experience-based conflict resolution training for individuals and small groups of employees and managers. The training is specifically designed to meet the challenges of labor-management relations and organizational change. The Institute's training programs provide participants the opportunity to interact with and learn from experienced practitioners who use these skills every day. Federal mediators and private-sector arbitrators comprise the Institute faculty. The Institute runs as a reimbursable program and is funded by fees received from training participants.

H. Accountable Government

In 2021, FMCS will continue to meet the highest standards of government efficiency, integrity, employee engagement, and customer service by sustaining a culture of continuous improvement among the Agency's highly motivated workforce. Like many Federal agencies, FMCS has experienced occasional challenges related to employee recruitment, training, consistent performance, and retention. However, FMCS employees

and their level of commitment continue to keep the Agency at the forefront among similarly sized units of the Federal Government. Year after year, FMCS has typically scored among the top agencies in the results of the Federal Employee Viewpoint Survey (FEVS), administered by the Office of Personnel Management (OPM).

More specifically, the FEVS results recognized FMCS as one of the best places to work in 2014 (2nd place among small agencies), 2015 (1st place among small agencies), 2016 (3rd place among small agencies), and 2017-2018 (1st place among small agencies). For 2021 and beyond, FMCS is committed to meeting and exceeding its performance goals and surpassing its past successes as documented by the FEVS results.

Increasing Compliance and Strengthening Internal Controls

In 2021, FMCS will continue to implement the new policies and procedures recommended by the National Archives and Records Administration in conjunction with the Controlled Unclassified Information initiative and document management program. FMCS will have a fully functional electronic records management system in place in 2021. Improved records management, in concert with strengthened financial policies and procedures, will allow FMCS to continue to demonstrate effective and efficient use of public resources.

Reforming Hiring Practices and Managing Performance

Small agencies often face a challenge in attracting talented job applicants. Poor name recognition and perceived or real lack of career advancement opportunities are chief among these challenges. In 2021, and in the ensuing years, FMCS seeks to maintain and improve upon its position as one of the most desirable places to work in government.

Achieving this goal requires that FMCS recruit from a broader base of potential applicants from the neutral and management community. To strengthen our ability to innovate and deliver high-quality services, FMCS is recruiting mediators with a greater diversity of career trajectories beyond collective bargaining experience. In the current environment, the most effective mediator may not have traditional labor experience but may instead be someone who is able to develop and offer a wide range of FMCS services.

Through the *Share Our Stories* initiative, FMCS is incentivizing mediators to be as insightful as possible in sharing experiences with their colleagues. In 2020, FMCS completed a new set of mediator performance criteria and transitioned to a more automated performance management system. In combination, these systems will provide more opportunity for the Agency to focus on improving the quality and effectiveness of the services it provides.

Promoting Employee Engagement

Employee engagement is a process designed to ensure that employees are committed to the organization's goals and values, vested in the organization's success, and are simultaneously able to enhance their own sense of well-being. To meet its employee engagement goals for 2021, FMCS will continue to encourage diverse viewpoints and

innovation, solicit employee feedback, and practice open communications and transparency.

FMCS will continue to use a number of strategies to achieve its objectives, including: regular communications from the Agency leadership; daily news roundups; quarterly virtual town hall meetings; regular newsletters featuring up-to-date information about significant cases and training programs; regular meetings with all levels of staff that focus on goals, action plans, and deliverables; providing field directors with opportunities for regular information exchange and collaboration; and a continuation of open forums to constructively engage FMCS's workforce on a regular basis.

I. Conclusion

The U.S. economy is in a period of transition on many levels. While these transformations present great opportunities, they also present the challenge of increased workplace conflicts as workers and businesses grapple with issues of technology, automation, competition, skills, and cost-cutting. Workplace disputes are arising in both traditional labor-management collective bargaining settings, as well as in high profile social media and community-based campaigns for improved wages and working conditions.

Over more than seven decades, FMCS has compiled a proud record of success in helping parties resolve disputes, learn joint problem-solving skills, and create successful, collaborative problem-solving relationships. As the nature, complexity, and range of the issues confronting managers and employees in business and government have evolved, so too has FMCS, constantly seeking new and innovative methods to prevent disruptions to the U.S. economy, to reduce costs to U.S. taxpayers, and, most importantly, to help managers and workers together overcome the challenges of the changing economy in business and government workplaces.

Given the anticipated size and number of collective bargaining agreements expiring in 2021, the need to fill vacant mediator positions to meet the anticipated demand for FMCS services, and the ongoing need for labor and management to work collaboratively to achieve competitiveness, economic development, and job security, we urge you to favorably consider this request for \$48,600,000.

