

Congressional Budget Submission



Fiscal Year

2019

FEDERAL MEDIATION AND CONCILIATION SERVICE

FISCAL YEAR 2019

Congressional Budget Submission

**Submitted to the
Congress
February 2018**

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Fiscal Year 2019 Budget Request

I. Executive Summary

Seventy years ago, Congress created the Federal Mediation and Conciliation Service (FMCS) through the Labor-Management Relations Act of 1947 (Taft-Hartley) as an independent agency of the Federal Government and charged it with preventing and minimizing labor-management disputes affecting interstate commerce by providing mediation, conciliation, and voluntary arbitration services. Congress had the wisdom and foresight to recognize that although workplace conflict is inevitable, disruptive work stoppages and dysfunctional labor-management relationships need not be. Through FMCS, the Federal Government plays a critical role in strengthening America's workplaces by providing limited, voluntary, and strategic assistance that minimizes or averts the adverse economic impacts of conflict. More importantly, thriving labor-management relationships, collaboration, and pragmatic problem solving between companies and their workers not only prevent disputes, but also significantly contribute to increased competitiveness, job growth, and enhanced economic well-being.

As a non-regulatory and independent agency, the services that FMCS provides to American business and Federal agencies are largely voluntary. Consequently, FMCS mediators must uphold the Agency's long and proud record of success in helping its customers resolve disputes, learn joint problem-solving skills, and create successful, collaborative problem-solving relationships in order to accomplish its mission. Every day, the Agency's small corps of skilled mediators provides its customers with essential conflict resolution strategies designed to enhance organizational effectiveness, improve competitiveness, increase jobs and job security, and promote organizational efficiency.

The need for FMCS conflict resolution strategies is just as great in this second decade of the 21st Century as it was 70 years ago. As in earlier periods of economic transition, new technologies and business models are fundamentally changing nearly every sector of the U.S. economy and as a result, increasing the likelihood of workplace conflict. Additionally, employers and workers continue to confront instability and rapid change in both retirement and health care benefits. Such change presents enormous challenges and opportunities for American workers and employers across all economic sectors. FMCS is well equipped to assist with making these changes as smooth as possible.

Whether a dispute takes place in traditional labor-management settings or in conventional industries and sectors of the economy—such as cargo shipping, oil refining, and automobile and steel manufacturing—or among service industry workers or those participating in the today's high-tech economy, labor disputes arise from complex

decisions relating to costs, hiring and retaining skilled workers, managing technology, and winning globally. FMCS, headquartered in Washington, D.C., has strategically positioned ten regional offices and maintains more than 60 field stations across the country where it can best help American workers and business thrive and succeed.

The 2019 budget requests \$47.2 million, an amount which will allow FMCS to continue meeting anticipated demand for its statutory activities.

A. Rising to the Challenge of the 21st Century Workplace

FMCS was born during the economic turmoil following the Second World War. Then, the U.S. was in the final stages of a disruptive transition from a predominantly agricultural to a mostly industrial economy. Now, the U.S. is at a similar point; however this time in the throes of a transitioning economy that, in addition to manufacturing, includes advanced technology, knowledge, and services.

Labor and management continue to rely upon traditional collective bargaining methods and models. However, new bargaining forms have emerged in the past few years, such as multi-party dialogues, local legislative initiatives, high profile social media campaigns and community-based strategies. These new forms of multi-party and community-based bargaining strategies present challenges that traditional collective bargaining does not. Thanks to their training and expertise in dispute resolution techniques and multi-party dialogues, FMCS mediators are able to assist parties who are trying to navigate these new realities.

Even in today's high-tech economy and in the wide range of settings in which bargaining takes place, the interests of labor and management in 2019 will be fundamentally the same: workers will be seeking to improve their terms and conditions of employment and businesses will be seeking to ensure their competitiveness and profitability. In all cases, FMCS's highly skilled, professional mediators are uniquely positioned to help parties find durable solutions in a transitioning economy and competitive world.

