

FEDERAL MEDIATION AND CONCILIATION SERVICE

FISCAL YEAR 2011

Congressional Budget Submission

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Table of Contents

I.	Executive Summary	1
A.	Achievements.....	2
B.	Future Challenges	3
C.	Conclusion	6
II.	FMCS Organizational Chart	7
III.	Appropriation Language	8
IV.	Statutory and Other Legal Authority	9
V.	Budget Tables and Detailed Financial Requirements	13
VI.	Mission and Program Structure	22
A.	Collective Bargaining Mediation.....	23
B.	Grievance Mediation.....	23
C.	Relationship-Development and Training	23
D.	Outreach.....	24
E.	Employment Mediation	24
F.	International Training and Exchange.....	24
G.	Arbitration Services	25
H.	Grants Program	25
I.	FMCS Institute for Conflict Management	26
VII.	Workload Projections – FY 2010 and FY 2011.....	27
VIII.	Program Objectives – FY 2010 and FY 2011.....	30

Fiscal Year 2011 Budget Estimates

I. Executive Summary

For over 60 years, the Federal Mediation and Conciliation Service (FMCS) has delivered neutral and confidential conflict resolution assistance to the nation's unionized workplaces. The core mission of FMCS is to help employers and unions avoid costly work stoppages and thus minimize their potentially disruptive effects on interstate commerce.

As labor-management relationships have evolved in response to changes in the national and global economic environment, so, too, have the FMCS strategies for helping both sides to engage in a productive economic relationship. A formidable challenge for the FMCS in formulating its strategic approach to mediation is the largely voluntary nature of mediation in collective bargaining. Even if a collective bargaining relationship could benefit from mediation or some other intervention, the FMCS cannot force the parties to accept its assistance or impose any solutions upon them.

The devastating impact of the current recession will certainly affect labor-management relations for years to come as unions and employers seek to regain lost ground. Concessions sought and granted by the parties to preserve jobs will be back "on the table" when more prosperous times return. For employers and unions, health care will continue to be primarily employment-based, regardless of the outcome of the health care reform debate. Pension fund stability will continue to create tension at bargaining tables across the nation. Federal, state and local government deficits will strain collective bargaining relationships as government adjusts to lower revenues while the demand for government services stays high. The influx of stimulus money for public works projects, "green jobs," and technological innovation bring additional factors into an already volatile collective bargaining environment. During the economic recovery, the FMCS must be prepared to assist labor and management in addressing these complex challenges.

Building and maintaining constructive labor-management relationships requires FMCS field mediators to be skilled facilitators, instructors, and problem-solvers to both the public and private sectors. Parties rely upon a mediator's expertise and experience to guide them through intricate and time-sensitive issues. Through their interaction with the parties, FMCS mediators can help them avoid a work stoppage and also promote practices and provide solutions that improve labor-management harmony in the period between contract negotiations. The FMCS also provides parties to a collective

bargaining agreement with access to its arbitrator referral service. The goal of this service is to help parties settle individual disputes over the interpretation or application of their collective bargaining agreements without resorting to the time-consuming and costly court system. The FMCS believes that its comprehensive package of programs and services presents an effective way of promoting and maintaining healthy collective bargaining relationships. Through its work, the FMCS provides a significant economic benefit to American businesses, their unionized employees, and the American taxpayer.

A. Achievements

With its history of more than 60 years of providing mediation, training, and facilitation services, the FMCS has more aggregate experience in alternative dispute resolution than any other government agency. The FMCS is successful when work stoppages are minimized in duration or do not occur and when collective bargaining relationships do not lead to unmanaged conflict in the workplace. Because these outcomes are so difficult to quantify, the FMCS measures its positive impact through a specially created economic model. The FMCS also evaluates its organizational effectiveness using a number of other tools. The FMCS continually reaches out to labor and management both domestically and abroad for constructive dialogue on labor relations and best practices and convenes more than 80 conferences and workshops each year. Through its training and international programs, the FMCS encourages and promotes positive labor-management relationships.

Positive Economic Impact

In FY 2005, the FMCS entered into an agreement with the Employment Policy Foundation (EPF), a nonprofit, nonpartisan public policy research foundation that focused on workplace trends, to develop a model that was capable of estimating the impact of the FMCS's services. Using EPF's conservative modeling techniques, the FMCS estimates that work stoppages in FY 2007 and FY 2008 caused employees and businesses to lose an estimated \$1.3 billion in wages and profits. Disruption to ancillary businesses is estimated to have cost an additional \$1.5 billion during this period.

The EPF's research also showed that early FMCS involvement is critical when considering the duration of work stoppages. Over the past 10 years, FMCS involvement at any time prior to contract expiration is associated with a 22 percent reduction in the duration of any subsequent work stoppage. In FY 2008, however, there were numerous one-day work stoppages in negotiations where the FMCS was not involved until after the contract had expired. In addition, there were a number of cases involving FMCS mediators prior to contract expiration dates that still resulted in long work stoppages. The combination of these two factors inverted the historically observed relationship between work stoppages and early intervention.

While work stoppage data help demonstrate the direct economic benefits of mediation, such data dramatically understate the real value of FMCS services to the U.S. economy. The aggregate value of these services is hard to measure in precise economic

terms because of the difficulty in modeling the negative effects of the work stoppages that are avoided through mediation.

Relationship Building

The FMCS seeks to strengthen labor-management relationships by providing preventative mediation services. These programs help labor and management develop collaborative, problem-solving approaches for joint responses to changes in business and economic conditions. These training programs not only improve the quality of the parties' relationships but also make future mediation efforts more effective. In FY 2009, FMCS mediators facilitated more than 2,300 training cases. These cases involved activities such as setting up labor-management committees, conducting on-site relationship evaluations, and helping labor and management develop their collaborative, problem-solving skills. We will continue to expand our outreach program so that employers and unions alike become aware of the services we provide.

Beyond the nation's borders, the FMCS plays an important role in promoting collective bargaining and conflict resolution around the world. The FMCS international efforts help to level the economic playing field for U.S. companies and workers by strengthening the rule of law and workers' rights in developing countries. Equally important, the FMCS helps establish and encourage development of the labor relations institutions that are essential to the smooth functioning of free market economies.

Organizational Efficiency

The FMCS is committed to using allocated resources efficiently. In FY 2009, for the fifth consecutive year, the FMCS used a performance matrix to measure the caseload performance of its field offices. This performance matrix compares each of its field stations against the FMCS's national caseload averages. Performance is evaluated over a rolling period of four fiscal years to determine collective bargaining trends in specific field stations. The results help ensure that staff decisions to fill vacant mediator and support positions reflect the current and potential demand for the FMCS's services. In fact, the majority of the FMCS's employees are involved in direct program delivery, with 179 employees (77 percent of its workforce) distributed across 67 field stations.

B. Future Challenges

Many different external factors influence the ability of the FMCS to deliver its services as well as the types of dispute resolution services that are required. For the upcoming year and beyond, the FMCS will monitor emerging trends in mission-critical areas and spend considerable effort keeping mediators informed and up-to-date on the latest labor relations developments.