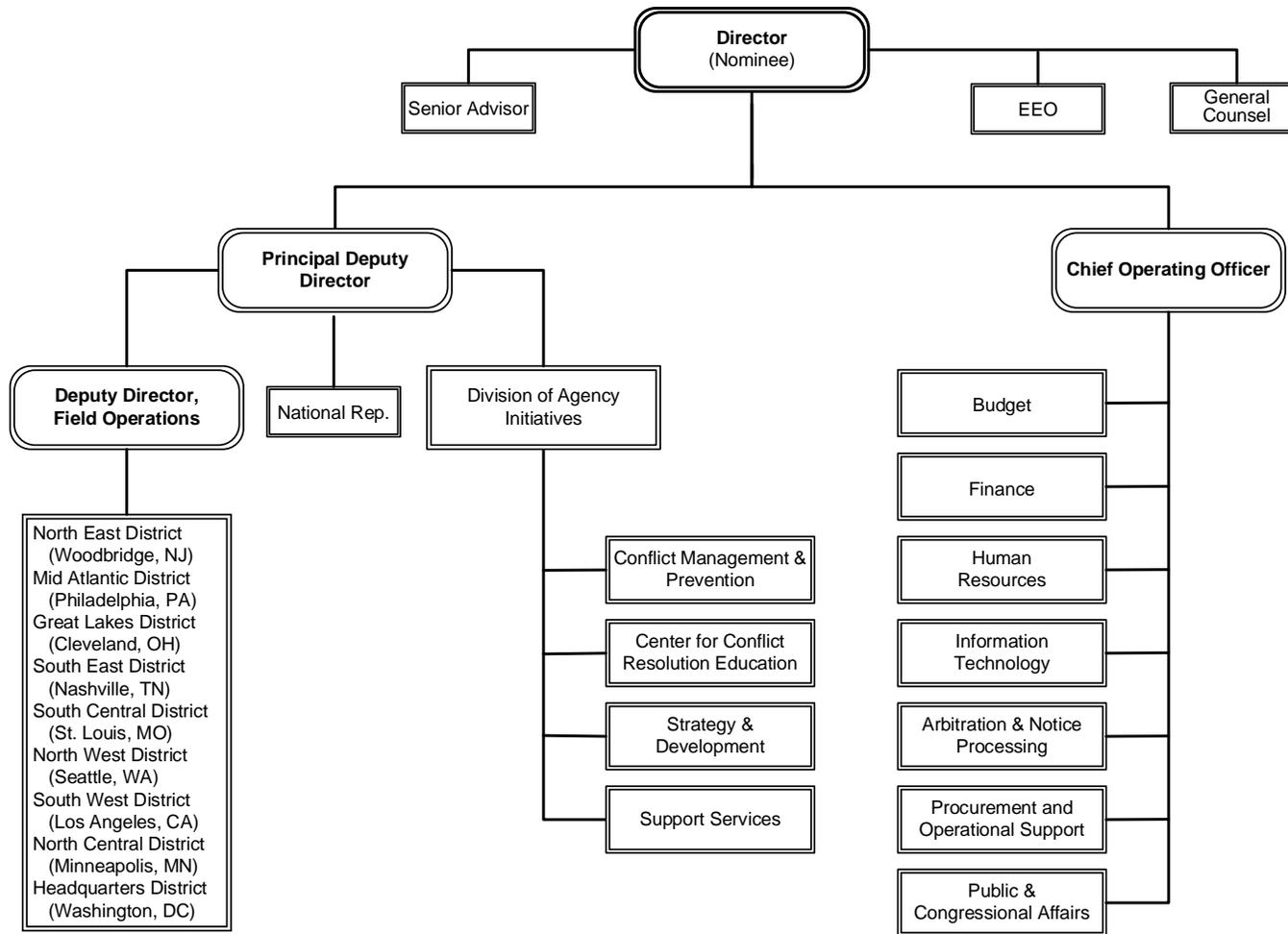
III. Appropriation Language

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service ('Service') to carry out the functions vested in it by the Labor-Management Relations Act, 1947, including hire of passenger motor vehicles; for expenses necessary for the Labor-Management Cooperation Act of 1978; and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, \$48,600,000: Provided, That notwithstanding 31 U.S.C. 3302, fees charged, up to full-cost recovery, for special training activities and other conflict resolution services and technical assistance, including those provided to foreign governments and international organizations, and for arbitration services shall be credited to and merged with this account, and shall remain available until expended: Provided further, That fees for arbitration services shall be available only for education, training, and professional development of the agency workforce: Provided further, That the Director of the Service is authorized to accept and use on behalf of the United States gifts of services and real, personal, or other property in the aid of any projects or functions within the Director's jurisdiction.

IV. FMCS Organizational Chart



As of Feb. 10, 2020

V. Statutory and Other Legal Authority

FEDERAL MEDIATION AND CONCILIATION SERVICE

Title II of the Labor-Management Relations Act of 1947 (Taft-Hartley) established the Federal Mediation and Conciliation Service (FMCS) as an independent agency of the Federal Government whose primary mission is to prevent and minimize labor-management disputes affecting interstate commerce by providing mediation, conciliation, and voluntary arbitration services. All mediation and conciliation functions of the Secretary of Labor and the United States Conciliation Service were transferred to FMCS at that time. This mission includes both the private and public sectors, except for the railroad and airline industries, which are covered by the Railway Labor Act administered by the National Mediation Board.