FMCS understands that just as business and labor must innovate and embrace new workplace models during times of change, so too must FMCS. To date, FMCS has updated its management structure, internal operations and mediation services to ensure that it provided the operational excellence, employee engagement, and culture of innovation needed to meet the evolving needs of its labor, management, and government customers. In 2019, FMCS will continue to modernize its operations, with a particular focus on workforce management, skills enhancement, record keeping, and information security.

B. Mediation and Conflict Resolution Services

With its 70-year history of providing mediation, training, and facilitation services, FMCS has more aggregate experience in dispute resolution than any other government agency. For the U.S. economy, the FMCS's statutory mandate to prevent or minimize

economically disruptive labor disputes remains as vital today as it was when Congress created the Agency.

FMCS is proud of its accomplishments and looks forward, in 2019, to intensifying its efforts to educate and inform business and labor of the value and benefits of the Agency's training, facilitation, and dispute resolution services. In 2019, FMCS will increase its efforts to:

- Use FMCS mediators' extensive conflict resolution experience and skills to improve relationships and create the trust, respect and problem-solving skills essential for continued economic growth, increased job security, and greater efficiency.
- Offer its expertise in varied models of bargaining, including traditional, modified traditional, and expedited interest-based bargaining.
- Assist other government agencies to manage their disputes and resolve stakeholder conflict through alternative dispute resolution processes, including the facilitation of public policy discussions, and negotiated rulemaking.

Managing Bargaining Challenges: Anticipating Major Contract Negotiations.

In 2019, FMCS expects to receive approximately 19,000 notices of expiring collective bargaining agreements. Some 240 of the known expiring contracts involve bargaining units of 1,000 members or more and represent a total of more than 1.3 million members. Many of these expiring agreements are in key private sector industries, such as auto manufacturing, utilities—including nuclear power generation, aerospace, telecommunications, retail, and health care.

- More than 16,000 grocery workers at Safeway, and Save Mart/Lucky in the San Francisco Bay area and Washington State face expiring contracts on October 11 and 31 in 2018.
- Contracts covering nearly 40,000 workers at Boeing, General Dynamics, and Raytheon expire in October and November 2018.
- An additional 16,000 grocery workers at Safeway and King Soopers in Colorado have contracts expiring in mid-January 2019.
- 35,000 grocery workers in Massachusetts and Rhode Island have contracts expiring at the end of February, 2019.
- In March 2019, the three-year contract covering more than 50,000 Southern California grocery workers is set to expire.
- Nearly 7,000 healthcare workers employed by Kaleida Health in Pittsburgh, PA have a contract expiring on May 31, 2019.

- A master agreement between Michelin and BF Goodrich tire manufacturers and the United Steel Workers expires on July 30, 2019. This agreement covers nearly 30,000 rubber workers across the Southern U.S.
- In August 2019, AT&T contracts across the South expire, affecting more than 30,000 workers in nine states between North Carolina and Louisiana.
- On September 14, 2019, agreements covering the “Big Three” automakers, Ford, GM, and Chrysler will expire. These agreements cover nearly 218,000 auto workers across the U.S.

Promoting Collaborative Solutions: Labor-Management Training

While the Agency’s priority will always be to prevent or to promptly resolve labor disputes that could have an adverse impact on the U.S. economy, FMCS experience demonstrates the enormous value of training parties in the tools and techniques of collaboration and joint problem-solving well in advance of any contract expiration.

In the private and Federal sectors, FMCS will continue to offer a wide range of programs designed to prevent workplace disputes and improve labor-management relationships. These programs help the parties develop collaborative, problem-solving approaches for managing conflict. Developed through decades of hands-on dispute resolution experience, the FMCS labor relations model encourages an ongoing, joint problem-solving approach characterized by open communication, respect, trust, and transparency.