Expiring Contracts

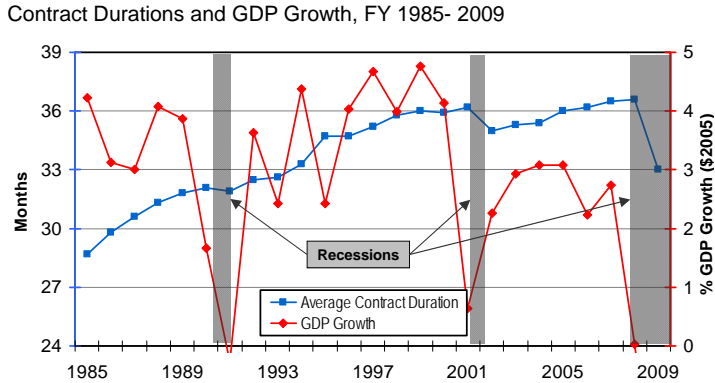
For FY 2010, the FMCS will monitor more than 21,000 collective bargaining agreements, many of which are in key private sector industries, particularly the telecommunications, entertainment, aerospace, and construction industries. These and other expiring contracts account for at least 28 percent of the private sector unionized

workforce, or 2.3 million workers. Looking ahead to FY 2011, the FMCS is aware of over 10,000 expiring contracts that cover another 28 percent of the private sector unionized workforce, or 2.3 million workers, and expects to receive between 21,000 and 22,000 notices. The FMCS estimates that direct wage losses alone from a single day of work stoppage in the largest of these expiring contracts would easily exceed FMCS's entire annual budget and cause avoidable disruptions to the national economy.

Economic Recession

A notable impact of the current recession on the FMCS is the potential for increased labor strife once the economy starts to emerge from the recession. In the 1990 and 2001 recessions, the FMCS noticed a reduction in the duration of labor contracts negotiated during the recessionary period. Evidence of an even more dramatic drop is emerging in the current recession—from an average contract duration of 36.6 months in 2008 to 33 months in 2009.

Effect of Business Cycle



Sources: FMCS; Department of Commerce; National Bureau of Economic Research

This sharp drop in contract durations has two implications for labor-management relations that concern the FMCS. The first is that shorter duration contracts mean that negotiations will occur with greater frequency, increase the number of notices that the FMCS receives each year, and increase mediator workloads. The second is that many workers have made wage and benefit concessions to help employers and their members survive the recession and will likely seek to reclaim their concessions once the economy recovers. This may lead to more contentious labor-management relationships and thus increase the likelihood of work stoppages in the future.

One strategy that the FMCS is pursuing to strengthen labor-management relationships during the current recession is to increase the number of grants that it makes to assist in the establishment of joint labor-management committees in unionized workplaces. In FY 2009, despite a shortened time period for completion of submissions, the FMCS received a near-record 51 grant proposals and was able to disburse \$650,000 in awards. The broad objectives of these grants are to: 1) improve communications and working relationships between labor and management; 2) provide employers and employees with training to achieve organizational effectiveness through innovative joint

approaches; 3) assist employees and employers in solving problems of mutual concern; 4) explore ways to eliminate potential problems affecting economic development in the area; and, 5) enhance employees' involvement in the decision-making process.

Multiple factors associated with the recession will require increased emphasis in this program area. Stimulus spending focusing on public works projects using Project Labor Agreements, technology transfer to "green jobs," and increased financial constraints at the state and local government level will increase the need for creative and innovative approaches by unions and employers. Health care reform, the financial crisis impacting employer-based pension funds, the resentment associated with concessions extracted during collective bargaining, and increased polarization associated with proposed changes in U.S. labor law are all factors that could increase labor-management conflict. Funding joint initiatives to help manage these elements will be important to labor-management relations as the economy emerges from the recession. With more than 28 years experience supporting joint labor-management initiatives, the FMCS is prepared to assist unions and employers with these recession-related challenges.

Skills Maintenance

Updating the skills of FMCS mediators is an ongoing process and essential to ensuring that FMCS mediators are well prepared to assist with any and all workplace issues that they might encounter. Training programs in FY 2011 will continue to focus on legislative and regulatory changes that impact employees' retirement security and the parties' continuing struggle to contain health care costs, as well as specific issues arising in industries critical to the nation's economy. Significant emphasis will be placed on increasing the parties' understanding of mediation benefits and increasing the number of negotiations in which FMCS mediators are active.

Improving Employee Wellness

The FMCS has over 77 percent of its workforce dispersed among 67 field stations across the United States, with the majority of these field offices staffed by one-to-three people. This structure challenges the ability of the FMCS to develop and implement a single program that will accommodate the interests of centralized office staff and single mediators working from a home office. In order to implement a program that is practical, cost-effective, and most likely to be successful, the FMCS will survey the interests of its workforce in FY 2010 and look to best practices in designing a wellness program for the whole agency. The FMCS will track and report its activities and progress in this initiative using OPM's online WellCheck program.

Improving Employee Satisfaction

The FMCS uses information from the Federal Human Capital Survey to monitor employee satisfaction and identify areas needing improvement. As directed by OPM, the FMCS uses the following to develop its plans:

1. The ten items which our employees ranked lowest in favorable responses, even though the rankings were above the government-wide scores;
2. Any items for which the scores declined from 2006 to 2008; and

3. The item for which FMCS scored lower than the government-wide average.

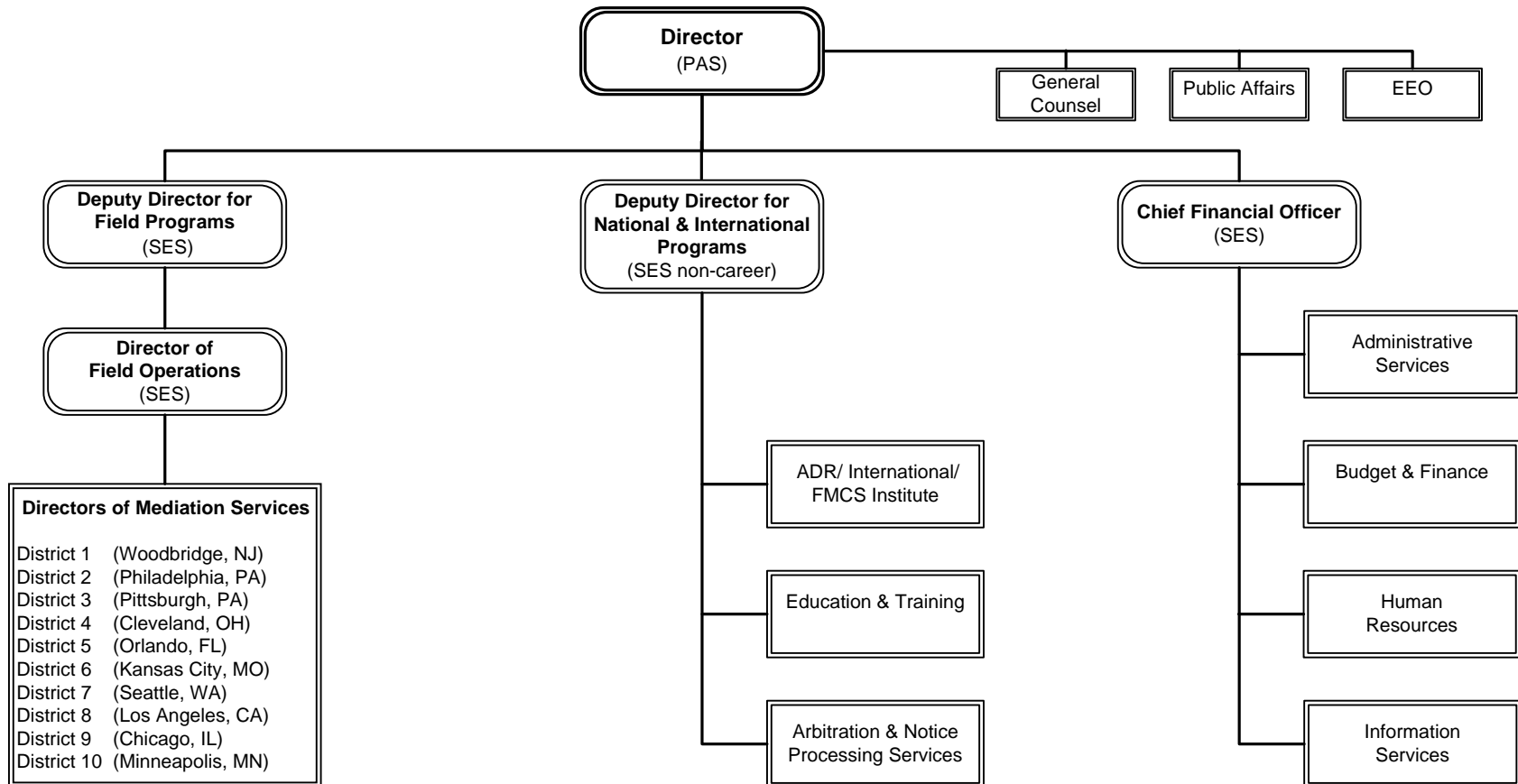
Although not included in the public scoring due to untimely receipt of data, the FMCS 2008 survey data were scored by the Partnership for Public Service using the same weighting and survey questions as applied to the rest of the federal service in calculating the “Best Places to Work” index. The FMCS overall index score exceeded the government-wide average by nearly 19 points and resulted in a higher “Best Places to Work” index score than the top-rated, small and large government agencies. In all but one of the measured categories, FMCS scores exceeded the government-wide average. This builds on prior years’ public ranking as “the best place to work in the federal government.” However, there are areas in which improvement is needed to maintain the FMCS high employee satisfaction scores. The FMCS contracted with OPM to conduct the annual employee survey in October 2009. Results of this survey should help determine whether downward trends are continuing or represented short-term fluctuations.