The Civil Service Reform Act of 1978 authorized FMCS to assist with dispute resolution in Federal sector labor disputes. The Labor-Management Cooperation Act amended the Taft-Hartley Act in 1978 and directed FMCS to encourage labor-management cooperative activities. It also authorized the issuance of grants to support joint labor-management activities conducted by plant, area, public sector, and industry-wide committees.

In 1990, the Administrative Dispute Resolution Act and the Negotiated Rulemaking Act authorized FMCS to assist other Federal agencies in resolving disputes arising out of grants, contracts, licenses, or other agency administrative actions, and to assist in the process of negotiated rulemaking. The Administrative Dispute Resolution Act of 1996 amended and permanently reenacted these 1990 Acts.

Over the years, Congress and the Executive Branch have authorized FMCS to perform a variety of dispute resolution functions as well as to assist in the improvement of labor-management relationships. Specific statutory and other authorizations of FMCS programs are described below.

- I. The Labor-Management Relations Act of 1947 (Public Law 80-101, as amended, 29 U.S.C. 158(d), 173 et seq.) directs FMCS to prevent or minimize interruptions to the free flow of commerce growing out of labor disputes by helping the parties settle such disputes through mediation. Parties are required to notify FMCS 30 days prior to a contract termination or modification date so that mediation services may be proffered.

The Act establishes a special procedure for threatened or actual strikes which, in the opinion of the President, imperil the national health or safety. In such situations, the President may appoint a board of inquiry to ascertain the facts with respect to the dispute. After receipt of a report, the President may seek to enjoin the strike, and a court may do so if it finds that the threatened or actual strike or lockout affects a substantial part or all of an industry and would imperil the national health or safety. 29 U.S.C. 176-178.

- II. The Health Care Amendments of 1974 (Public Law 93-360, 29 U.S.C. 158(d) (4), (4)(A)-(4)(C)) (amending the National Labor Relations Act) include special provisions intended to prevent or minimize work stoppages in the health care industry. In the case of this industry, FMCS must be notified 60 days before the contract termination date. A 30-day notice is required in initial bargaining situations. If, in the opinion of the Director, a strike is threatened which would interrupt the delivery of health care in a locality, the Director may appoint a board of inquiry. 29 U.S.C. 183. The board has 15 days within which to investigate and file its report and recommendations; parties must maintain the status quo for 15 days thereafter while further negotiations and mediation take place. The parties are required to cooperate in any mediation efforts by FMCS.
- III. The Civil Service Reform Act of 1978 (Public Law 95-454, 5 U.S.C. 7119(a)) directs FMCS to provide mediation assistance in disputes arising from negotiations between Federal agencies and the representatives of their employees.
- IV. The Postal Accountability and Enhancement Act of 2006 (Public Law 109-435, as amended, 39 U.S.C. 1207) requires FMCS to provide mediation services and assist in establishing arbitration boards in collective bargaining disputes between the Postal Service and the exclusive representatives of its employees.
- V. An Act to Establish Dispute Resolution Procedures to Settle Disputes Between Supervisors and the United States Postal Service, 1980 (Public Law 96-326, as amended, 39 U.S.C. 1004) directs FMCS, upon the request of either the Postal Service or an organization representing its supervisors, to convene fact finding panels to recommend supervisory pay and fringe benefit policies and to create panels to review the effectiveness of these procedures and other employment policies.
- VI. The Federal Insecticide, Fungicide and Rodenticide Act of 1978, (Public Law 95-396, as amended, 7 U.S.C. 136a(c)(1)(F)(iii)) requires FMCS to provide for the appointment of arbitrators to decide disputes concerning compensation for the use or development of pesticide registration data.
- VII. The Labor Management Cooperation Act of 1978 (Public Law 101-552, as amended by Public Law 95-524, 29 U.S.C. 175a, 186(c)(9)) added Sections 205A and 302(c)(9) to the Labor-Management Relations Act and directs FMCS

to encourage and support joint labor-management activities conducted by plant, area, and industry-wide committees designed to improve labor-management relationships, employment security, and organizational effectiveness. The Act authorizes FMCS to provide grant funds to assist in the establishment and operation of these labor-management committees.

- VIII. The Administrative Dispute Resolution Act of 1996 (Public Law 104-320) (ADRA) authorizes and encourages agencies to use various alternative means of dispute resolution in the Federal administrative process in order to avoid the time and expense of litigation. The ADRA amended, permanently enacted, and incorporated into the Administrative Procedure Act, the Administrative Dispute Resolution Act provisions (5 U.S.C. 571 *et seq.*) and the Negotiated Rulemaking Act provisions (5 U.S.C. 561 *et seq.*) of 1990 legislation. These provisions and their predecessors suggest that the ADR and regulatory-negotiation “experiments” of the past have become well-accepted processes of Federal agencies. The ADRA encourages the development of guidelines to expedite the selection of neutrals and to facilitate the use of alternative dispute resolution in the Federal Government.