Alternative Dispute Resolution Services to Government

In addition to providing labor-management dispute resolution services, the Administrative Dispute Resolution (ADR) and Negotiated Rulemakings Acts of 1996 call upon FMCS to assist Federal, state, and local government entities in resolving disputes arising under their jurisdictions.

On a cost-reimbursable basis, FMCS provides a wide variety of professional services to more than 130 Federal agencies and bureaus. These services include: mediating employment disputes and disputes involving administrative programs; training in the skills and procedures of alternative dispute resolution; consulting, evaluating, designing, and building capacity in conflict management systems; facilitating public policy and intra/inter-agency discussions; and developing tools for interagency and public-private cooperation and collaboration.

Managing Bargaining Challenges: Recent Major Contract Negotiations

To illustrate the value of its work, the following summaries describe FMCS efforts in major cases and activities during fiscal 2017:

- **Momentive Performance Materials and IUE-CWA Locals 81359 and 81380.** Dedicated behind-the-scenes work by an FMCS mediator in more

than a dozen meetings was the critical ingredient in a labor settlement that returned more than 700 striking workers to their jobs at an upstate New York chemical plant, near Albany, ending a disruptive 105-day strike at the facility.

- **Cleveland Public Schools and Cleveland Teachers Union (CTU).** After 16 months of negotiation requiring all the skills of a dedicated FMCS mediator, school system negotiators and teachers' representatives reached an agreement that was the culmination of a final marathon 24-hour bargaining session, averting a possible strike that would have closed classrooms to tens of thousands of Cleveland school children.
- **AT&T and Communication Workers of America (CWA).** After a recommended tentative agreement was twice turned down by the bargaining unit, an Oakland CA-based FMCS mediator was called in to work with the parties to help them negotiate another settlement. After three days, AT&T announced that Pacific Bell and Nevada Bell had reached a new tentative contract in West Region wireline contract talks. The new agreement covers more than 17,000 employees in California and Nevada.
- **International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA).** The July 2017 announcement of a three-year contract extension between the ILWU and the PMA ensured stable labor relations at all 29 West Coast ports until July, 2022. With more than 350 million tons of cargo flowing through the West Coast ports each year, the smooth flow of commerce through these ports is critical to the U.S. economy. This agreement highlights the importance of taking early and decisive action well ahead of scheduled contract deadlines.
- **Wyman-Gordon Forgings, Inc. and IAMAW Local 37.** In the disastrous aftermath of hurricane Harvey, a Houston-based FMCS mediator persevered through 90-degree temperatures and flood waters to assist IAMAW Local 37, representing some 275 workers, reach agreement with Wyman-Gordon Forgings, Inc., a Houston manufacturer of aircraft engine components, ending a 20-day strike at the plant.

C. Accountable Government

In 2019, FMCS will continue to meet the highest standards of government efficiency, integrity, employee engagement, and customer service by sustaining a culture of continuous improvement among the Agency's highly motivated workforce. Like many Federal agencies, FMCS has experienced occasional challenges related to employee recruitment, training, consistent performance, and retention. However, FMCS employees and their level of commitment continue to keep the agency at the forefront among similarly sized units of the Federal government. Year after year, FMCS has typically scored among the top agencies in the results of the Federal Employee Viewpoint Survey (FEVS), administered by the Office of Personnel Management (OPM).

More specifically, the FEVS results recognized FMCS as one of the best places to work in in 2014 (2nd place among small agencies), 2015 (1st place among small agencies), 2016 (3rd place among small agencies), and 2017 (1st place among small agencies). The 2015 results also designated FMCS as one of the “most innovative” Federal agencies, rating highly among 371 Federal agencies and subcomponents for fostering innovation and motivating employees to develop new ideas on the job. For 2019, and beyond, FMCS is committed to meeting and exceeding its performance goals and surpassing its past successes as documented by the FEVS results.