C. Conclusion

The FMCS mission statement reflects the statutory foundation of the Agency: “To promote the development of sound and stable labor-management relationships and to prevent or minimize work stoppages by assisting labor and management in settling their disputes through mediation.”

As the scope and complexity of collective bargaining issues facing labor and management grow, the FMCS will continue to play a critical role in averting labor strife that can damage the competitiveness and productivity of U.S. companies, the welfare of their employees, and our nation's economic well being. Given the anticipated size and number of collective bargaining mediations in FY 2011, the complexity of the issues the parties face, and the increased demand and expectations of the labor-management community for FMCS services that make collective bargaining more effective, we urge you to favorably consider this respectful request for \$48,025,000.

II. FMCS Organizational Chart



As of Jan. 20, 2010

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, [\$46,652,000]: \$48,025,000, including \$750,000 to remain available through September 30, 2012, for activities authorized by the Labor-Management Cooperation Act of 1978: *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. (*Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriation Act, 2010.*)

IV. Statutory and Other Legal Authority

FEDERAL MEDIATION AND CONCILIATION SERVICE

The Federal Mediation and Conciliation Service was established by Title II of the Labor-Management Relations Act (Taft-Hartley) in 1947 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 FMCS was authorized by the Administrative Dispute Resolution Act and the Negotiated Rulemaking Act 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.

In addition to specifically mandated services, FMCS has offered traditional mediation services (applied to both collective bargaining and employment disputes), facilitation and training functions (applied particularly to the merging of different agency cultures), convening of disparate agency and private groups, and conflict systems design assistance and training for organizational/workplace disputes as well as for handling external complaints.

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 the 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 the 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.

- II. The Health Care Amendments of 1974 (Public Law 93-360, 29 U.S.C. 158(d) (4)) (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 operate 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 the FMCS to provide mediation assistance in disputes arising from negotiations between federal agencies and the exclusive 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 the 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. Presidential Statement, March 24, 1953. The Atomic Energy Labor-Management Relations Panel was established within the FMCS in March 1953, by President Eisenhower, in order to ensure the uninterrupted functioning of the atomic energy program without strikes or lockouts due to labor-management disputes. This Panel was moved to the Atomic Energy Commission in March 1956 but was returned to the FMCS under an inter-

agency agreement with the Department of Energy in April 1980 and renamed the Energy Labor Management Relations Panel (ELMRP).

- VI. Executive Order 11374, October 11, 1967, transferred the responsibilities of the Missile Sites Labor Commission (created by Executive Order 10946) to provide priority resolution of labor disputes at missile sites to the FMCS.
- VII. 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 the FMCS to provide for the appointment of arbitrators to decide disputes concerning compensation for the use or development of pesticide registration data.
- VIII. The Labor Management Cooperation Act of 1978 (Public Law 95-524, 29 U.S.C. 175a, 186) added Sections 205A and 302(c)(9) to the Labor-Management Relations Act and authorizes and directs the 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 the Service to provide grant funds to assist in the establishment and operation of these labor-management committees.
- IX. The Administrative Dispute Resolution Act of 1996 (Public Law 104-320, 5 U.S.C., 571, et seq., 29 U.S.C.173(f)) 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 1996 Act amended and permanently reenacted the Administrative Dispute Resolution Act of 1990 as well as the Negotiated Rulemaking Act of 1990. The repeal of the sunset dates and the reporting requirements of the Acts suggest that the ADR and regulatory-negotiation “experiments” have become well-accepted processes of federal agencies.

Under the 1996 Act, coverage has been expanded to include additional dispute resolution techniques, such as “ombudsmen,” and the use of ADR in some workplace conflicts, including Hatch Act violations, retirement, insurance, certain suspensions, removals, examinations, and appointments. The 1996 Act encourages the development of guidelines to expedite the selection of neutrals and to facilitate the use of alternative dispute resolution in the Federal Government.

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

- X. 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 the FMCS to provide mediation assistance for the resolution of age-discrimination charges.
- XI. The Federal Aviation Reauthorization Act of 1996 (Public Law 104-264, as amended, 49 U.S.C. 40122(a)) directs the FMCS to mediate disputes between the Administrator of the Federal Aviation Administration and its employee representatives concerning changes to the FAA's personnel management system.
- XII. The Veterans Health Care Capital Asset and Business Improvement Act of 2003 (Public Law 108-170, 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 using the services of the Federal Mediation and Conciliation Service to assist the parties in reaching an agreement regarding disagreements with respect to any systems of promotion and advancement proposed by the Secretary.