This legislation also amends the Labor-Management Relations Act of 1947 (Taft-Hartley) by permanently adding Section 173(f) of Title 29 of the United States Code (29 U.S.C. 173(f)) so that FMCS may provide all forms of ADR assistance to Federal agencies. Under this legislation, FMCS continues to assist agencies in negotiated rulemaking processes as well as other ADR procedures by providing training, facilitation, mediation, and other neutral skills.

- IX. The U.S. Code of Federal Regulations at 45 CFR 90.43(c)(3), issued by the Department of Health and Human Services, implementing its authority under the Age Discrimination Act of 1975, 42 U.S.C. 6101 *et seq.*, authorizes FMCS to provide mediation assistance for the resolution of age-discrimination charges filed against any agency receiving Federal financial assistance to any program or activity.
- X. The Federal Aviation Reauthorization Act of 1996 (Public Law 104-264, as amended by Public Laws 106-181, 112-95, and 114-242; 49 U.S.C. 40122(a)) directs the administrator of the Federal Aviation Administration (FAA) and the exclusive bargaining representative of its employees to use FMCS, or a mutually agreed-upon alternative, to mediate disputes concerning changes to the FAA’s personnel management system or the parties’ collective bargaining agreement. If mediation is unsuccessful, FMCS is required to prepare a list of 15 qualified arbitrators, from which two will be selected by the parties and a third by these two, to form an arbitration board. This board will render a final and binding determination.

- XI. The Veterans Health Care Capital Asset and Business Improvement Act of 2003 (Public Law 108-170, as amended by Public Law 111-163, 38 U.S.C. 7403(h)(4)(C)) gives the Secretary of Veterans Affairs or the exclusive representative of the affected employees the option of requesting the services of FMCS to assist the parties in reaching an agreement regarding disputes with respect to any system of promotion and advancement proposed by the Secretary.

- XII. The Transportation Security Administration Determination, “Transportation Security Officers and Collective Bargaining,” February 4, 2011, requires the facilitation of collective bargaining negotiations by FMCS or another agreed-upon entity, and requires TSA and the unions subject to bargaining to attend training in interest-based negotiations conducted by FMCS.

VI. Budget Tables and Detailed Financial Requirements

FEDERAL MEDIATION AND CONCILIATION SERVICE

BUDGET AND STAFFING BY ACTIVITY

	FY 2019		FY 2020		FY 2021		Total Program Increase or (Decrease) 2020 to 2021	
	Actual		Estimated		Request		Full-Time Equivalent Employment	Budget Authority (\$1,000s)
	Full-Time Equivalent Employment	Budget Authority (\$1,000s)	Full-Time Equivalent Employment	Budget Request (\$1,000s)	Full-Time Equivalent Employment	Budget Request (\$1,000s)		
1. Collective Bargaining and Grievance Mediations (Dispute), Relationship Development Training (Preventive), and Outreach (Public Information) Workloads	162	35,162	167	35,541	167	36,304	0	763
2. Arbitration Services	7	746	7	858	7	896	0	38
3. National Office and Operational Support	46	10,742	49	10,801	49	11,400	0	599
4. Labor-Management Grants	0	0	0	0	0	0	0	0
Sub-Total Appropriated	215	\$46,650	223	\$47,200	223	\$48,600	0	\$1,400

BUDGET AND STAFFING BY ACTIVITY

	FY 2019		FY 2020		FY 2021		Total Program Increase or (Decrease) 2020 to 2021	
	Actual		Estimated		Request		Full-Time Equivalent Employment	Budget Authority (\$1,000s)
	Full-Time Equivalent Employment	Budget Authority (\$1,000s)	Full-Time Equivalent Employment	Budget Request (\$1,000s)	Full-Time Equivalent Employment	Budget Request (\$1,000s)	Full-Time Equivalent Employment	Budget Authority (\$1,000s)
5. Reimbursable programs: ADR Services, Employment Mediation, International Training, Institute Courses, and Conference Fund.....	7	1,821	7	2,617	7	1,842	0	(775)
6. FMCS Internal Training and Education	1	1,015	0	853	0	677	0	(176)
Sub-Total Reimbursable	8	\$2,836	7	\$3,470	7	\$2,519	0	(951)
TOTAL RESOURCES	223	\$49,486	230	\$50,670	230	\$50,442	0	\$(228)