Creating Structural Integrity and Operational Consistency

As in past years, FMCS continues to use a business-based model (metrics) for reviewing field office utilization for efficiency and cost-effectiveness. This evaluation occurs on a bi-annual basis and as retirements, workload demand, and attrition present opportunities for non-disruptive realignment of its personnel. With the majority of its employees involved in direct program delivery—175 employees (75 percent of its workforce) distributed across 66 field stations—FMCS makes sure to place employees in areas where they can provide the greatest benefit at the least cost. FMCS will continue to use a workload evaluation model to determine trends in specific field stations. The results help ensure that decisions to fill vacant mediator positions reflect the current and potential demand for FMCS services.

Increasing Compliance and Strengthening Internal Controls

Concurrent with the move of its national office in early FY 2017, FMCS contracted with the National Archives and Records Administration (NARA) to review its records keeping policies and systems. In 2019, FMCS will continue to implement the new policies and procedures recommended by NARA in conjunction with the Controlled Unclassified Information (CUI) initiative. Improved records management, in concert with strengthened financial policies and procedures will allow FMCS to continue to demonstrate effective and efficient use of public resources.

Reforming Hiring Practices and Managing Performance

Small agencies often face a challenge in attracting talented job applicants. In 2019, and in the ensuing years, FMCS seeks to maintain and improve upon its position as one of the most desirable places to work in government. Achieving this goal enables FMCS to nationally recruit the most diverse and best qualified applicants, while retaining the most effective and efficient workforce.

Promoting Employee Engagement

Employee engagement is a process designed to ensure that employees are committed to the organization’s goals and values, vested in the organization’s success, and are simultaneously able to enhance their own sense of well-being. To meet its employee engagement goals for 2019, FMCS will continue to encourage diverse viewpoints and innovation, solicit employee feedback, and practice open communications and transparency.

FMCS will continue to use a number of strategies to achieve its objectives including: regular communications from the Agency leadership; daily news roundups; quarterly virtual town hall meetings; regular newsletters featuring up-to-date information about significant cases and training programs; regular meetings with all levels of staff that focus on goals, action plans, and deliverables; providing field directors with opportunities for regular information exchange and collaboration; and a continuation of open forums to constructively engage the FMCS workforce on a regular basis.

Modernizing Communications with Customers

FMCS strives to provide high-quality, high-value services to its customers in order to meet and fulfill its statutory mission. Equally important is FMCS's commitment to using allocated resources as efficiently as possible in order to ensure that customers and taxpayers receive the most value for the services it provides.

In 2019, FMCS will have in place an updated document management system. This is in concert with earlier efforts to update Agency technology to better serve current and future customers, including: launching a new public website; using social media (Facebook, Twitter, and YouTube) to communicate with customers and employees; and using a new email service delivery system designed to reach larger audiences with information about upcoming live and web-based conflict resolution presentations and training events.