V. Budget Tables and Detailed Financial Requirements

FEDERAL MEDIATION AND CONCILIATION SERVICE

BUDGET AND STAFFING BY ACTIVITY

(in thousands of dollars)

	FY 2009 Actual		FY 2010 Estimated		FY 2011 Request		Total Program Increase or (Decrease) 2010 to 2011	
	Full-Time Equivalent Employment	Budget Authority	Full-Time Equivalent Employment	Budget Authority	Full-Time Equivalent Employment	Budget Authority	Full-Time Equivalent Employment	Budget Authority
1. Collective Bargaining and Grievance Mediations (Dispute), Relationship Development Training (Preventive), and Outreach (Public Information) Workloads	184	\$34,975	195	\$36,305	195	\$37,162	0	\$857
2. Arbitration Services	8	683	8	696	8	710	0	14
3. National Office Support and Administrative Services.....	46	9,168	49	9,302	49	9,403	0	101
4. Labor-Management Grants	0	650	0	349	0	750	0	401
Sub-Total Appropriated	238	\$45,476	252	\$46,652	252	\$48,025	0	\$1,373

BUDGET AND STAFFING BY ACTIVITY
(in thousands of dollars)

	FY 2009 Actual		FY 2010 Estimated		FY 2011 Request		Total Program Increase or (Decrease) 2010 to 2011	
	Full-Time Equivalent Employment	Budget Authority	Full-Time Equivalent Employment	Budget Authority	Full-Time Equivalent Employment	Budget Authority	Full-Time Equivalent Employment	Budget Authority
5. Reimbursable programs: Employment Mediation, International Training and Institute Courses	8	\$1,240	8	\$1,678	8	\$1,696	0	\$18
6. FMCS Internal Training and Education.....	0	562	0	750	0	750	0	0
Sub-Total Reimbursable	8	\$1,802	8	\$2,428	8	\$2,446	0	\$18
TOTAL RESOURCES	246	\$47,278	260	\$49,080	260	\$50,471	0	\$1,391

FEDERAL MEDIATION AND CONCILIATION SERVICE

**BUDGET ESTIMATES FISCAL YEAR 2011
FINANCIAL REQUIREMENTS**

(in thousands of dollars)

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimated	FY 2011 Request
<u>Personnel Compensation</u>	<u>\$25,648</u>	<u>\$25,935</u>	<u>\$27,982</u>	<u>\$28,505</u>
Full-time permanent	24,988	25,537	27,471	27,991
Full-time permanent positions	24,988	25,537	27,471	27,991
Other than full-time permanent	307	70	183	186
Other than full-time permanent positions	307	70	183	186
Other Personnel Compensation	353	328	328	328
Overtime & holiday pay	22	28	28	28
Cash incentive awards	331	300	300	300
<u>Personnel Benefits</u>	<u>\$7,131</u>	<u>\$7,287</u>	<u>\$7,854</u>	<u>\$7,997</u>
Civilian Personnel Benefits	7,131	7,287	7,854	7,997
CSRS Retirement Contribution	340	326	310	300
FERS Retirement Contribution	2,259	2,337	2,544	2,550
Federal Retirement Thrift Savings Plan Contribution	945	1,000	1,092	1,110
Group life insurance	47	48	48	48
Health Insurance Contribution	1,429	1,490	1,620	1,700
OASDI – FERS	1,173	1,181	1,332	1,400
Employee compensation	502	449	425	399
Relocation expenses (PCS)	0	0	0	0

BUDGET ESTIMATES FISCAL YEAR 2011
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimated	FY 2011 Request
<u>Personnel Benefits (continued)</u>				
<u>Civilian Personnel Benefits (continued)</u>				
Cost-of-living allowance	48	48	48	50
Subsidy for commuting costs	29	40	40	40
Medicare contribution	359	368	395	400
<u>Benefits of Former Personnel</u>				
Unemployment compensation	7	2	0	0
Voluntary separation incentive	0	0	0	0
<u>Travel and Transportation of Persons</u>				
National office travel	92	130	130	130
Official car	15	15	15	15
Field office travel	1,565	1,595	1,700	1,700
<u>Transportation of Things</u>				
Transportation of household goods (PCS)	0	0	0	0
<u>Rents, Communications, and Utilities</u>				
Rental Payments to GSA	5,164	5,641	5,805	5,900
Rental payments to GSA	5,164	5,641	5,805	5,900

BUDGET ESTIMATES FISCAL YEAR 2011
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimated	FY 2011 Request
<u>Rents, Communications, and Utilities (continued)</u>				
Rental Payments to Others	2	5	5	5
Conference room rental	2	5	5	5
 Communications, Utilities and Miscellaneous Charges	 864	 946	 946	 946
Reproduction equipment rental	17	25	25	25
Miscellaneous charges	5	10	10	10
Audio-visual equipment rental	1	2	2	2
GSA Phones	244	250	250	250
FTS Phones	20	20	20	20
Commercial Phones	271	280	280	280
Data communication services	184	220	220	220
Postal services and rentals	122	139	139	139
 <u>Printing and Reproduction</u>	 <u>\$57</u>	 <u>\$60</u>	 <u>\$60</u>	 <u>\$60</u>
FMCS forms and other printing	57	60	60	60
 <u>Other Contractual Services</u>	 <u>\$1,354</u>	 <u>\$1,838</u>	 <u>\$1,084</u>	 <u>\$1,257</u>
Advisory and Assistance Service	18	21	21	21
Computer assisted legal research	3	5	5	5
OPM background investigations	6	6	6	6
Office equipment and machinery relocation	9	10	10	10

BUDGET ESTIMATES FISCAL YEAR 2011
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimated	FY 2011 Request
<u>Other Contractual Services (continued)</u>				
Other Services	163	245	245	205
Management and professional services	160	240	240	200
Official representation fund	3	5	5	5
Other purchases of goods and services from Government Accounts	151	161	170	185
Guard security services	151	161	170	185
Operation and Maintenance of Facilities	93	50	50	50
Office repairs and alterations	93	50	50	50
Medical Care	27	33	33	33
Medical care	27	33	33	33
Operation and Maintenance of Equipment	902	1,328	565	763
Maintenance of office equipment	123	128	128	128
Maintenance of information technology equipment	268	300	132	250
Information Technology Support Services	480	865	270	350
Support of payroll/personnel operations	31	35	35	35
Household goods storage (PCS)	0	0	0	0

BUDGET ESTIMATES FISCAL YEAR 2011
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimated	FY 2011 Request
<u>Supplies and Materials</u>	<u>\$374</u>	<u>\$460</u>	<u>\$320</u>	<u>\$350</u>
Office supplies and materials	198	200	200	200
Information technology supplies and materials	176	260	120	150
<u>Equipment</u>	<u>\$762</u>	<u>\$912</u>	<u>\$402</u>	<u>\$410</u>
Furniture and fixtures	156	100	82	60
Information technology Hardware/Software	518	680	300	300
Audio-visual equipment	88	132	20	50
<u>Grants, Subsidies and Contributions</u>	<u>\$0</u>	<u>\$650</u>	<u>\$349</u>	<u>\$750</u>
Sub total appropriated	\$43,035	\$45,476	\$46,652	\$48,025

BUDGET ESTIMATES FISCAL YEAR 2011
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimated	FY 2011 Request
<u>Reimbursable Programs (non-appropriated)</u>	<u>\$1,540</u>	<u>\$1,240</u>	<u>\$1,678</u>	<u>\$1,696</u>
Compensation	506	765	886	898
Benefits	130	200	229	235
Travel	251	212	200	200
Communications	3	3	3	3
Other contractual services	636	<u>50</u>	<u>350</u>	<u>350</u>
Supplies and materials	<u>14</u>	10	10	10
Sub total of Reimbursable Programs	<u>\$1,540</u>	<u>\$1,240</u>	<u>\$1,678</u>	<u>\$1,696</u>
<u>FMCS Internal Training and Education (non-appropriated)</u>	<u>617</u>	<u>\$562</u>	<u>\$750</u>	<u>\$750</u>
Seminars, Workshops, Conferences and Training	378	250	325	325
New mediator costs	47	60	80	80
Tuition	71	92	92	92
Other contractual services	43	80	173	173
Supplies & materials	10	20	20	20
Subscriptions & training materials	68	60	60	60
Sub total of FMCS Training and Education	<u>\$617</u>	<u>\$562</u>	<u>\$750</u>	<u>\$750</u>
Sub total of non-appropriated (reimbursable obligations)	<u>\$2,157</u>	<u>\$1,802</u>	<u>\$2,428</u>	<u>\$2,446</u>
TOTAL RESOURCES	<u>\$45,192</u>	<u>\$47,278</u>	<u>\$49,080</u>	<u>\$50,471</u>