FEDERAL MEDIATION AND CONCILIATION SERVICE

**BUDGET ESTIMATES FISCAL YEAR 2021
FINANCIAL REQUIREMENTS**

(in thousands of dollars)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2021 Request	2020 to 2021 Change (+/-)
<u>Personnel Compensation</u>	<u>\$25,294</u>	<u>\$25,904</u>	<u>\$27,048</u>	<u>\$27,593</u>	<u>\$545</u>
Full-Time Permanent	24,828	25,420	26,552	26,820	268
Other Than Full-Time Permanent	77	74	76	78	2
Other Personnel Compensation	-	-	-	-	-
Other Premium and Differential Pay	7	10	10	10	-
Overtime	2	10	10	10	-
Other Personnel Compensation-Awards	380	390	400	675	275
Special Personal Services Payments	-	-	-	-	-
<u>Personnel Benefits</u>	<u>8,046</u>	<u>8,305</u>	<u>8,702</u>	<u>9,342</u>	<u>640</u>
Benefits/Retirement	7,785	8,090	8,471	9,102	631
Incentives	70	56	74	76	2
Allowances	14	16	8	12	4
Special Payments of Other Funds	177	143	149	152	3
Relocation/Permanent Change of Station (PCS)	-	-	-	-	-
<u>Benefits for Former Personnel</u>	-	-	<u>20</u>	<u>20</u>	-
<u>Travel and Transportation of Persons</u>	<u>1,841</u>	<u>1,895</u>	<u>1,934</u>	<u>1,934</u>	-
Domestic TDY	1,839	1,895	1,934	1,934	-
Foreign Travel	-	-	-	-	-
Training Travel	2	-	-	-	-
Relocation/Permanent Change of Station (PCS)	-	-	-	-	-
Conference Travel	-	-	-	-	-

BUDGET ESTIMATES FISCAL YEAR 2021
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2021 Request	2020 to 2021 Change (+/-)
<u>Transportation of Things</u>	-	<u>2</u>	<u>4</u>	<u>2</u>	<u>(2)</u>
Transportation of Things	-	-	4	2	(2)
Relocation	-	2	-	-	-
<u>Rent, Communications, and Utilities</u>	<u>6,013</u>	<u>5,996</u>	<u>5,197</u>	<u>5,213</u>	<u>16</u>
Rental Payments to GSA	5,091	5,154	4,275	4,300	25
Rental Payments to Others	-	-	48	48	-
Communications, Utilities, and Misc. Charges	-	-	-	-	-
Utilities	-	-	-	-	-
ADP Rental	-	-	-	-	-
Telecommunications	881	796	830	821	(9)
Other Rentals	-	-	-	-	-
Postage	41	46	44	44	-
<u>Printing and Reproduction</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>40</u>	-
Government Printing	-	-	20	20	-
Commercial Printing and Duplication	40	40	20	20	-
Advertising/Radio/TV	-	-	-	-	-
<u>Other Contractual Services</u>	<u>3,892</u>	<u>3,857</u>	<u>3,640</u>	<u>3,506</u>	<u>(134)</u>
Advisory and Assistance Services	2,522	1,986	1,230	990	(240)
Other Services from Non-Federal Sources	3	30	6	6	-
Other Goods and Services from Federal Sources	202	337	338	462	124
Operation and Maintenance of Facilities	207	122	150	92	(58)
Research and Development Contracts	-	-	-	-	-
Medical Care	22	26	26	26	-
Operation and Maintenance of Equipment	-	-	-	-	-

BUDGET ESTIMATES FISCAL YEAR 2021
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2021 Request	2020 to 2021 Change (+/-)
<u>Other Contractual Services (continued)</u>					
Operation and Maint. of Equipment (Non-Travel)	936	1,350	1,890	1,930	40
Relocation/PCS	-	6	-	-	-
Subsistence and Support of Persons	-	-	-	-	-
<u>Supplies and Material</u>	<u>234</u>	<u>255</u>	<u>294</u>	<u>303</u>	<u>9</u>
Office Supplies and Publications	153	152	199	198	(1)
ADP Supplies and Materials	78	98	90	100	10
Fuel	-	-	-	-	-
Materials/Parts	-	-	-	-	-
Other Supplies	3	5	5	5	-
<u>Equipment</u>	<u>610</u>	<u>396</u>	<u>321</u>	<u>647</u>	<u>326</u>
Manufacturing/Production Equipment	-	-	-	-	-
ADP Software	15	-	-	-	-
ADP Equipment/Hardware	363	250	266	500	234
Telecommunications Equipment	-	-	-	-	-
Other Equipment and Property	231	146	55	147	92
Grants, Subsidies, and Contributions	-	-	-	-	-
Interest and Dividends	-	-	-	-	-
Refunds	-	-	-	-	-
Unvouchered	-	-	-	-	-
Financial Transfers	-	-	-	-	-
<u>TOTAL - APPROPRIATIONS</u>	<u>45,970</u>	<u>46,650</u>	<u>47,200</u>	<u>48,600</u>	<u>1,400</u>

