



Executive Committee

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Vice Chair:
vacant

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CAPT Greg Burton,
PHNSY

Colby Stanton, FEMA

Raymond Tanabe,
NOAA, NWS

Michael Tosatto, NOAA,
NMFS

Rear Admiral Kevin
Lunday, USCG,

Members:

Todd Schafer, Navy
Pacific Fleet

David Gulick, USCIS

James Hirai (BG Ret),
APCSS

COL Joseph Delaney,
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Debbie Saito
FAA Honolulu

CAPT Kristin
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COL Clay Mason
USPACOM, Deputy J9

Ralph Rizzo,
FHWA, DOT

Dr. Christina Altendorf,
US Army IMCOM

Travis Thomason
USDA, NRCS

Ryan Okahara, HUD

Staff:

Chris Conklin,
Executive Director

Brian Mikel, Deputy
Director



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December 18, 2018

Honolulu-Pacific Federal Executive Board
Executive Committee Meeting Agenda
Daniel K. Inouye Asia-Pacific Center for Security Studies
Fort Derussy, Honolulu, Hawaii
1:00-3:00 PM

Executive Committee Members in Attendance:

Stacey Franklin – GSA – Chair
James Hirai (BG Ret), APCSS
COL Clay Mason USPACOM, Deputy J9
Gen Tamura – FEMA PAO
COL William Johnson – US Army IMCOM Pacific
CAPT Thomas King – USCG D14
Sheila Embry – USCIS
Douglas Maguire – USDA NRCS
Gordon Wong – FAA
Melinda Rollo – Navy Pacific Fleet
Steve Sanford – USSS Hawaii
Ralph Rizzo – FHWA
Ryan Okahara – HUD
Chris Conklin – HPFEB
Brian Mikel - HPFEB

1:00 pm – 1:30 pm: APCSS Orientation and Tour, Hosted by James Hirai

DKI APCSS Deputy Director Hirai gave the group an excellent tour and history of the Daniel K. Inouye Asia-Pacific Center for Security Studies. The informative and interesting tour also included an invitation to the agency representatives to utilize the wealth of educational resources at the institute, including their formal seminars or faculty presentations at their locations.

1:30 pm: Chair Opens Meeting, Call to Order and Introductions

1:35 pm: Recognition of FY18 Executive Committee Chair and Members

HPFEB Executive Director recognized EC Chair Stacey Franklin and presented with a plaque to acknowledge the significant contributions of the EC Chair for the HPFEB membership.

1:47 pm: Wounded Warrior Briefing

Lt. Colonel Erik Kjonnerod, USA and Mary Ball presented on the Warrior Transition Battalion programs including Operation Warfighter. Their career readiness programs can be mutually beneficial by allowing transitioning service members to obtain meaningful and rewarding professional development training while also being a source of manpower, a recruitment vehicle and increased access to eager and talented candidates. The presentation was well received and we agreed to continue to promote their internship and direct hire programs through the HPFEB website and membership community.

2:10 pm: Update on Combined Federal Campaign

Chris Conklin provided a status update to the committee (in their role as CFC Local Federal Coordinating Committee) of the CFC 2018 campaign. The 2018 campaign is chaired by U.S. Pacific Command. Pledges to date are tracking slightly above 2017 levels, campaign being better managed, most (but not all) on-line portal issues have been fixed. Retiree and volunteer hour donations are up which is a good sign. Commander INDO-PACOM is Chair, and we have a new Outreach Coordinator (contractor) supporting the campaign. Currently, only about 10% of total donations are from the paper pledge forms (which will be phased out after 2021), so expect numbers to pick up when they are mailed and processed. Expect campaign to exceed 2017 totals and hopeful will return above \$2M mark. Several members pointed out that this is a “low bar” and there are still long term concerns for the viability of CFC. Chair recently extended the solicitation period until January 11, 2019.

A general discussion of the issues with the 2018 campaign was held, and members expressed concern for the future of CFC under the new construct if these trends continue. The HPFEB is working with various stakeholders to help resolve remaining issues prior to the start of the 2019 campaign. The LFCC Approved Chair Rotation Schedule was voted on and agreed to be extended through the next 10 years (see attached). Based on this rotation schedule, US Army Hawaii is the prospective 2019 Campaign Chair.

2:28 pm: Update on Pacific Leadership Academy, current and future.

Chris Conklin detailed the current PLA status and what to expect in the coming years. This PLA Senior and Emerging Leaders programs continued to be in high demand, with waiting lists. Additionally, the diversity of agencies involved has been better with about 25% of Fellows being from non-DoD agencies. OPM is moving to a faculty model as opposed to the current model of contracting instructors with subject matter expertise. It is unclear how that may impact the quality or cost structure but it will be monitored to provide the highest quality and cost-effective leadership program for the HPFEB membership. Providing top quality while containing tuition costs to agencies remains a priority for the program. The FY-2020 program solicitation is scheduled to be published in June 2019.