FEDERAL MEDIATION AND CONCILIATION SERVICE

Detail of Total Employment – End of Year

	2009 Actual	2010 Estimated	2011 Request
Executive Level III.....	0	1	1
ES.....	3	4	4
Subtotal.....	3	5	5
GS-15.....	20	21	21
GS-14.....	160	166	167
GS-13.....	16	19	21
GS-12.....	7	7	5
GS-11.....	4	4	3
GS-10.....	2	2	2
GS-9.....	4	4	4
GS-8.....	17	17	17
GS-7.....	8	8	8
GS-6.....	7	7	7
GS-5.....	1	1	1
GS-4.....	0	0	0
GS-3.....	0	0	0
GS-2.....	0	0	0
Subtotal.....	246	256	256
Total employment, end of year.....	249 *	261 *	261 *
Full-time equivalent (FTE) usage.....	246 *	260 *	260 *
Average ES Salary.....	\$160,600	\$164,000	\$167,000
Average GS Level.....	12.89	12.93	12.95
Average GS Salary.....	\$106,670	\$108,496	\$114,143

* 8 FTE funded by reimbursable revenue.

VI. Mission and Program Structure

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.”¹ Subsequent acts of Congress and presidential orders have expanded the FMCS 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.

The 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 60 years, the 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 the FMCS work within collective bargaining relationships. The FMCS today provides a range of services to labor and management, such as relationship-development training and training in interest-based bargaining, to help the parties deal effectively with disputes that may arise between them without resorting to work stoppages. The following section describes the FMCS comprehensive package of core programs and services.

A. Collective Bargaining Mediation

Through collective bargaining mediation, the FMCS helps avert or minimize the cost of work stoppages to the U.S. economy. The FMCS's core work is to mediate 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. The 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 identify alternative solutions and compromises, encourage settlement where appropriate, control the critical timing of offers, and persuade the parties to honestly discuss their differences. In FY 2009, FMCS mediators were actively involved in nearly 4,800 collective bargaining contract negotiations in every major industry throughout the United States.

B. 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 goals of encouraging resolution in advancement of cooperative labor-management partnerships and preventing unresolved contract interpretation issues from spilling over into future contract negotiations. The potential for this happening will be greater as the nation begins to emerge from the current recession. In FY 2009, FMCS mediated 2,004 grievance mediation cases and helped the parties reach agreement in 1,479 of these.

C. Relationship-Development and Training

Preventing conflict that may arise during the term of a collective bargaining agreement is another important goal of the FMCS. The FMCS relationship-building training programs are designed to improve labor-management relationships by helping labor and management to develop collaborative problem-solving approaches. Effective 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 FY 2009, FMCS mediators conducted over 2,300 training programs to the parties of collective bargaining.

FMCS relationship-development and training programs include:

- **Alternative Bargaining Training:** Teaches the benefits and techniques of a non-adversary, joint problem-solving approach to negotiation.
- **Relationship by Objective:** 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.
- **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.
- **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.
- **Cultural Awareness Skills for Labor and Management:** Trains the parties to function in a multicultural work setting including the resolution of cross-cultural conflicts in a workplace.
- **Collective Bargaining and Mediation Training:** Trains the parties on effective negotiation and communication skills.

D. Outreach

FMCS mediators meet with representatives of labor and management to educate the parties about the economic benefits that can result from mediation and how ADR services provided by the FMCS can increase labor-management collaboration, improve productivity, increase efficiency and avert work stoppages. These outreach events include one-on-one meetings, presentations, conferences, symposia, and workshops.

E. Employment Mediation

Outside the collective bargaining arena, FMCS provides employment mediation services to the federal sector and to state and local governments on a cost-reimbursable basis. The Administrative Dispute Resolution Act of 1990, the Negotiated Rulemaking Act of 1990, and the Administrative Dispute Resolution Act of 1996 expanded the FMCS role as a provider of these services. The legislative intent behind these acts was to expand the use of alternative dispute resolution throughout the Federal Government, reduce litigation costs, and promote better government decision-making. The FMCS also provides employment mediation to the private sector to resolve workplace disputes falling outside of the traditional collective bargaining context, i.e., equal employment opportunity disputes. In FY 2009, FMCS mediated 1,362 employment cases.

F. International Training and Exchange

Beyond the nation's borders, the FMCS plays an important role in promoting collective bargaining and conflict resolution around the world. The FMCS international work is a small, but integral, part of its services. Emerging market economies often

struggle to compete effectively in a globally integrated marketplace. The FMCS helps establish the labor relations institutions that are essential to the smooth functioning of free-market economies. International training programs are also a knowledge-sharing experience: the FMCS mediators gain familiarity with complex issues affecting the global economy and, as a result, are more effective in resolving labor-management disputes with international implications.

The FMCS international efforts help to level the economic playing field for U.S. companies and workers by strengthening the rule of law and workers' rights in developing countries. In addition to supporting U.S. companies and workers in the global market by advocating core labor standards for all nations, the program helps create the stable and productive work forces that are needed to attract foreign investment and improve living conditions. Besides industrial relations, FMCS mediators assist with rule of law initiatives, thereby helping to support economic growth and investment. These initiatives include mediation training and working with NGOs and other civil society organizations to develop mediation and other FMCS ADR programs. The FMCS international program operations are funded through reimbursables and in part by a number of foreign and U.S. agencies, including the U.S. Department of Labor, the U.S. Department of State, the U.S. Agency for International Development, and the International Labor Organization.

G. Arbitration Services

National labor policy favors arbitration for settling contractual disputes. The FMCS Office of Arbitration Services maintains a roster of approximately 1,400 independent arbitrators who are qualified to hear and decide disputes over the interpretation or application of collective bargaining agreements. Upon request from the parties, the FMCS furnishes a list of names from which they may choose an arbitrator to hear their case and render a decision.

During FY 2009, the Office of Arbitration Services processed nearly 16,700 requests for arbitration panels nationwide. Arbitrators on the FMCS roster heard and decided more than 2,100 labor arbitration cases.

H. Grants Program

The 1978 Labor-Management Cooperation Act requires the Agency to encourage and support joint labor-management committees “established for the purpose of improving labor-management relationships, job security and organizational effectiveness, enhancing economic development or involving workers in decisions affecting their jobs including improving communication with respect to subjects of mutual interest and concern.”ⁱⁱ This is done primarily through the formation of industry, area, and company labor-management committees in the public and private sectors, excluding the federal government. Through federal assistance, parties can develop better vehicles for discussing and resolving their problems and exploring ways to improve productivity and employment security, achieve economies and avert serious work stoppages. The FMCS

awards grant funds, monitors their use and measures their effectiveness. In awarding grants, the FMCS looks for novel approaches to collaborative labor-management relations and problem solving. In fiscal year 2009, the FMCS received over 50 grant applications and awarded 10 grants to highly rated labor management proposals.