BUDGET ESTIMATES FISCAL YEAR 2021
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2021 Request	2020 to 2021 Change (+/-)
Direct Funds					
Personnel Compensation	155	107	-	-	-
Personnel Benefits	52	36	-	-	-
Travel and Transportation of Persons	530	607	822	639	(183)
Transportation of Things	-	-	-	-	-
Rent, Communications, and Utilities	-	-	-	-	-
Printing and Reproduction	-	-	-	-	-
Other Contractual Services	98	115	24	30	6
Supplies and Material	119	150	7	8	1
Equipment	-	-	-	-	-
<u>Total - Direct Funds</u>	<u>954</u>	<u>1,015</u>	<u>853</u>	<u>677</u>	<u>(176)</u>
Reimbursable Funds					
Personnel Compensation	732	984	990	1,020	30
Personnel Benefits	212	290	310	297	(13)
Travel and Transportation of Persons	148	245	300	310	10
Transportation of Things	-	-	-	-	-
Rent, Communications, and Utilities	-	-	-	-	-
Printing and Reproduction	-	-	2	2	-
Other Contractual Services	-	294	1,005	203	(802)
Supplies and Material	429	8	10	10	-
Equipment	10	-	-	-	-
<u>Total - Reimbursable Funds</u>	<u>1,530</u>	<u>1,821</u>	<u>2,617</u>	<u>1,842</u>	<u>(775)</u>
TOTAL - ALL SOURCES	48,453	49,486	50,670	50,442	(228)

FEDERAL MEDIATION AND CONCILIATION SERVICE

Detail of Total Employment – End of Year

	2019 <u>Actual</u>	2020 <u>Estimated</u>	2021 <u>Requested</u>
Executive Level III.....	0	1	1
ES.....	<u>4</u>	<u>5</u>	<u>5</u>
Subtotal.....	<u>4</u>	<u>6</u>	<u>6</u>
GS-15	23	25	26
GS-14	133	124	147
GS-13	28	33	16
GS-12	8	8	7
GS-11	6	6	8
GS-10	0	0	0
GS-9	13	13	12
GS-8	3	3	4
GS-7	4	5	3
GS-6	1	1	1
GS-5	0	0	0
GS-4	0	0	0
GS-3	0	0	0
GS-2	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal.....	219	224	224
Total employment, end of year.....	223 *	230 **	230 **
Full-time equivalent (FTE) usage.....	229	230	230

Average ES Salary	\$175,390	\$168,555	\$179,691
Average GS Level.....	14 04	14 02	14 03
Average GS Salary.....	\$118,721	\$115,963	\$119,247

* 8 FTE funded by reimbursable revenue.

** 7 FTE funded by reimbursable revenue.

VII. Workload Projections – 2020 and 2021

The following pages include FMCS workload over prior fiscal years, caseload estimates, accomplishments for 2019, and estimated workloads in 2020 and 2021.

WORKLOAD OUTPUTS AND PROJECTIONS

FISCAL YEARS 2015 - 2021

PROGRAM SERVICES	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2019 Actual	FY 2020 Estimated	FY 2021 Estimated
1. COLLECTIVE BARGAINING MEDIATION.....								
Assigned Cases ⁱ	11,636	11,734	11,280	11,169	11,400	10,709	10,800	10,800
Mediated Cases ⁱⁱ	3,719	3,540	3,230	3,024	3,514	2,923	3,445	3,445
Closed Cases	11,644	11,605	11,261	11,178	11,410	10,705	10,822	10,822
Closed Mediated Cases	3,081	2,941	2,616	2,487	3,107	2,429	2,832	2,832
Settled and Closed Mediated Cases	2,605	2,516	2,278	2,120	2,681	2,103	2,419	2,419
Percentage of mediated cases settled w/FMCS ⁱⁱⁱ	84.6%	85.5%	87.1%	85.3%	86.3%	86.6%	85.4%	85.4%
Activity rate in significant cases ^{iv}	42.6%	38.7%	36.4%	35.0%	45.0%	23.9%	45.0%	45.0%
2. GRIEVANCE MEDIATION								
Assigned Cases	1,729	1,713	1,719	1,745	1,850	2,511	2,200	2,200
Mediated Cases	1,676	1,670	1,650	1,689	1,791	2,441	2,128	2,128
Settled GM Cases	1,221	1,264	1,224	1,316	1,351	1,763	1,589	1,589
Percentage of cases settled w/ FMCS ^v	72.9%	75.7%	74.2%	77.9%	75.4%	72.2%	74.7%	74.7%
3. RELATIONSHIP DEVELOPMENT AND TRAINING								
Number of training programs provided	1,923	1,941	1,956	1,987	2,200	1,956	2,500	2,500
4. ADR SERVICES.....								
Mediated Cases	1,193	1,076	1,200	1,201	1,200	1,212	1,500	1,500
Settled ADR Cases	536	479	594	552	552	554	695	695
Percent of ADR cases settled w/ FMCS ^{vi}	44.9%	44.5%	49.5%	46.0%	46.0%	45.7%	46.3%	46.3%

