



**STATEMENT OF ANTHONY M. REARDON
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**MANAGEMENT AND SPENDING CHALLENGES WITH THE DEPARTMENT
OF ENERGY'S OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY**

**BEFORE THE COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY
SUBCOMMITTEE ON INVESTIGATIONS & OVERSIGHT AND
SUBCOMMITTEE ON ENERGY
UNITED STATES HOUSE OF REPRESENTATIVES**

FEBRUARY 5, 2020

Chairman Foster, Chairwoman Fletcher, Ranking Members Norman and Weber, and distinguished members of the Subcommittees, thank you for the opportunity for NTEU to make this statement on behalf of the Department of Energy (DOE) employees we represent. As President of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents 150,000 federal employees at 33 agencies, including employees at DOE and its Office of Energy Efficiency and Renewable Energy (EERE).

The mission of EERE is to create and sustain American leadership in the transition to a global clean energy economy. Its vision is a strong and prosperous United States of America powered by clean, affordable, and secure energy. The employees at EERE are committed to the long-standing principle that government-funded research is necessary because it provides the seed money for innovative ideas that aren't yet viable in the private sector.

Funding Uncertainty for EERE

According to the Energy Department's own statistics, the \$20 billion taxpayer investment in EERE over the last 12 years has yielded a net economic benefit to the country of \$230 billion. EERE supports research and development that is used in advanced manufacturing, biofuels, modernizing the national power grid, electric cars, solar power and wind energy.

Despite its clear economic benefits, the Administration's budget requests for the past three years have called for at least a 70 percent, or \$1.4 billion, reduction in funding to EERE.

Such cuts would cripple the mission of EERE, undercut their work that directly translates to private sector growth and investment, and would require the agency to lay off much of the workforce. These proposed cuts to EERE was opposed by both advocates of science and the skilled scientific professionals that work at EERE. EERE exemplifies a hallmark of our country: the willingness to push the envelope of research. The federal employees who work in this office should be commended, not pink-slipped.

This funding uncertainty also impacts the laboratories that are funded by EERE. These private labs have had to figure out how to ensure they will be able to retain staff and continue operations in the face of the budget uncertainty that comes from government shutdowns and significant proposed budget cuts. Further, for EERE project managers overseeing the projects at these labs, it makes their reviews a more time-consuming task for no good or useful purpose.

Ernest Moniz, the former U.S. Secretary of Energy and a nuclear physicist, called the proposed budget cuts a retreat from our nation's commitment to clean energy research. He noted the proposed budget would have "put us behind China and Europe, blunting our competitive edge in a multi-trillion-dollar developing clean energy global market."

Unsurprisingly, the proposed budget cuts also created an unfortunate morale crisis for the employees at EERE. The scientists, mathematicians and engineers who work in this office could be earning much larger paychecks elsewhere but chose a career in civil service out of a desire to serve their country. These career employees are experts in their scientific fields and these proposed budget cuts were insulting to them and the value of their work. It was difficult to understand how employees dedicated to their work and deeply skilled in their field could be dismissed in this way.

Former EERE employees with immense knowledge and expertise have told us they retired earlier than originally planned because of declining morale. Mid-career employees have taken other positions either within DOE or outside the Department, where they tell us they feel much more valued for their talent and skill. If the agency's goal is to build a workforce that feels both valued and respected, the agency needs to vastly improve in its treatment of employees.

NTEU is grateful that Congress has so far rejected the Administration's proposed funding cuts to EERE. We certainly hope that this year's budget request, expected to be released next week, will include adequate funding and we urge Congress to continue to ensure EERE receives the funding it needs.

Staffing Shortages

While Congress has ensured EERE has the funding it needs, the office is significantly understaffed. Due to several issues, including hiring failures by management and poor employee relations, EERE is currently operating with only 553 FTEs, down from 710 FTEs in January of 2017. While EERE has managed to hire some new employees, it has clearly failed to hire the staff it needs. As a result, important work is left undone or done more slowly and employees are overburdened, making EERE an even less attractive place to work as it seeks to fill positions.

Employees have told us that they have been required to stretch the limits of their expertise as they are asked to handle more projects and more types of projects. This type of strain has led to faster burnout, negative work dynamics and increased attrition. In addition, the lack of adequate staffing has resulted in fewer site visits to monitor and ensure projects funded by EERE are on track. Employees cannot visit as many places with the higher workload they bear, which also adversely impacts the economic benefit provided by EERE.