I. FMCS Institute for Conflict Management

The FMCS Institute for Conflict Management provides training and education to labor and management practitioners from multiple organizations in an off-site classroom format. The Institute offers training in practical conflict resolution skills, collective bargaining, arbitrator and arbitration skills-building, facilitation process skills, multi-party facilitation, cultural diversity, equal employment opportunity mediation skills, and workplace violence prevention. The Institute runs as a reimbursable program and is funded by fees received from training participants.

VII. Workload Projections – FY 2010 and FY 2011

The FMCS's workload over prior fiscal years, caseload estimates, accomplishments for FY 2009, and estimated workload in FY 2010 and 2011 are included in the following pages. These estimates should be read in conjunction with the FMCS's strategic program objectives detailed in Section VIII.

WORKLOAD OUTPUTS AND PROJECTIONS

FISCAL YEARS 2010 - 2011

PROGRAM SERVICES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2009	FY 2010	FY 2011
	Actual	Actual	Actual	Estimated	Actual	Estimated	Estimated
1. COLLECTIVE BARGAINING							
MEDIATION							
Assigned Cases ⁱⁱⁱ	15,072	14,663	14,308	14,500	13,887	14,000	14,000
-Private Sector	13,539	13,245	12,914	13,108	12,425	12,656	12,656
-Public Sector (state and municipal)	1,219	1,107	1,083	1,087	1,138	1,050	1,050
-Federal Sector	314	311	311	305	324	294	294
Mediated Cases ^{iv}	5,484	5,329	4,836	5,149	4,767	4,971	4,971
-Private Sector	3,874	3,907	3,437	3,724	3,320	3,595	3,595
-Public Sector (state and municipal)	1,319	1,145	1,145	1,159	1,155	1,119	1,119
-Federal Sector	291	277	254	266	292	257	257
Closed Cases	15,664	14,478	13,480	13,714	13,308	13,241	13,241
Closed Mediated Cases	4,486	4,426	3,914	4,172	3,958	4,028	4,028
Activity Rate ^v	29%	31%	29%	30%	29.7%	30%	30%
Settled and Closed Mediated Cases	3,864	3,818	3,396	3,611	3,395	3,487	3,487
Percentage of mediated cases settled w/FMCS ^{vi}	86%	86%	87%	87%	86%	87%	87%
Activity rate in significant cases ^{vii}	45%	51%	38%	50%	37%	43%	43%
2. GRIEVANCE MEDIATION.....							
Assigned Cases	1,632	1,768	1,749	1,700	2,027	1,980	1,980
Mediated Cases	1,625	1,753	1,728	1,669	2,004	1,943	1,943
-Private Sector	1,219	1,282	1,296	1,271	1,570	1,481	1,481
-Public Sector (state and municipal)	270	316	314	293	313	342	342
-Federal Sector	136	155	118	135	121	157	157
Settled GM Cases	1,219	1,254	1,299	1,260	1,479	1,468	1,468
Percentage of cases settled through FMCS ^{viii}	75%	74%	75%	76%	74%	76%	76%

PROGRAM SERVICES	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Estimated	FY 2009 Actual	FY 2010 Estimated	FY 2011 Estimated
3. RELATIONSHIP-DEVELOPMENT AND TRAINING.....							
Number of training programs provided	2,445	2,548	2,356	2,500	2,327	2,400	2,400
-Private Sector	1,552	1,591	1,390	1,537	1,400	1,406	1,406
-Public Sector (state and municipal)	730	730	712	767	682	706	706
-Federal Sector	163	227	254	196	245	288	288
4. EMPLOYMENT MEDIATION.....							
Mediated Cases	1,022	1,060	1,220	1,200	1,362	1,350	1,350
-Federal Sector	993	1,038	1,205	1,175	1,336	1,322	1,322
-Public Sector (state and municipal)	13	5	11	11	9	12	12
-Private	16	17	4	14	17	16	16
Settled EM Cases	523	532	576	590	638	663	663
Percent of EM cases settled through FMCS ^{ix}	51%	50%	47%	49 %	47%	49%	49%
5. OUTREACH.....							
Outreach cases ^x	3,859	3,847	3,347	3,472	3,622	3,550	3,550
6. ARBITRATION SERVICES							
Number of panels issued	16,854	16,264	15,717	16,000	16,692	16,000	16,000
Number of arbitrators appointed	6,860	6,485	6,568	6,500	6,496	6,500	6,500
Average number of days for arbitrator appointment	1.1	3.2	3.24	2	2.72	2	2
Number of complaints regarding overdue awards	9	9	10	15	8	8	8
7. INSTITUTE.....							
Number of courses provided	7	9	5	5	7	11	11
Number of participants	172	219	150	150	187	240	240

VIII. Program Objectives – FY 2010 and FY 2011

Program objectives for each service area are guided by the FMCS's five-year strategic plan. This plan was last updated in 2008. For each strategic goal, the FMCS has identified a number of objectives, key implementation strategies and actions, and measures for tracking its performance towards achieving each goal. The following section details each goal and presents a matrix identifying the programs impacted by them, performance objectives and accomplishments for FY 2009, and performance goals for FY 2010 and FY 2011.

In FY 2009, the FMCS initiated a new project to measure its impact in building problem-solving relationships. Data for this project are currently being collected and prepared for analysis, with initial results anticipated in the FY 2012 budget request.

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.
- Assist parties with problem-solving activities 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:

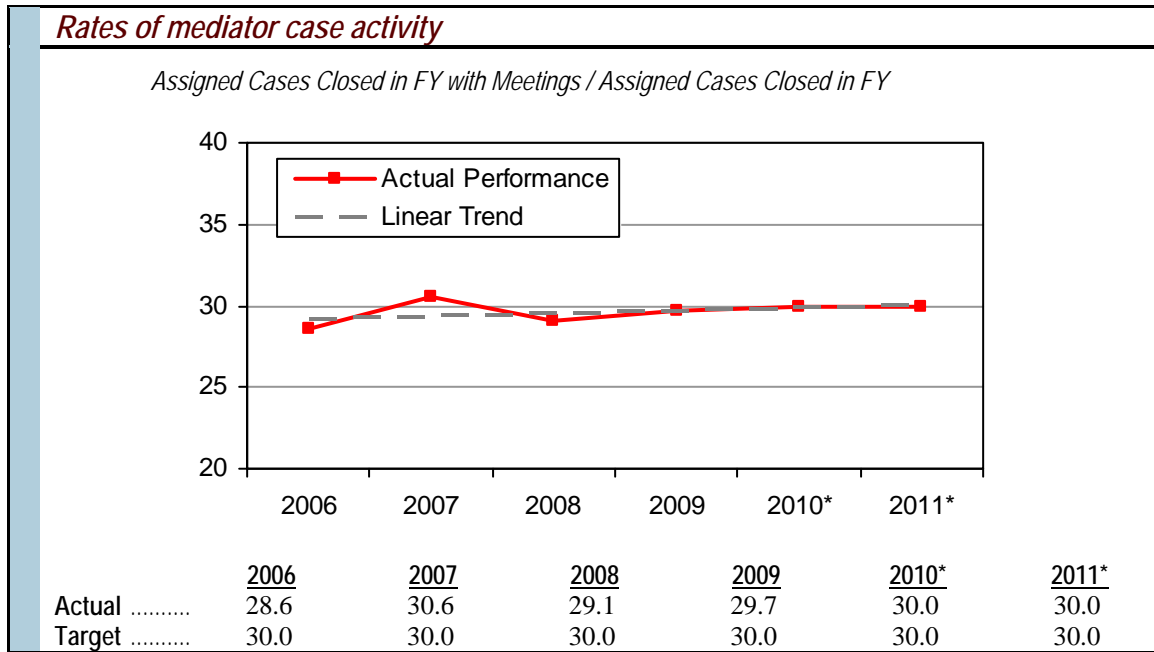
Collective bargaining mediation represents the core of the FMCS's mission and its most publicly visible work. In 2005, an independent study conducted for the FMCS found that mediation prior to a contract's expiration date significantly reduces the duration of any work stoppage that occurs. Previously, 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, the 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 in those cases that have the potential for permanent shutdowns or disruptions to the community, workforce, or interstate commerce.