PROGRAM SERVICES	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2019 Actual	FY 2020 Estimated	FY 2021 Estimated
5. OUTREACH								
Outreach cases ^{vii}	2,722	3,049	2,837	2,890	2,900	2,600	3,200	3,200
6. ARBITRATION SERVICES								
Number of panels issued	12,744	12,250	11,836	12,758	12,500	10,944	11,200	11,200
Number of arbitrators appointed	5,415	5,296	5,247	5,469	5,514	4,342	4,785	4,785
7. GRANTS								
Number of grants funded	8	3	11	4	0	0	0	0
8. FMCS INSTITUTE								
Number of courses provided	8	9	9	10	10	10	16	16
Number of participants	151	142	189	190	190	192	384	384

ⁱ Section 8(d) of the National Labor Relations Act, as amended, 29 U.S.C. 158(d), requires that any employer or labor organization provide notice to FMCS 30 days prior to contract expiration. Not all cases providing notices are assigned. Actual 2019 FMCS case intake was more than 18,000.

ⁱⁱ Mediated cases represent the number of cases in the FY where mediators have become active in the negotiations.

ⁱⁱⁱ Defined as the number of mediated cases settled divided by the total number of mediated cases.

^{iv} Significant cases are generally defined as situations where the bargaining unit exceeds 1,000.

^v Defined as the number of grievance mediation cases settled and closed within the fiscal year divided by the number of closed GM assignments.

^{vi} Defined as the number of ADR cases settled divided by the number of mediated cases closed.

^{vii} FMCS requires all mediators to engage in outreach efforts. These kinds of activities include non-bargaining meetings with labor and management representatives, attendance at conferences, meetings with local and state officials to offer FMCS services, and presentations designed to increase public knowledge.

VIII. Annual Performance Plan

Performance expectations for each service area are guided by FMCS's current five-year strategic plan. FMCS has identified a number of objectives, key implementation strategies, and actions needed to achieve each strategic goal. The following section details each goal and the programs impacted by them.

Strategic Goal #1: Mediation

Minimize the number and duration of work stoppages that may occur during collective bargaining negotiations.

Objective:

- Use of FMCS collective bargaining mediation by labor and management leaders.

Action:

- Early intervention activities, particularly in initial contracts, the health care industry, and large and high-impact bargaining units.

Strategies:

- Encourage labor and management leaders to employ mediation in their contract negotiations.
- Pursue FMCS joint problem-solving initiatives during the term of the agreement.

Expected Outputs:

- Increased mediator case activity rates.
 - Increased proportion of cases with meetings held prior to contract expiration date.
-

Discussion:

Collective bargaining mediation represents the core of FMCS's mission and its most publicly visible work. An independent study conducted for FMCS found that mediation prior to a contract's expiration date significantly reduces the duration of any subsequent work stoppage. Previously, three separate studies of matched bargaining pairs found that FMCS mediation was also an important factor in preventing work stoppages from occurring in the first place.

As a result of these studies, FMCS believes that early and ongoing contact with the parties to a labor contract negotiation is imperative in reducing the number and duration of work stoppages. This is particularly true in collective bargaining cases that involve: an initial contract; national security; the health care industry; large bargaining units; or those cases that have the potential for permanent shutdowns or disruptions to the community, work force, or interstate commerce.

FMCS evaluates its success in these areas by looking at how many negotiations use mediation services, whether a work stoppage occurred, the duration of any stoppage, and the timing of mediators' involvement. On an aggregate basis, FMCS also estimates the financial cost of work stoppages that actually occur and the value of work stoppages that its mediators are able to prevent or shorten.

Strategic Goal #2: Building Problem-Solving Relationships

Improve labor-management relationships.

Objective:

- Use collaborative dispute resolution processes to manage workplace conflict.

Actions:

- Provide techniques and information that help parties improve their collective bargaining relationship, with particular emphasis on implementing changes to health care benefits.
- Deliver internally sustainable dispute resolution systems.
- Educate labor and management leaders at home and abroad in the art of building and maintaining labor-management partnerships.

Strategy:

- Promote the use of FMCS programs and outreach emphasizing joint initiatives on significant issues likely to impact collective bargaining.

Expected Output:

- Increased customer satisfaction with FMCS educational products and services.
-

Discussion:

Relationship development and training and a number of related activities are designed to help the parties to a collective bargaining agreement better understand the issues and external forces affecting their collective bargaining relationship and to develop internal task forces or groups to help them improve their relationship. In an increasingly global economy, outreach to sister agencies in other countries is a small, but important aspect of FMCS's work in this area.

The continued success of American employers and employees in a globally competitive arena requires a high level of cooperation between labor and management. This is particularly true with respect to new circumstances confronting both parties in the collective bargaining relationship. Competitive issues can be both complex and subtle and require creative solutions that address unique challenges.

FMCS is committed to delivering to its customers the best possible information, analysis, practices, and solutions. Through its individual program evaluations, FMCS is constantly seeking to improve its core curriculum.

Strategic Goal #3: Resolving Mid-Term Disputes

Resolve contract-based disputes (grievances) that arise during the term of collective bargaining agreements.