Recognizing the need for more physical scientists and engineers, EERE held a hiring fair July 2019 that yielded some new hires and transfers. Still, due to attrition, overall staffing levels have remained stagnant. There have been at least 20 transfers out of EERE, vastly outpacing the number transferred to EERE. In addition, at least some of these transfers were not performed in accordance with the collective bargaining agreement in place or with proper notice, and employees have told us that they were dismayed at the lack of process and explanation. Employees have also reported that there is a strong perception that EERE management does not value longer-tenured employees and seems to encourage eligible employees to retire rather than stay with EERE. This has been borne out in union grievances, EEO complaints, and union intervention with management.

While the 2017 hiring freeze guidance was lifted, many stringent and hampering conditions and approvals still seem to be standing in the way of hiring at EERE. It is our understanding that DOE Human Resources has had vacant positions pending classification and next steps in the hiring process since the summer of 2019. We understand the agency plans to hire at least 80 FTE, but so far, we have seen no evidence that they have been taking the steps needed to get actually fill these positions.

Broader Challenges

In addition to the particular challenges within EERE, the past few years have been a trying time for all civil servants who work hard every day for the American people. Federal employees have faced government shutdowns and recurring threats of government shutdowns. They have been subjected to unnecessary forced relocations and proposed agency closures. They have been disparaged by government leaders who refer to career federal employees as bureaucrats or swamp creatures. Federal employees have faced pay freezes, hiring freezes, threatened cuts to employee benefits, elimination of key work-life balance benefits such as telework, and on-going efforts to roll back employee collective bargaining and due process rights and protections. When the Acting White House Chief of Staff talks about forced relocations as a measure to “drain the swamp” and remove employees, employees do not feel that their agency leaders and the administration support them. This is no way to effectively recruit and retain skilled employees.

A recent report by the Permanent Subcommittee on Investigations of the Senate Homeland Security and Governmental Affairs Committee noted that in the last five years, repeated government shutdowns cost taxpayers nearly \$4 billion. However, the cost is not simply based on the denial of government services -- some agencies reported an impact on their

ability to hire new employees due to the shutdown. According to media reports, students, including those with critical science and technical skills who were considering jobs at federal agencies, were rethinking their career paths after the shutdown. And in January 2019, according to a survey of 1,940 government workers affected by the shutdown who were using ZipRecruiter to look for work, 67 percent said the shutdown made them consider leaving government employment to seek work in the private sector and 89 percent of those looking for work said the shutdown was causing them a significant financial hardship.

The extent to which employees feel passionate about their jobs and are committed to the organization has a direct link to the ability of agencies to recruit and retain skilled employees, improve performance, and meet their missions. However, ongoing attacks on employees and their pay and benefits undermine efforts to compete with the private sector for top talent and serve the American people.

Unfortunately, according to the Federal Salary Council, years of below-market pay raises and pay freezes have increased the pay disparity between the federal government and the private sector to 26.71 percent, despite a 1990 federal law aimed at reducing the pay gap to 5 percent. This has a significant impact. While many federal employees believe in government service and agency mission is often listed as the number one reason they work for the federal government, massive pay disparities with the private sector undermine morale and efforts to recruit and retain skilled individuals who are drawn to public service.

While the President's FY 2020 budget request called for another pay freeze for 2020, NTEU is pleased that the President reversed course and, that in the end federal employees received an average 3.1 percent increase, comprised of a 2.6 percent across-the-board raise with 0.5 percent for locality pay, in the final FY 2020 funding agreement. Federal employees, like all other Americans, face rising food, utility, college, and health care costs. Adding to employees' concerns over pay are the Administration's proposals to slow the frequency of within grade step increases and limit the distribution of awards. We hope that the President's budget released next week will not include proposals to freeze or reduce pay and awards for federal employees and urge Congress to ensure federal employees receive a fair pay increase in 2021.

Attacks on federal employee benefits is another factor that impacts employee morale. According to the 2017 OPM Federal Benefits Survey, employees expressed that their TSP, FERS/CSRS and FEHBP benefits were extremely important to them (96.1%, 94.2% and 90.6% of respondents respectively). In fact, not only is the availability of a retirement annuity important to employees, the benefit has been shown to play a key role in recruiting and retaining them. In the 2017 survey, 78.3 percent of participants indicated that the availability of a retirement annuity through the FERS or CSRS influenced their decision to take a job with the federal government to a "great" or "moderate" extent, which is more than a six-point increase from the 2015 survey (72.2%). The trend is the same when looking at how FERS/CSRS impact retaining employees, with 87.9 percent of participants indicating that FERS/CSRS influenced their decision to remain with the federal government to a "great" or "moderate" extent, a three-point increase from 2015 (84.5%).

