



**National Association of FSA County Office Employees**  
*Celebrating over 50 Years of Serving American Agriculture*  
1959-2012

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The National Association of FSA County Office Employees (NASCOE) opposes the following bills that are currently being considered in this Congress:

**HR-3630 Change in Retirement Benefits and Pay Freeze**

This bill will undoubtedly have a negative and adverse effect on federal employees who will be facing a pay freeze for a third consecutive year, requiring federal employees to pay more into their retirement system, eliminating the FERS annuity supplement, and basing the retirement annuity on 5 years average salary rather than 3 years.

NASCOE recognizes the need for fiscal restraint; however, federal employees have already shared in the sacrifice, as all Americans have, by taking our reduction through the two year pay freeze. It has contributed \$60 billion in savings to the federal government out of the pockets of federal employees. There is no justification for federal employees to shoulder any more responsibility for debt reduction. According to a recent Congressional Research Service report, since 1991, wages for federal employees have increased by 65%, while private sector wages for comparable positions rose nearly 100%. Any further efforts to single out our public servants by restricting pay or reducing benefits will place an undue burden on these dedicated employees and will only serve to diminish morale in the federal government's workforce.

There also is no need to change the current federal retirement systems since the Civil Service Retirement and Disability Fund is fully funded and actuarially sound. In fact, the Congressional Research Service stated that the system is not now, and never will be, "insolvent" or without adequate budget authority for payment of benefits. At a time when the economy is struggling and more Americans are turning to the federal government for help, it is reckless to force middle class public servants to sacrifice even more through reduced retirement prospects. If we are expected to effectively deliver the programs and services mandated by Congress, the government must be able to attract and retain the most talented employees that are capable of efficiently delivering the critical services to all Americans. Currently, over 24% of new employees already leave government service within the first 2 years. Reducing retirement benefits will make it even more difficult to compete against the private sector for recruitment of the best and brightest employees needed to serve the public. Additionally, this decline in employment incentives is sure to tempt our current experienced employees to look at other more attractive employment and benefits.

Eliminating the FERS annuity supplement, using a high 5 average salary and also reducing the annuity computation formula, will most likely cause unintended consequences as well. These retirement reductions will create a dilemma where higher salaried employees will remain in the federal workforce longer to recoup the lost funding to their annuities. This will result in the failure of the traditional hiring of new, lower salaried employees that are typically brought into the workforce as our higher salaried employees leave for retirement. This scenario has a negative long term impact on budgeting as well as job productivity. Any change would simply be penalizing FSA employees that have dedicated their entire careers to serving the Agriculture community with pride. These misguided proposals will do nothing to make government more effective and efficient, but will instead have the opposite effect at a time when we are facing unprecedented crises in our economy.

**NASCOE adamantly urges you to oppose the provisions in HR-3630 that freeze salary any longer or reduce retirement prospects of federal employees.**

### **HR-3029, Reduction in Staffing**

This bill proposes to reduce federal employment 10% by 2015 by hiring only one employee to replace three that leave federal employment. Continued weakness in the economy has increased the demands on the federal workforce as Americans rely on the federal government for more assistance during these challenging times. With the increase in US population to over 308 million people, demands on the federal workforce have reached the breaking point. Reductions in staffing will severely damage the ability to deliver the services to Americans that they and Congress expect and will not only impair but will exacerbate the delay in providing timely delivery of these vital services. Federal employees are blessed with good jobs that allow us to carry out the intent of our legislators. But, please understand that we simply cannot continue providing our services without the support and understanding of our leadership. Federal servants simply cannot continue to do more and more with less and less. We have reached the threshold where efficiency of government operations is clearly in jeopardy. As such, NASCOE opposes any further reductions in federal staffing and urges you to vote against these provisions in HR-3029.

As dedicated government employees, the members of NASCOE want the government to operate more efficiently and cost effectively. With the advancement of modern technology through the use of Blackberry phones, video conferencing, Net Meeting, Webinars, email, and laptops, many employees traditionally employed in Washington, DC, could now complete their duties remotely from anywhere in the United States. In the past, the high cost of living in and near the District of Columbia has kept talented people away from these positions. The median salary of a federal employee in the Washington, DC area is over \$90,000. Salaries like this have contributed to the end result that several Washington, DC area counties are now among the wealthiest in the nation. It makes no economic sense to needlessly locate these employees in an already wealthy, high cost region, while other areas across the United States struggle economically. In this difficult budgetary time, the cost savings of placing employees in more rural areas with lower operating costs and far lower regional salary cost would be dramatic. If State and National specialist positions were located in rural America, more employees with the experience needed would consider these positions without the inconvenience of relocating to the Washington, DC area. In the end, taxpayers benefit from lower locality pay and operating expenses; economically depressed areas in rural America benefit from relocating jobs and technology to their communities; and the federal government benefits by having greater access to the most talented employees to fill these jobs while allowing them to continue living in their local community.