Objectives:

- Assist parties to voluntarily resolve contract-based disputes.
- Provide high-value arbitrator referral service for situations when parties cannot voluntarily resolve a contract-based dispute.

Actions:

- Increased utilization of FMCS services to resolve contract-based disputes.
- Maintain roster of experienced arbitrators.
- Encourage on-line arbitration referral service case filings.

Strategies:

- Advocate mediation and arbitration as the preferred methods for settling disputes between parties in a collective bargaining relationship.
- Facilitate joint, collaborative problem-solving events on an ongoing basis.

Expected Outputs:

- Increase the proportion of settled grievance mediation cases.
 - Increase customer satisfaction with the quality of arbitration services.
-

Discussion:

Grievance mediation, joint problem-solving facilitation, and arbitration are three approaches for resolving disputes that may arise from differing interpretations of a labor contract's terms and conditions. Grievance mediation and joint problem-solving facilitation are voluntary processes that rely upon consensus building. Arbitration is a structured process that provides a final and binding determination. All three approaches are designed to reduce the need for expensive and time-consuming court litigation, and resolve disputes before they negatively affect the collective bargaining relationship.

Increasing FMCS's presence among groups that have not traditionally used its services is one way to build healthier collective bargaining relationships. FMCS involvement in these interventions encourages the parties to engage in other collective bargaining activities with less disruption and animosity.

Improved settlement rates in contract-based disputes and joint problem-solving cases provide a good indication of how well FMCS mediators are able to facilitate agreements. Likewise, favorable customer evaluations of FMCS's arbitrator referral service help improve its quality.

Strategic Goal #4: Promoting ADR

Resolve regulatory/enforcement policy disputes and statute-based workplace disputes.

Objectives:

- Use employment mediation as an alternative to litigation.
- Use problem-solving processes to resolve regulatory/policy based disputes.

Action:

- Increase the number and variety of dispute mediation services provided to government agencies, including, but not limited to, employment mediation, regulatory negotiations, public policy disputes, systems design, skills development and training, facilitation of inter- and intra-agency cooperation and collaboration, mediator coaching and mentoring.

Strategy:

- Advocate alternative dispute resolution (ADR) as the preferred method for settling non-collective bargaining disputes.

Expected Outputs:

- Increase the number of mediated settlements in employment mediation cases.
 - Increase the number of regulatory/policy disputes resolved through facilitated processes.
-

Discussion:

FMCS's ADR work is defined by the Administrative Dispute Resolution Act of 1996 and is designed to help resolve disputes that do not result from a collective bargaining relationship. Under the Act, FMCS is generally limited to work in the Federal sector, but may include state or local entities if the dispute is related to a Federal rule or regulation.

Using traditional dispute resolution vehicles, such as the courts or other statutory processes, may take several years and cost hundreds of thousands of dollars in legal fees and court costs, and require significant resource expenditures from the affected parties. In addition, imposed outcomes from utilization of these processes are unpredictable and the conditions present when the dispute arose may have changed dramatically. In regulatory matters, voluntary resolution of a single issue by multiple parties through a facilitated consensus-based process will normally offset any costs incurred.

By increasing the number of individual employment cases assigned, conflict management services and regulatory/enforcement services that FMCS provides, and achieving an increased number of resolved matters, FMCS seeks to provide a cost-effective alternative to litigation and promote better government decision-making.

Strategic Goal #5: Promoting Effective and Efficient Management

Support and cultivate top talent; develop robust and responsive information management systems; and create a safe and secure environment for human, digital, and physical assets.

Objectives:

- Ensure responsible financial management to ensure program integrity.
- Manage human capital to create an agile and motivated workforce.
- Optimize IT investments to improve process efficiency and enable innovation.

Actions:

- Maintain a robust internal controls board and process to ensure compliance with applicable rules, regulations, and directives.
- Increase the use of in-house expertise to reduce contractual service costs.

Strategies:

- Leverage existing internal capacity in IT, logistical support, and other areas.
- Work with FMCS employees to identify outdated or weak internal processes, job descriptions, or inadequate systems.

Expected Outputs:

- Reduced contractual payments for commercial shipping and printer usage fees.
 - Improved use of technology and adoption of productivity software and systems.
-

Discussion:

Responsible financial management is FMCS's foundation for meeting its commitment to spend taxpayer dollars wisely. Implementing a strong, modern financial system and internal controls, along with targeted investments, will improve accountability, reporting, and decision making. These in turn will lead to cost savings and efficiencies that improve how our Agency manages its public funds.

Investing wisely in information technology can help reduce costs and allow FMCS to become more agile and responsive in an environment of rapid technological change. From externally facing websites to internal applications that manage programs and resources, FMCS will create modern, secure information technology solutions that are responsive to customer demands, meet Federal security guidelines, and promote information-sharing and efficiency within the Agency.

Building a world-class Federal management team and a workforce ready to collaborate with colleagues within FMCS, among other Federal departments, and outside the Federal Government, will create a more engaged, motivated, and satisfied workforce.