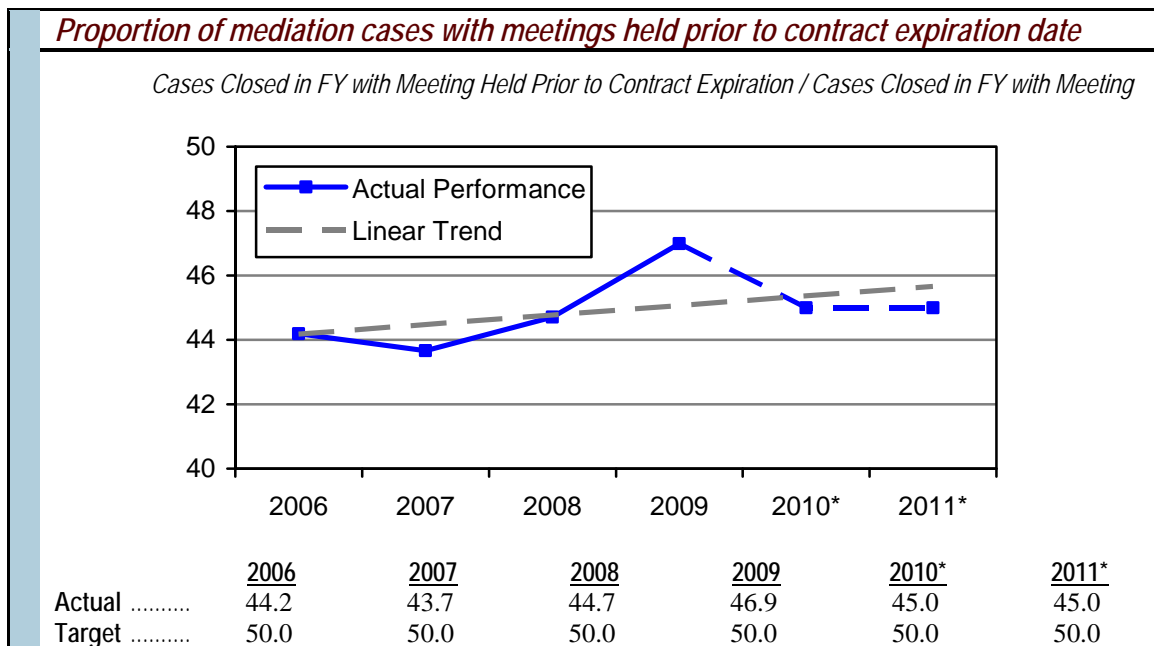
The FMCS evaluates its success in these areas by looking at how many negotiations use mediation services, whether or not a work stoppage occurred, the duration of any stoppage, and the timing of mediators' involvement. On an aggregate basis, the FMCS also estimates the financial cost of work stoppages that actually occur and the value of work stoppages that its mediators are able to prevent or shorten.

Mediation Outputs and Performance Measures

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



* Estimated



* Estimated

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.
- Deliver internally sustainable dispute resolution systems.
- Educate labor and management leaders in the art of building and maintaining labor-management partnerships.

Strategy:

- Promote the use of FMCS programs and outreach to develop sound and stable labor-management relationships.

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. Also, in an increasingly global economy, outreach to sister agencies in other countries is a small, but important, aspect of the FMCS's work in this area.

American employer and employee continued success in a globally competitive arena requires a degree of cooperation between labor and management that traditional confrontational bargaining relationships cannot easily accommodate. These competitive issues can be both complex and subtle and require creative solutions that address unique challenges. Mediators should play a major part in assisting employers and employee representatives to improve their organizational effectiveness and to add value to the organization through improved labor-management relationships.

The FMCS is committed to delivering to its customers the best possible information, analysis, practices, and solutions. Through its program evaluations, the 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:

- Increase penetration in groups that have not traditionally used FMCS mediation.
- Maintain roster of experienced arbitrators.
- Improve all aspects of the referral service.

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 quality of arbitration service.
-

Discussion:

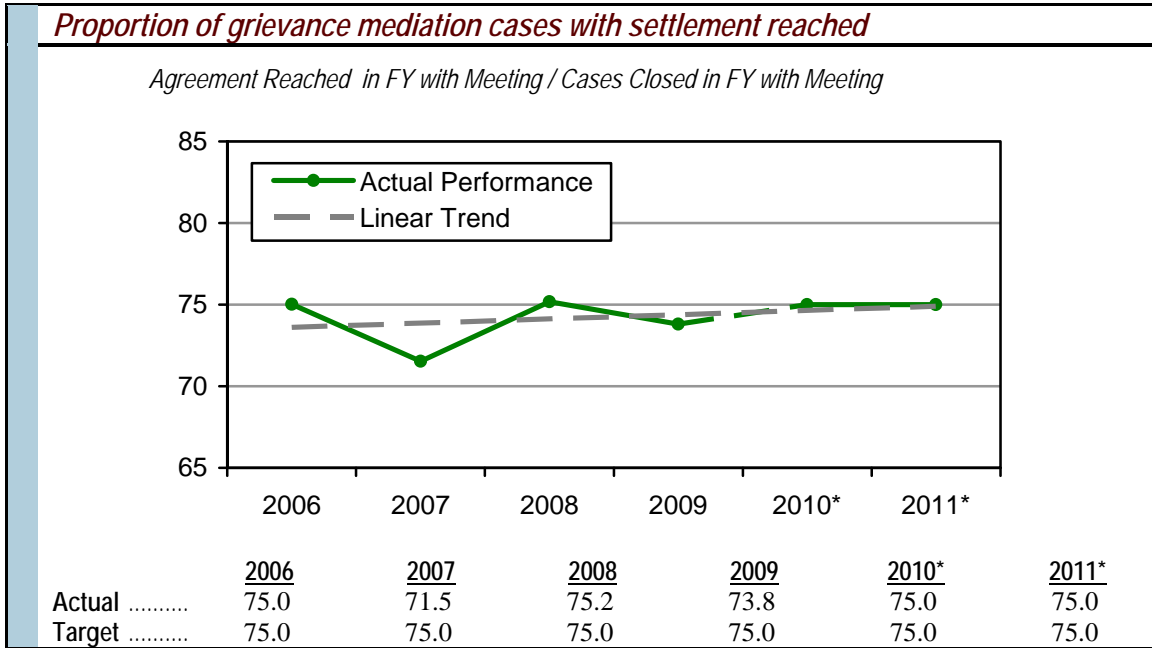
Grievance mediation, joint problem-solving facilitation, and arbitration are three approaches for resolving disputes that may arise from differing interpretations of a labor contract's terms and conditions. Grievance mediation and joint problem-solving facilitation are voluntary processes that rely upon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