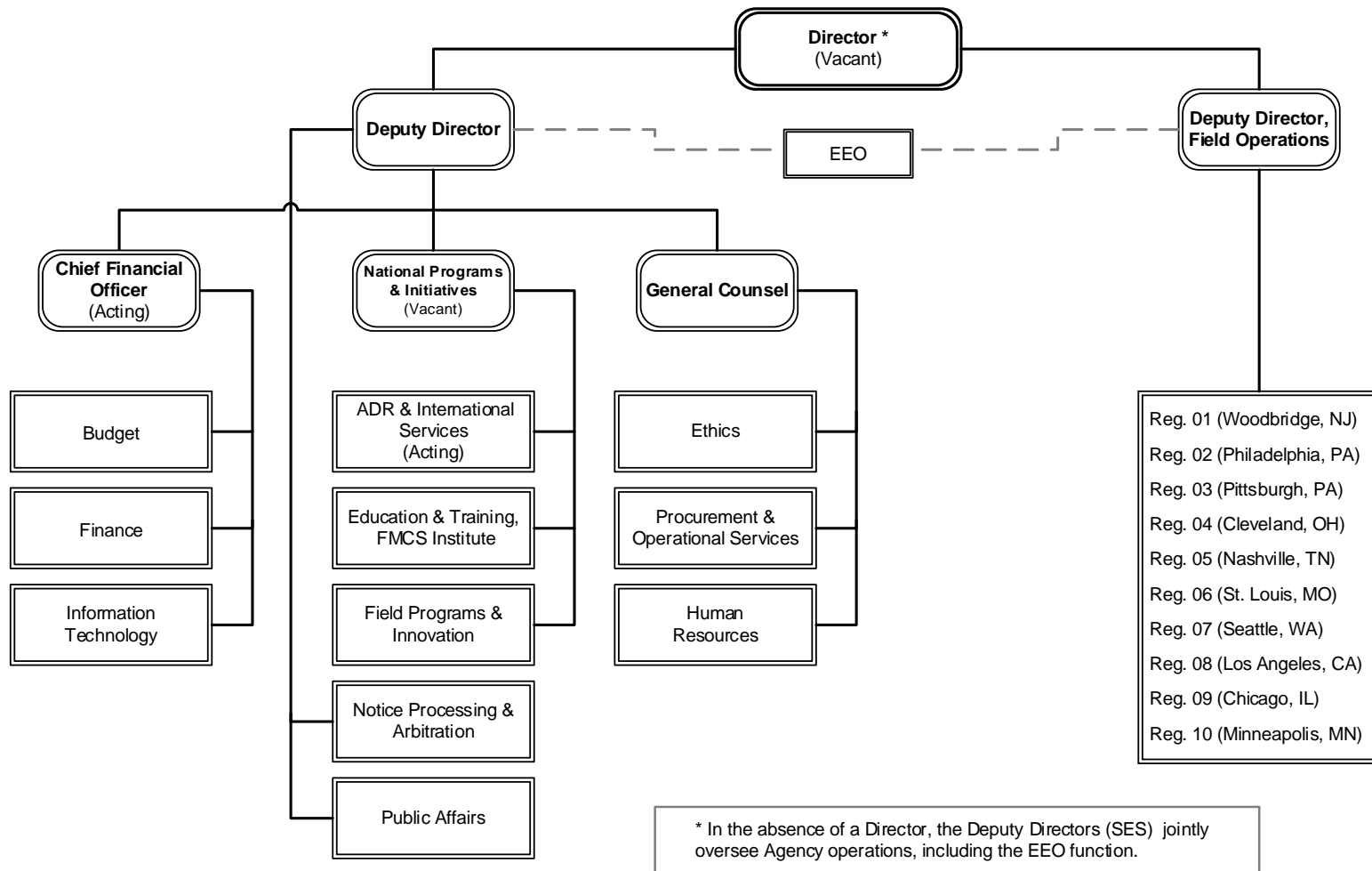
D. Conclusion

The U.S. economy is in a period of transition on many levels. While these transformations present great opportunities, they also present the challenge of increased workplace conflicts as workers and businesses grapple with issues of technology, automation, competition, skills, and cost-cutting. Workplace disputes are arising in both traditional labor-management collective bargaining settings, as well as in high profile social media and community based campaigns for improved wages and working conditions.

Over more than seven decades, FMCS has compiled a proud record of success in helping parties resolve disputes, learn joint problem-solving skills, and create successful, collaborative problem-solving relationships. As the nature, complexity, and range of the issues confronting managers and employees in business and government have evolved, so too has FMCS, constantly seeking new and innovative methods to prevent disruptions to the U.S. economy, to reduce costs to U.S. taxpayers, and, most importantly, to help managers and workers together overcome the challenges of the changing economy in business and government workplaces.

Given the anticipated size and number of collective bargaining agreements expiring in FY 2019, the need to fill vacant mediator positions to meet the anticipated demand for FMCS services, and the ongoing need for labor and management to work collaboratively to achieve competitiveness, economic development, and job security, we urge you to favorably consider this request for \$47,200,000.