Lastly, FY19 will see a concerted effort to develop a strong PLA alumni network to maintain the continuity of learning amongst graduates and connection with future alumni, allowing for interagency collaboration and mentorship opportunities.

2:35 pm: Review FY19 Operating Plan

Chris Conklin presented and provided summary narrative for the FY19 Operating plan. There was open discussion about any new areas requiring greater focus from the HPFEB.

2:50 pm: FY19 Calendar of Events, Training Updates & Annual Awards Program
HPFEB Website and social media

Brian Mikel provided a brief overview of upcoming training and events, including PLA, retirement training, UH Outreach College project management training and employment safety/preparedness programs. Deputy Director Mikel also shared the Annual Excellence in Government program particulars, scheduled for Friday May 3, 2018. Lastly, Mikel shared a continued emphasis on centralizing communication, announcements and upcoming events through the website. Requested that EC members review and provide feedback on the website, in FY19 the HPFEB staff will reorganize content to make it more customer focused.

2:57 pm: Update on Workforce and Compensation Issues

Chris Conklin provided brief overview of current issues and initiatives affecting the federal workforce. The updates included: Continuing Resolution/Budget negotiations and Federal Employee Pay Raises (both are still pending as of this date), TSP changes and more (see attachment 2).

3:05 pm: Open Announcements, Executive Committee Agency Reports

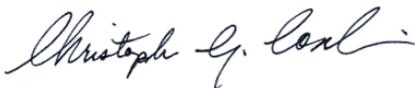
Committee Member Ryan Okahara referenced a report created for a Hawaii congressional principal on housing that detailed multiple different agencies all involved in housing, many of which were unfamiliar to most stakeholders. He suggested that the FEB could develop a centralized portal that allowed the public and other federal/state/county/city agencies to quickly identify agencies by focal area (employment, housing, etc.). HPFEB agreed this could be useful and would continue the discussion about developing such a portal.

3:05 pm: Meeting Adjourned

The formal meeting was adjourned by Chair Franklin at 3:05 p.m.

Submitted: Dec 18, 2018

Approved: Dec 18, 2018



Chris Conklin
HPFEB Executive Director

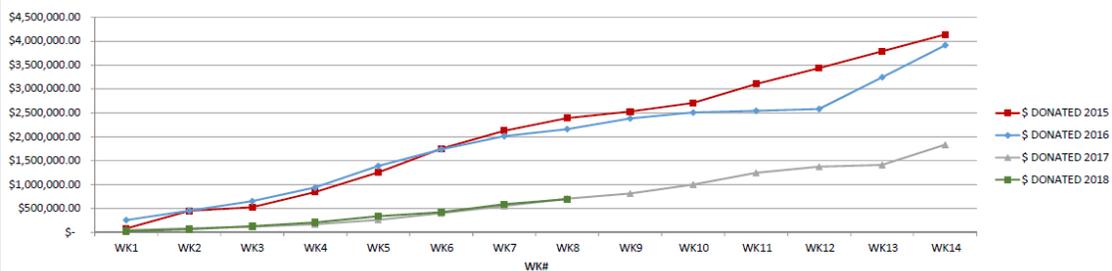


Stacey Franklin
Chair, HPFEB

Combined Federal Campaign Update Dec 18

- Donation Numbers Tracking Slightly Above 2017 levels, campaign being better managed, most (but not all) on-line portal issues have been fixed. Commander INDO-PACOM is Chair, and we have a new Outreach Coordinator (contractor) supporting the campaign....
- Currently, only about 10% of total donations are from the paper pledge forms (which will be phased out after 2021), so expect numbers to pick up when they are mailed and processed. Expect campaign to exceed 2017 totals and hopeful will return above \$2M mark. Chair recently extended solicitation until 11 JAN 19.

\$ DONATED 2015-2018



Current LFCC Approved Chair Rotation Schedule – Recommend Extending Rotation to Out-Years

HAWAII-PACIFIC AREA COMBINED FEDERAL CAMPAIGN CHAIR ROTATION SCHEDULE	
Year	Command
2018	U.S. Pacific Command
2019	U.S. Army
2020	U.S. Air Force
2021	National Guard
2022	U.S. Coast Guard
2023	U.S. Marine Corps
2024	U.S. Pacific Fleet
2025	U.S. Pacific Command
2026	U.S. Army
2027	U.S. Air Force
2028	National Guard
2029	U.S. Coast Guard
2030	U.S. Marine Corps
2031	U.S. Pacific Fleet

Policy Committee approved rotation at December 12, 2018 meeting. The HPFEB Executive committee will review the rotation again in CY-2031.