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

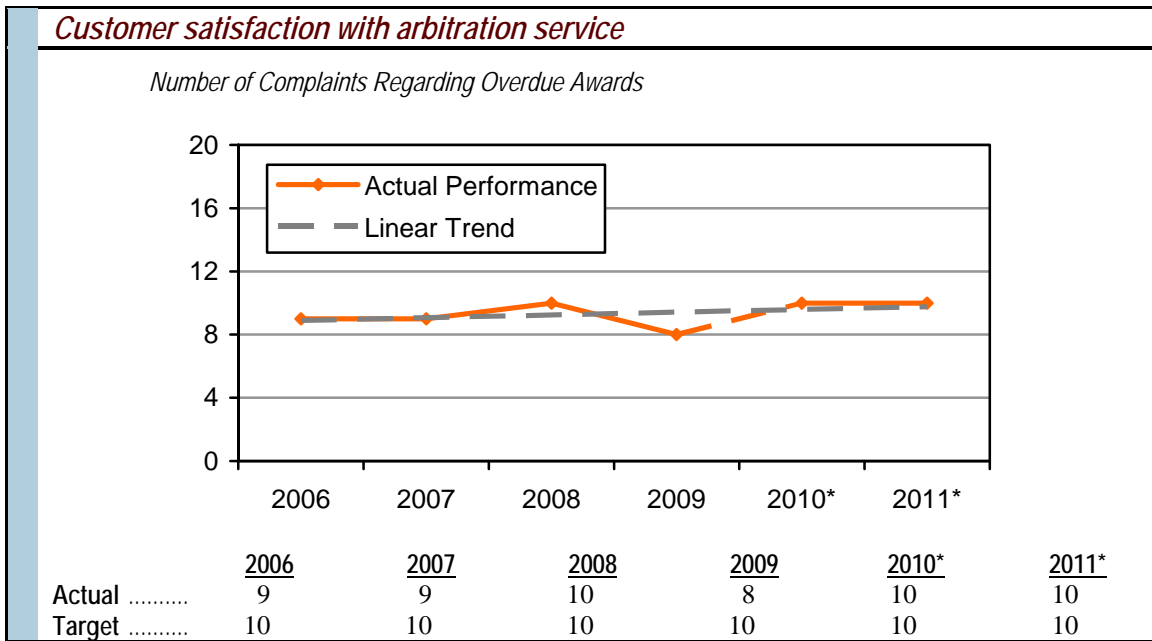
Improved settlement rates in contract-based disputes and joint problem-solving cases provide a good indication of how well FMCS mediators are able to facilitate agreements. Likewise, customer evaluations of the arbitrator referral service help the FMCS improve the quality of the service.

Resolving Mid-Term Disputes Outputs and Performance Measures

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



* Estimated



* Estimated

Strategic Goal #4: Promoting ADR

Resolve statute- or regulation-based workplace disputes.

Objective:

- Use employment mediation as an alternative to litigation.

Action:

- Increase number of employment mediations conducted and reimbursable agreements signed.

Strategy:

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

Expected Output:

- Increase the proportion of settled employment mediation cases.
-

Discussion:

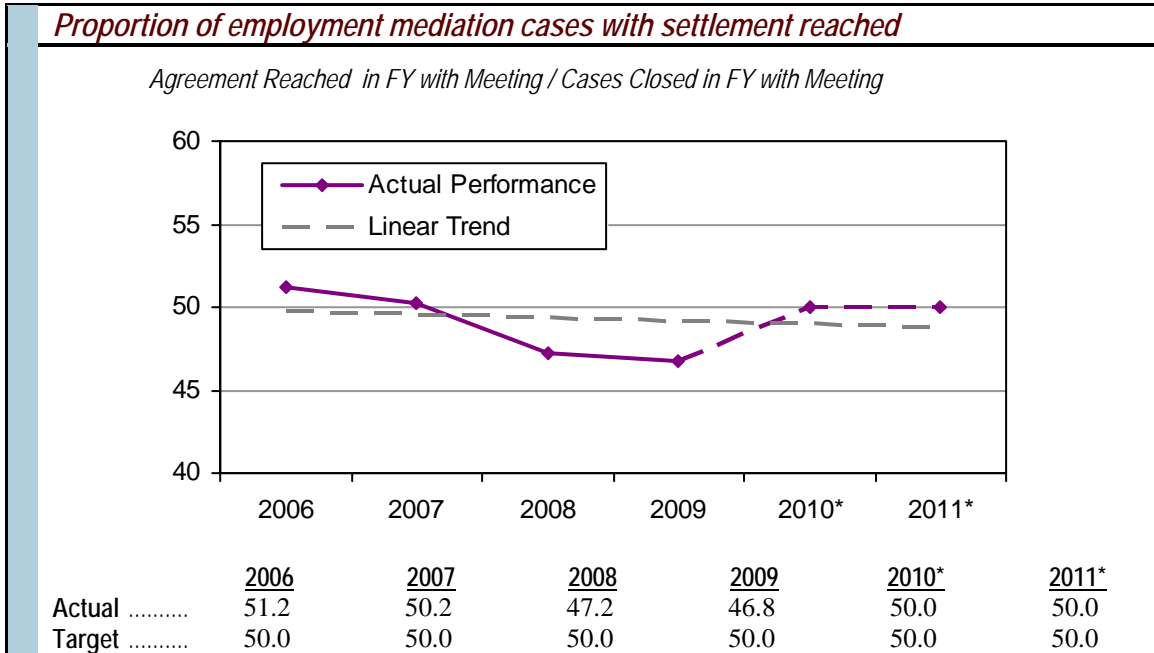
The FMCS's alternative dispute resolution (ADR) work is defined by the Administrative Dispute Resolution Act of 1996 and is designed to help resolve disputes that do not result from a collective bargaining relationship. Under the Act, the FMCS is generally limited to work in the federal sector, but may 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, may take several years and cost hundreds of thousands of dollars in legal fees and court costs. While the FMCS provides its ADR services as a reimbursable service, costs generally run less than \$800 per case and most can be resolved quite quickly. These modest costs are more than offset by reduced friction in the workplace and a more productive workforce.

By increasing the number of ADR cases that the FMCS takes and improving the rate at which it helps settle cases, FMCS seeks to provide a cost-effective alternative to litigation and promote better government decision-making.

Promoting ADR Outputs and Performance Measures

Resolve statute- or regulation-based workplace disputes.



* Estimated

Endnotes

- ⁱ 29 USC § 173. By statute, FMCS’s jurisdiction excludes the rail and airline industries, which are covered by the National Mediation Board under the Railway Labor Act.
- ⁱⁱ Public Law 95-524, Oct. 27, 1978, 29 U.S.C. §205 A(a)(1).
- ⁱⁱⁱ 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 the FMCS 30 days prior to contract expiration. Not all cases providing notices are assigned. Actual FY 2009 FMCS case intake exceeded 21,000.
- ^{iv} Mediated cases (formerly called “active” cases) represent the number of cases in the FY where mediators have become active in the negotiations.
- ^v Defined as the number of closed cases where there was at least one meeting divided by the number of total closed assignments.
- ^{vi} Defined as the number of mediated cases settled divided by the total number of active cases.
- ^{vii} Significant cases are generally defined as situations where the bargaining unit exceeds 1,000.
- ^{viii} Defined as the number of grievance mediation cases settled and closed within the fiscal year divided by the number of closed GM assignments.
- ^{ix} Defined as the number of mediated employment cases settled divided by the number of mediated cases closed
- ^x 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.