II. FMCS Organizational Chart



As of Feb. 12, 2018

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, \$47,200,000: 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.

I. Statutory and Other Legal Authority

FEDERAL MEDIATION AND CONCILIATION SERVICE

Title II of the Labor-Management Relations Act of 1947 (Taft-Hartley) established the Federal Mediation and Conciliation Service 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, 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.

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 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. 29 U.S.C. 176-178.

- II. The Health Care Amendments of 1974 (Public Law 93-360, 29 U.S.C. 158(d) (4), (4)(A)-(4)(C)) (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 investigate 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 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 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. An Act to Establish Dispute Resolution Procedures to Settle Disputes Between Supervisors and the United States Postal Service, 1980 (Public Law 96-326, as amended, 39 U.S.C. 1004) directs FMCS, upon the request of either the Postal Service or an organization representing its supervisors, to convene fact finding panels to recommend supervisory pay and fringe benefit policies and to create panels to review the effectiveness of these procedures and other employment policies.
- VI. Presidential Statement, March 24, 1953. The Atomic Energy Labor-Management Relations Panel was established within 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 FMCS under an inter-agency agreement with the Department of Energy in April 1980 and renamed the Energy Labor Management Relations Panel (ELMRP).

- VII. 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 FMCS.
- VIII. 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 FMCS to provide for the appointment of arbitrators to decide disputes concerning compensation for the use or development of pesticide registration data.
- IX. The Labor Management Cooperation Act of 1978 (Public Law 101-552, as amended by Public Law 95-524, 29 U.S.C. 175a, 186(c)(9)) added Sections 205A and 302(c)(9) to the Labor-Management Relations Act and authorizes and directs 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.
- X. The Administrative Dispute Resolution Act of 1996 (Public Law 104-320) (ADRA) 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 ADRA amended, permanently enacted, and incorporated into the Administrative Procedure Act, the Administrative Dispute Resolution Act provisions (5 U.S.C. 571 *et seq.*) and the Negotiated Rulemaking Act provisions (5 U.S.C. 561 *et seq.*) of 1990 legislation. These provisions and their predecessors suggest that the ADR and regulatory-negotiation “experiments” have become well-accepted processes of Federal agencies. The ADRA encourages the development of guidelines to expedite the selection of neutrals and to facilitate the use of alternative dispute resolution in the Federal Government.

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

- XI. 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 FMCS to provide mediation assistance for the resolution of age-discrimination charges filed against any agency receiving Federal financial assistance to any program or activity.

- XII. The Federal Aviation Reauthorization Act of 1996 (Public Law 104-264, as amended by Public Laws 106-181, 112-95 and 114-242; 49 U.S.C. 40122(a)) directs the administrator of the Federal Aviation Administration (FAA) and the exclusive bargaining representative of its employees to use FMCS, or a mutually agreed upon alternative, to mediate disputes concerning changes to the FAA's personnel management system or the parties' collective bargaining agreement. If mediation is unsuccessful, FMCS is required to prepare a list of 15 qualified arbitrators, from which two will be selected by the parties and a third by these two, to form an arbitration board. This board will render a final and binding determination.
- XIII. The Veterans Health Care Capital Asset and Business Improvement Act of 2003 (Public Law 108-170, as amended by Public Law 111-163, 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 requesting the services of FMCS to assist the parties in reaching an agreement regarding disputes with respect to any system of promotion and advancement proposed by the Secretary.
- XIV. The Transportation Security Administration Determination, "Transportation Security Officers and Collective Bargaining," February 4, 2011, requires the facilitation of collective bargaining negotiations by FMCS or other agreed-upon entity, and requires TSA and the unions subject to bargaining to attend training in interest-based negotiations conducted by FMCS.