Attachment 2

Congress delays federal pay raise decision, avoids shutdown (for now....): On December 6th, Congress passed legislation to extend temporary funding authority for numerous agencies by two weeks, through December 21, 2018, just ahead of the deadline to act to head off a partial government shutdown. Agencies whose regular appropriations haven't been enacted yet – essentially every agency other than DoD, VA, Energy, Labor, Education, most of HHS, SSA and some smaller agencies – could still face a possible lapse in appropriations. A major unfinished bill remains DHS, for which the disagreement over border policy and spending has been the major obstacle. The general government bill also remains under consideration.

What about a pay raise for federal civilian employees in 2019? The general government bill would be the vehicle for a decision on whether or not federal employees will receive a 1.9 % pay raise or have their salaries frozen in January, and has not been passed to date. The President's consistent position has been that federal employee salaries should be frozen for 2019, so only congressional agreement and a final bill that is not vetoed by the President would result in a pay raise, some of which would be apportioned to locality pay. The issue appears headed to come down to the wire.

Six new Locality Pay Areas, and Expansion of Two Others... Rules have been finalized to create six new GS localities and to expand the boundaries of two existing ones, changes that will take effect in time for the payment of a raise in January (assuming that there is one, see previous paragraph....). The new localities will be in the Birmingham, Ala., Burlington, Vt., San Antonio, Virginia Beach, Va., Corpus Christi and Omaha areas. The latter two were added as OPM finalized the rules, which originally proposed creating only the first four. In addition, the rules add McKinley County, N.M., to the Albuquerque locality and San Luis Obispo County, Calif., to the Los Angeles area.

2019 \$\$...by the numbers:

TSP (IRS limits for tax deferred retirement plans): Regular Contributions - \$19,000, Catch Up: \$6,000

Retiree COLA: CSRS, Military Retiree, SSA, VA – 2.8%, FERS – 2.0% (per statutory formula). The general across the board COLA is tied to the CPI-W, and is the largest increase in 12 years.

Military Pay Raise: + 2.6%

Civilian Pay Raise: Pends legislative action by 31 December.

Social Security Earnings Cap: Wages subject to FICA will rise from \$128,400 to \$132,900 in 2019. There is no limit or cap for the Medicare payroll tax. (there is an additional 0.9% Medicare tax for highly compensated employees).

FSA Feds: Open season for FSA Feds enrollment ended on December 10, 2018. For the 2019 benefit period, employees can contribute a maximum of \$2,700 to a Health Care Flexible Spending Account, and the Dependent Care FSA maximum annual contribution limit didn't change, it remains at \$ 5,000 per household.

New TSP Withdrawal Rules Coming...The TSP has said that widened withdrawal options will become effective in September, 2019 (authority for the changes was enacted in late 2017). The TSP itself had proposed the changes after surveys showed that many separated participants transfer their money to other retirement savings accounts such as IRAs because those accounts offer more tailoring of withdrawals. While announcing the effective date, the TSP added some details of the new policies. The law allowed the TSP to limit the number of age-based in-service withdrawals and post-separation withdrawals; the TSP has now said that age-based withdrawals will be limited to four per year but there will be no limit on post-separation withdrawals.

The law also created more flexibility in the option to choose “substantially equal” withdrawals. Currently such payments must be taken monthly, account holders can change the amount only once a year, and those who stop such payments may take out the remainder only as a lump sum. As of next September, they will be allowed to choose quarterly or annual payouts as well, change the amount or schedule at any time, and the requirement to take a lump-sum with the balance remaining after stopping the payments will be ended.

The law did not change the requirement, which applies to all similar retirement savings programs, that investors take minimum distributions after age 70 ½ (or after retirement if they worked beyond that age). However, there will no longer be a requirement to make a full withdrawal decision by that point.

The TSP earlier had announced a coming change that was not part of the law but that the TSP will carry out under its own authority: allowing account holders who have both traditional and Roth balances to specify how much of a partial withdrawal they want taken from each type of balance. Under current policy, withdrawals must be taken proportionately from each.

FY-2020 DoD Budget...President Trump initially planned a fiscal year 2020 national defense budget of \$700 billion, (the Pentagon had been planning around a \$733 billion budget) which would include an across the board cut of 5% for all federal agencies. However, lobbying from senior DoD officials and House and Senate Armed Services committee members and concerns over competition with rivals China and Russia has apparently softened the president's stance. A top number of \$750 billion is now being discussed with the White House. Throw in potential resumption of sequestration related spending caps, a change in House leadership, projected enormous deficits in out years and there is a long way to go with much back and forth as 2019 progresses. The Pentagon will unveil its fiscal year 2020 presidential budget (PB) request Feb. 4.

