

WEEKLY UPDATE

November 28, 2011

National Association of Support Employees

Post Thanksgiving thought:

You know how "hair of the dog" strategies help with a hangover? How come the same isn't true of turkey, stuffing and pumpkin pie?

Funny Thought:

If something "goes without saying," why do people still say it?

If money doesn't grow on trees then why do banks have branches.

Zone Meetings Information

Zone A - March 1 -3, 2012 in Denver

Zone B - Feb. 2-4, 2012 in Grapevine, TX

Zone C - March 22-24, 2012 in Madison, WI

Friends are those rare people who ask how we are ... then wait to hear the answer.

Zone D Meeting Date Changed

This meeting will be February 9 - 11, 2012 in Greenville, SC at the Hilton Hotel & Resorts This will be the location for the NASE C/D Business Meeting

Wear Red on Fridays

The mission of redshirtfridays.org is to show support for our servicemen and women.



NASE Meeting

Conference Calls with National Office

December 13, 14 & 15, 2011, two NASE officers will travel to D. C. to meet with officials in person.

We need your questions and concerns to submit to National Office prior to the call.

Board members and committee members should plan on being on the call when they can be available. There should be an agenda coming soon, but in the meantime get those questions in to

Susan Long, Cindy Porter, Jill Monson or your Zone representative.

Zone Representatives

Marilyn McMullen - Zone A,
Western States CA, MT, NM, AZ, ID, etc.

Wanda Pabst - Zone B,
Midwest States ND, TX, MN, etc.

Nancy Reiff - Zone C,
Eastern States WI, PA, IN, etc

Beth Perkins - Zone D,
Southern States LA, NC, GA, etc.

More Zone Information and Addresses on the NASE website at

www.nasefsa.org

With the recent buy-out authority we are seeing many longtime NASE members going on to the next phase of their lives - retirement! If you are one of the lucky ones that will be retiring in the next two weeks please let your state president or any NASE officer know what your future plans are. We would like to wish you well and include your story in the next Weekly Update.

What's Next for Cuts to Agriculture?

This week members of the U.S. congressional Super Committee failed to agree on \$1.2 trillion in spending cuts, phased in over 10 years. In an effort to reduce the federal budget deficit. The Super Committee's failure to come up with a bipartisan reduction plan triggered automatic cuts, which include an estimated \$15 billion in spending cuts to agriculture beginning January 2013.

While details are still scarce, most of the cuts to agriculture will be made to title one crop programs. Food stamps and the Conservation Reserve Program are exempt from the automatic cuts.

Automatic cuts to agriculture, however, may never go into effect if Congress passes the 2012 Farm Bill before the current farm bill expires in September 2012.

Bipartisan leaders of both the House and Senate Agriculture Committees had agreed to recommend \$23 billion in spending reductions to the Super Committee, with \$15 billion coming from title one crop programs and the rest from other crop programs and the Conservation Reserve Program.

"We are now back at the beginning of the farm bill process," says Pam Johnson first vice president for the National Corn Growers Association and a corn grower in Floyd, Iowa. Johnson says that corn growers are ready to take cuts from the direct payments that farmers receive each year as long as the new farm bill ensures effective and affordable crop insurance and a revenue-based safety net program. Commodity groups"

Agricultural trade groups representing 70% of the nation's field crops sent a joint letter to the agriculture committees on November 15 detailing a joint approach to cutting spending moving forward.

"A producer would have to suffer a loss before receiving any payment," says Rob Joslin, chair of the American Soybean Association, chair of the ASA farm bill

task force, and a soybean grower from Sidney, Ohio. "While direct payments are obviously the most WTO compliant program, they have come under attack. We need to have a defensible program, and we didn't think we could maintain public support for direct payments in the next farm bill. It was not any easy position to take."

Under a revenue-based program, compensation for losses that exceed a certain level would only be made as they are incurred as opposed to the current direct payment program under which growers receive payments regardless of whether they produce a crop or incur a loss.

This safety net would be based on a formula that uses average prices and average yields for the prior-five year period, "You throw out the high and you throw out the low and use the average of the other three years," Johnson notes. When revenue losses exceed 10% for non-irrigated crops or 5% for irrigated crops, payments would be triggered.

Now that the Super Committee failed to come up with a plan, the risk for agriculture is that the 2012 farm bill could include cuts in excess of the \$23 billion recommended by the agriculture committees and might not include the revenue-based program supported by the field crop trade groups.

"The suggestion has also been made that individual program crops should have their own programs," the American Soybean Association wrote in a letter to ag committees in late September. "This idea does not account for the fact that, when the value of a program is tied to the production of a specific crop, it will directly impact production decisions, both for that crop and for others that a producer grows. For this reason, current farm programs are available to producers of all program crops."