II. Budget Tables and Detailed Financial Requirements

FEDERAL MEDIATION AND CONCILIATION SERVICE

BUDGET AND STAFFING BY ACTIVITY

	FY 2017		FY 2018			FY 2019		Total Program Increase or (Decrease) 2018 to 2019	
	Actual		Estimated		Full Year CR (\$1,000s)	Request		Full-Time Equivalent Employment	Budget Authority (\$1,000s)
	Full-Time Equivalent Employment	Budget Authority (\$1,000s)	Full-Time Equivalent Employment	Budget Request (\$1,000s)		Full-Time Equivalent Employment	Budget Request (\$1,000s)		
1. Collective Bargaining and Grievance Mediations (Dispute), Relationship Development Training (Preventive), and Outreach (Public Information) Workloads	160	34,805	173	35,994	34,450	173	34,807	0	357
2. Arbitration Services.....	8	714	7	693	693	7	703	0	10
3. National Office and Operational Support	43	10,231	46	11,569	10,791	46	11,690	0	899
4. Labor-Management Grants..	0	900	0	399	399	0	0	0	(399)
Sub-Total Appropriated	211	\$46,650	226	\$48,655	\$46,333	226	\$47,200	0	\$867

BUDGET AND STAFFING BY ACTIVITY

	FY 2017		FY 2018			FY 2019		Total Program Increase or (Decrease) 2018 to 2019	
	Actual		Estimated			Request		Full-Time Equivalent Employment	Budget Authority (\$1,000s)
	Full-Time Equivalent Employment	Budget Authority (\$1,000s)	Full-Time Equivalent Employment	Budget Request (\$1,000s)	Full Year CR (\$1,000s)	Full-Time Equivalent Employment	Budget Request (\$1,000s)		
5. Reimbursable programs: ADR Services, Employment Mediation, International Training, Institute Courses, and Conference Fund	8	1,525	9	1,965	1,965	9	1,808	0	(157)
6. FMCS Internal Training and Education	1	1,070	1	1,030	1,030	1	1,043	0	13
Sub-Total Reimbursable	9	\$2,595	10	\$2,995	\$2,995	10	\$2,851	0	(\$144)
TOTAL RESOURCES	220	\$49,245	236	\$51,650	\$49,328	236	\$50,051	0	\$723

FEDERAL MEDIATION AND CONCILIATION SERVICE

**BUDGET ESTIMATES FISCAL YEAR 2018
FINANCIAL REQUIREMENTS**

(in thousands of dollars)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2018 CR	FY 2019 Request	2018 to 2019 Change (+/-)
<u>Personnel Compensation</u>	<u>\$25,763</u>	<u>\$25,547</u>	<u>\$27,814</u>	<u>\$26,285</u>	<u>\$26,606</u>	<u>\$321</u>
Full-time permanent	25,249	25,035	27,213	25,758	25,968	210
- Full-time permanent positions	25,249	25,035	27,213	25,758	25,968	210
Other than full-time permanent	235	160	248	182	283	101
- Other than full-time permanent positions	235	160	248	182	283	101
Other Personnel Compensation	279	352	353	345	355	10
- Overtime & holiday pay	21	42	30	22	30	8
- Cash incentive awards	258	310	323	323	325	2
<u>Personnel Benefits</u>	<u>\$8,247</u>	<u>\$8,294</u>	<u>\$9,209</u>	<u>\$8,416</u>	<u>\$8,399</u>	<u>(\$17)</u>
Civilian Personnel Benefits	8,247	8,294	9,209	8,416	8,399	(17)
- CSRS Retirement Contribution	149	136	90	90	89	(1)
- FERS Retirement Contribution	3,095	3,110	3,526	3,303	3,264	(39)
- Federal Retirement Thrift Savings Plan Contribution	1,102	1,110	1,328	1,127	1,140	13
- Group life insurance	45	48	55	47	48	1
- Health Insurance Contribution	1,786	1,800	1,884	1,848	1,870	22
- OASDI – FERS	1,317	1,400	1,647	1,368	1,384	16
- Employee compensation	304	239	178	178	143	(35)
- Relocation expenses (PCS)	87	0	0	0	0	0