Despite this, the Administration's FY 2020 budget proposal included several proposals to cut federal employee and retiree benefits that, if adopted, would exacerbate the existing hiring and retention challenges. Once again, in an effort to cut government spending, federal employees were being asked to pay for unrelated funding decisions by paying more for their benefits while simultaneously reducing the value of those benefits.

The Administration has also proposed changes to the Federal Employees Health Benefits Program (FEHBP) that would modify the amount of the premiums that would be paid by the government by tying the contribution rates to each plan's performance rating. For many FEHBP enrollees, this would mean that the government's overall contribution rate would be lower than it is now, requiring enrollees to pay significantly higher premiums. Such a change would force employees to drop coverage or move to cheaper plans that provide less coverage and fail to meet the health care needs of their families.

The availability and affordability of the FEHBP has a significant impact on recruitment and retention. In 2017, 71.2 percent of those who responded to the OPM Federal Benefits Survey reported that the availability of health insurance through the FEHBP influenced their decision to take a federal job to a "moderate" or "great" extent, while 80.9 percent of respondents reported that the availability of health insurance through the FEHBP influences their decision to stay with their job to a "moderate" or "great extent."

Given the popularity of these critical retirement and healthcare benefits, efforts to reduce them will have a significant impact on the ability of the federal government to recruit and retain skilled workers at DOE and other agencies and NTEU urges Congress to oppose such efforts.

Federal Employee Rights and Protections

Another significant cause of DOE employees' concern are recent EOs that undermine federal employee unions and our ability to operate in federal workplaces. These EOs are currently being implemented at the bargaining table for agencies, including DOE, that are engaged in negotiations with their respective unions but are being challenged in the courts. Federal law clearly states that the right of employees to organize, bargain collectively, and participate through labor organizations in decisions which affect them safeguards the public interest and contributes to the effective conduct of public business. Front-line employees and their union representatives have ideas and information that are essential to improving the delivery of quality government services to the public. Through the collective bargaining process and the use of pre-decisional involvement, employees can have meaningful input resulting in better quality decision-making, more support for decisions, timelier implementation, and better results for the American people. It is important that these rights are maintained, and employees continue to have a voice in their workplace.

However, the Administration has engaged in an all-out assault on employee rights and protections—ignoring requirements to bargain in good faith, gutting collective bargaining agreements, imposing one-sided contracts, undermining employees' rights in the grievance process, giving greater deference to agency management in disputes, and eliminating

opportunities for employees to have a voice in their places of work. NTEU opposes all efforts to roll back the limited rights provided to federal labor unions, including limits on our ability to represent employees to ensure they are treated fairly and have a voice in the workplace. Such changes eliminate opportunities for employees to feel engaged and comfortable working with their agency leaders, thereby impacting retention.

Moreover, we oppose changes to employee due process rights, such as shortening the length of certain notice and response periods, limiting the ability of the Merit Systems Protection Board to mitigate penalties, and providing agencies with additional flexibility to use longer probationary periods, making those employees essentially at-will. These efforts can be used to intimidate workers into silence out of fear of retaliation for disclosing waste, fraud, and abuse.

Imposing anti-worker policies that eliminate fair and equitable treatment and instead create a culture of fear and mistrust is no way to attract and retain talented workers. NTEU is strongly opposed to these EOs and asks that Congress move to protect federal employee collective bargaining rights.

Scientific Integrity

While I am troubled about issues of morale, staffing and management at EERE, I do want to take a moment to thank the members of this committee for advancing legislation to protect the integrity of the scientific research done by employees at EERE and across the government. Because of the highly skilled nature of work at EERE and the incredible talent of its employees, nothing has the potential to impact morale, recruitment and retention at EERE more than outside, political interference in their fact-based work. EERE employees are highly trained experts in their fields and their work should not be subject to politically based alterations or pressure. That is why NTEU deeply appreciates that the Science Committee gave bi-partisan approval to H.R. 1709, the Scientific Integrity Act, which was introduced by Representative Tonko of this Committee and co-sponsored by you both, Dr. Foster and Representative Fletcher, as well as Mr. Baird of the subcommittee. Thank you for your work on this legislation. Should it be enacted, as NTEU hopes, it will have a positive impact on protecting scientific integrity at EERE and elsewhere in the federal government.

Thank you again for the opportunity to share NTEU's views on how DOE can build the most effective workforce, attract skilled and talented individuals, and engage federal employees at EERE throughout their careers.