Report from the Task Force on Modernizing the US Postal System released...In December, 2018, the “Report from the Task Force on the United States Postal System” was released to the public. This task force was created by Presidential Executive Order in early 2018, which required analysis and recommendations on how the US Postal Service can stabilize its unsustainable financial situation and better adjust to the new environment of reduced reliance on traditional mail and

an increase in package shipping and distribution. The Task Force recommends that the USPS and Congress work to overhaul the USPS's business model in order to return it to sustainability. Both administrative and legislative actions are needed to ensure that the USPS does not face a liquidity crisis, which could disrupt mail services and require an emergency infusion of taxpayer dollars

The report was approved by the Treasury Secretary and specific recommendations include:

- The USPS suffers from a lack of institutional governance. The USPS's Governors are considered the "head of the agency" and are responsible for directing and controlling the USPS. In recent years, the agency has operated without confirmed Governors, and the Postmaster General managed the USPS's financial and operational challenges without strategic direction and guidance, exacerbating management's limited power to effect needed organizational change. The Board should move to create a new policy mandate that resets the USPS's organizational direction and develops financial targets for the USPS. Governance should be strengthened with expanded Board controls and increased accountability
- The Universal Service Obligation is a public policy that defines what citizens and businesses need from a government provided postal service, representing a mission statement for a country's postal system. The generally accepted attributes for defining the USO include specifying the geographic coverage for postal delivery, frequency of delivery, processing standards, mode of delivery, range of required postal products, level of access to post offices, and rules for affordable postal rates. In the United States, the USO is not clearly defined. For the USPS's business model to achieve sustainability, the USO must be defined with greater specificity.
- The USPS should have the authority to charge market-based prices for both mail and package items that are not deemed "essential services." This will allow the USPS to optimize its income in order to fund its operations, capital expenditures, and long-term liabilities.
- Modernizing the USPS's cost standards and allocation methodology is a key principle needed to reform the USPS. This modernization will provide the USPS the information it needs to inform critical management decisions, government policies, and regulatory reporting.
- In order to move towards a path of sustainability, the USPS must also address its rising labor and operating costs, including capital expenditures. The USPS's operating costs are expected to continue to grow as the country's population expands, new delivery points are added, and as the requirements for package delivery increase. The USPS must pursue new cost-cutting strategies that will enable it to meet the changing realities of its business model.
- Consistent with the President's Management Agenda to modernize the government workforce, the Task Force recommends that the USPS more closely align wages for both its career and non-career workers with those of other federal employees, drawing from like examples in the broader labor market.
- Congress requires the USPS to fund the retiree health benefits of its employees as part of a mandate for postal self-sustainability. The Task Force does not believe that this general policy should change or that the liability for USPS retiree health benefits should be shifted to the taxpayers.
- The USPS should explore new business opportunities that will allow it to extract value from its existing assets and business lines. For example, the USPS should explore licensing access to the mailbox and providing additional government services, such as licenses for hunting and fishing. The USPS could also capture additional value from its existing retail offices by converting post offices into contract post offices or by co-locating with or renting space to complementary retail establishments.

You can download the whole report here:

https://home.treasury.gov/system/files/136/USPS_A_Sustainable_Path_Forward_report_12-04-2018.pdf

Federal Employees Continue to Retire in Greater Numbers Than in Previous Years...Over the course of fiscal year 2018, retirements were up 24 per cent from the previous year. Currently, 14 per cent of federal workers are eligible to retire, and that number is expected to increase to 30 per cent within five years. The good news is that, despite the rising

retirement numbers, OPM has for the most part kept the backlog of pending claims in check. It appears the long awaited “retirement tsunami” is finally imminent. Demand for HPFEB sponsored retirement training continues to be very robust.

President’s Management Agenda... released in early 2018.... The President’s Management Agenda lays out a long-term vision for modernizing the Federal Government in key areas that will improve the ability of agencies to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people. To drive these management priorities, the Administration leverages Cross-Agency Priority (CAP) Goals to coordinate and publicly track implementation across Federal agencies. Since then, OPM has introduced legislation to make federal civilian workers pay and benefits more like the private sector – this legislation was not taken up by the congress in 2018. In June, the White House released a sweeping plan for governmental reorganization (it is here for download: <https://www.whitehouse.gov/wp-content/uploads/2018/06/Government-Reform-and-Reorg-Plan.pdf>). The plan includes merging the departments of Labor and Education, restructuring the Postal Service, changing how food stamps are administered, among other things. One major change that could impact federal workers is a proposal to dismantle the Office of Personnel Management with the employee services functions going to the Executive Office of the President, and prioritizing the development of fee-for-service IT solutions for human resources management at other federal agencies. The remaining retirement, health insurance and human resources services of OPM would be combined with GSA to form a new Government Services Agency. The entirety of OPM’s background investigation responsibilities would be moved to the DoD.

Congressional approval of these major changes is almost certainly required – and the congress is busy with other things and did not specifically move to shape the plan or help move it forward in 2018.