Farm land values continue skyward

Jeff Caldwell 11/15/11

The farm land values rocket shows not sign of falling from orbit, at least in the two district of the U.S. Federal Reserve encompassing much of the nation's midsection.

Land gained 25% in value in both the Chicago and Kansas City Fed districts, according to Fed economists David Oppendahl and Omaha branch executive Jason Henderson. that's a record one-year gain for both regions, and at least a portion of the ag bankers surveyed in the Fed's latest land value reporting say the trend "has yet to peak."

At least in the Kansas City Fed district which includes Kansas, Missouri, Nebraska and Oklahoma - Mother Nature had as much to do with the last quarter's land value movement than anything. Irrigated crop land in Nebraska gained 40% in value in the last year, while crop ground in Oklahoma, where drought slammed crop yields this year, only held steady in value.

"Expectations of bumper crops and rising farm income in Nebraska fueled a record 40% jump in the value of irrigated acreage compared to last year," according to Henderson. "Almost half of those surveyed in Nebraska expected farmland values would continue to climb, whereas less than 20% of the bankers in Oklahoma anticipated further farmland value appreciation."

"Credit conditions for agricultural producers in the third quarter of 2011 remained favorable, as interest rates on farm operating and real estate loans declined further," he says. "however, there was also a slight tilt toward requiring higher levels of collateral to qualify for loans. Repayment rates for farm loans rose in the third quarter of 2011 relative to those of a year ago, while loan renewals and extensions declined."

Farm Land Values (continued)

"With a limited number of farms for sale during the growing season, strong competition bid up sales prices at public auctions. For new farmland purchases, bankers continued to report that cash down payments averaged 20% of the purchase price, pledges of existing equity accounted for another 30% and the remaining 05% was financed with new debt." Henderson says. "Mirroring movements in land values, cash rental rates also rose compared to last year and were up 25% for nonirrigated and 21% for irrigated acreage in the District."

And, despite more expectations for higher land prices and incomes in the next year, the costs associated with raising next year's crop will also rise, translating to higher expected operating loan volume next year.

Ten reasons to replace the General Schedule - by Howard Risher, November 23, 2011

A prominent trend in other countries is increased emphasis on accountability and results. A corollary trend is the delegation of workforce planning to front-line supervisors. Several countries hand off salary management to local offices. The GS system precludes giving that responsibility to manager.

The General Schedule differs from salary systems in other sectors on two key issues - pay for performance and market alignment. Outside of government, employers rely on separate systems for professionals, office support and technician jobs, as well as for engineers and technology specialists. This helps employers respond to hiring and salary trends. Government has several separate systems, but it needs more.

The hierarchy of federal pay grades is dictated by job classifications in Title 5 of the U.S. Code - a 1949 time warp. Since then the demand for knowledge workers has pushed salaries above designated grades. If jobs and their market salaries were overlaid on the GS scale, the discrepancies would be pronounced.

Relying on the Title 5 grades means some jobs are paid above market and others below. The challenges for payroll management should not be ignored.

GS salaries are not competitive for new graduates in technical fields. A recent survey shows the average annual salary for graduates in computer-related fields increased by 9.6 percent, jumping from \$58,189 in 2010 to \$63,760 in 2011. And that's during a recession. Starting salaries for engineers were only slightly lower. Those are national averages. As the economy improves, the federal pay gap will get worse.

The process used to classify jobs has always been imprecise, time-intensive and costly. Specialists known as classifiers have largely disappeared along with their expertise.

Pay obstacles will become even more daunting if budget cuts force agencies to reorganize. Years ago, the Navy's pay demonstration project in China Lake, CA, was hampered by the lengthy process of reclassifying General Schedule jobs. Then officials adopted the idea of board salary banding with less emphasis on classification and more flexibility.

Grade creep is another reason for reforming the classification system. Federal Times recently reported that the percentage of jobs in grades 12 to 15 rose from 48 percent in 1998 to 64 percent today.

No one knows which, if any, GS employees are overpaid or underpaid. It has been 15 years since the Bureau of Labor Statistics collected survey data for the benchmark jobs used for pay assessments.

The methodology developed by BLS and OPM to estimate the pay gap between government and the private sector has lost credibility.

As critics of the General Schedule like to say, "living and breathing" are the only qualifications required for a step increase. GAO is looking into making the GS system more performance oriented.

Quality step increases and bonuses are possibilities, but performance related rewards depend on a fair and broadly accepted process for managing and evaluating performance. That has been the core problem which pay-for-performance policies have failed.

Super committee failure helps feds in short term

By Kellie Lunney, November 21, 2011

Federal pay and benefits are being spared in the short term as a result of the super committee's failure to produce a deficit reduction plan.

The panel was considering several deficit reduction proposals that would have affected federal employees, including increasing worker's pension contribution rates, extending the civilian pay freeze and shrinking the government's workforce. The committee's failure to broker a deal means such proposals will go on the back burner and automatic governmentwide spending cuts will take effect beginning January 2013. That could result in federal layoffs or furloughs at many agencies.

"The federal workforce is a winner and loser in this," said Washington Post reporter Paul Kane during a Web chat. "It's a short-term win, because one of the ways to enhance revenue that had been essentially agreed to was requiring federal workers to contribute more to their pension plan. So, for now, that won't happen. A short-term win," wrote Kane who has covered the super committee extensively. "However, over the long term, the trigger means spending cuts to federal agencies, on top of the already agreed upon \$900-plus billion from the Aug. 2 deal. This means few federal workers over the next decade. Long-term loss."

OPM issues guidance on workforce restructuring

The Office of Personnel Management has provided guidance to agencies' human resources chiefs on available tools to restructure the federal workforce.

A memo from OPM Director John Berry includes information for chief human capital officers on buyouts, early retirement packages, layoffs and reassignments. "The federal government is experiencing restructuring downsizing in an increasing number of agencies" the memo stated. "As a result, some federal employees may ultimately find themselves in a position of having to transition to a new job."

The guidance also encourages federal employees to use USAJobs.gov as a resource for finding jobs throughout government. That site, however, has been plagued with technology problems since OPM relaunched it in October. Many glitches have been fixed, but some applicants still are having a tough time effectively using the site.

OPM said agencies have asked for guidance on workforce restructuring, and it plans to provide more information in the coming year.

Federal agencies already have started belt-tightening, offering thousands of buyout and early retirement packages to employees across government during the past few months.

The Office of Management and Budget also has been trying to prepare agencies and federal employees for more fiscal pain. Citing fiscal pressures and the recently enacted deficit reduction package that raised the debt limit, Office of Management and Budget Director Jacob Lew sent a memo in August to agencies instructing them to plan a 2013 budget that is at least 5 percent below their 2011 spending levels. Agencies also had to identify additional savings that would bring their 2013 budget requests to at least 10 percent below their current enacted appropriations.

Buyouts and early outs are tools to help agencies trim personnel costs without resorting to layoffs or furloughs. But with a workforce of 2.7 million, it could be tough to achieve substantial savings through those incentives, which could prompt reduction-in-force procedures at some agencies.

By Kellie Lunney, November 22, 2011

If you thought Black Friday Rocked, Wait for Cyber Monday

By Erika Morphy

Coined by the National Retail Federation, the term refers to a trend established after consumers got a taste of the wonders of high speed internet but were not likely to have it in their own homes. So they (yes, fine, we, as in I) would wait for the Monday after Thanksgiving to go to work, log online to access their companies' high-speed connection, browse for bargains and purchase accordingly.

High speed internet is far more ubiquitous today - heck it's one of the goals of the FCC to have it available to all residents in the U.S. including low-income folks.

But Cyber Monday is no quaint tradition. This year, IBM Coremetrics Benchmark found that Thanksgiving online shopping grew by 39.3% . Mobile deals offered by such retailers as Target, Toys "R" Us, Best Buy and Wal-Mart helped drive this surge.

Last year was the biggest cyber Monday ever, according to ComScore, with over \$1 billion spent that day.

The Apple Factor is that Apple product owners are leading the spending on Thanksgiving and Black Friday. Mobile shopping was led by Apple, with iPhone and iPad ranking 1 and 2 for consumers shopping on mobile devices (15.% and 4.8% respectively). Android came in third at 4.1%



Flying High with NASE

Watch for Payroll Deduction for NASE Membership Dues

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From Mother Teresa:

People are often unreasonable, illogical, and self-centered; Forgive them anyway.

If you are kind, people may accuse you of having selfish, ulterior motives; Be kind anyway.

If you are successful, you will win some false friends and some true enemies; Succeed anyway

If you are honest and frank, people may cheat you; Be honest and rank anyway.

What you spend years building, someone could destroy overnight; Build anyway.

If you find serenity and happiness, others may be jealous, Be happy anyway.

The good you do today, people will often forget tomorrow; Do it anyway.

Give the world the best you have, and it may never be enough; Give the world the best your've got anyway.

You see, in the final analysis, it is between you and God; It never was between you and them anyway.