BUDGET ESTIMATES FISCAL YEAR 2018
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2018 CR	FY 2019 Request	2018 to 2019 Change (+/-)
<u>Personnel Benefits (continued)</u>						
<u>Civilian Personnel Benefits (continued)</u>						
- Cost-of-living allowance	16	16	16	16	17	1
- Subsidy for commuting costs	5	80	80	80	80	0
- Medicare contribution	341	355	405	359	364	5
<u>Benefits of Former Personnel</u>	<u>\$2</u>	<u>\$50</u>	<u>\$50</u>	<u>\$50</u>	<u>\$50</u>	<u>\$0</u>
- Unemployment compensation	2	50	50	50	50	0
- Voluntary separation incentive	0	0	0	0	0	0
<u>Travel and Transportation of Persons</u>	<u>\$1,917</u>	<u>\$1,895</u>	<u>\$1,823</u>	<u>\$1,823</u>	<u>\$1,903</u>	<u>\$80</u>
- National office travel	222	210	188	188	188	0
- PCS family travel	1	0	0	0	0	0
- Official car	6	5	5	5	5	0
- Field office travel	1,688	1,680	1,630	1,630	1,710	80
<u>Transportation of Things</u>	<u>\$10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
- Transportation of household goods (PCS)	10	0	0	0	0	0
<u>Rents, Communications, and Utilities</u>	<u>\$6,572</u>	<u>\$5,015</u>	<u>\$6,546</u>	<u>\$6,546</u>	<u>\$6,612</u>	<u>\$66</u>
<u>Rental Payments to GSA</u>	<u>5,606</u>	<u>4,000</u>	<u>5,350</u>	<u>5,350</u>	<u>5,450</u>	<u>100</u>
- Rental payments to GSA	5,606	4,000	5,350	5,350	5,450	100

BUDGET ESTIMATES FISCAL YEAR 2018
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2018 CR	FY 2019 Request	2018 to 2019 Change (+/-)
<u>Rents, Communications, and Utilities (continued)</u>						
Rental Payments to Others	1	20	13	13	13	0
- Conference room rental	1	12	5	5	5	0
- Equipment rental	0	8	8	8	8	0
Communications, Utilities, and Miscellaneous	965	995	1,183	1,183	1,149	(34)
- GSA Phones	119	166	188	188	150	(38)
- FTS Phones	13	10	5	5	5	0
- Commercial Phones	234	378	360	360	360	0
- Data communication services	544	388	577	577	581	4
- Postal services and rentals	55	53	53	53	53	0
<u>Printing and Reproduction</u>	\$40	\$83	\$45	\$45	\$45	\$0
- FMCS forms and other printing	40	83	45	45	45	0
<u>Other Contractual Services</u>	\$4,064	\$3,412	\$1,699	\$1,699	\$2,290	\$591
Advisory and Assistance Service	70	89	95	95	61	(34)
- Computer assisted legal research	0	15	14	14	15	1
- OPM background investigations	64	68	75	75	40	(35)
- Office equipment and machinery relocation	6	6	6	6	6	0

BUDGET ESTIMATES FISCAL YEAR 2018
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2018 CR	FY 2019 Request	2018 to 2019 Change (+/-)
<u>Other Contractual Services (continued)</u>						
Other Services	444	756	460	460	967	507
- Management and professional services	442	751	455	455	962	507
- Official representation fund	2	5	5	5	5	0
Other purchases of goods and services	235	135	135	135	135	0
- Guard security and Federal Protective Services	235	135	135	135	135	0
Operation and Maintenance of Facilities	2,084	140	75	75	75	0
- Office repairs and alterations	1	140	75	75	75	0
- National Office moving (cabling, furniture, fixtures,	2,083	0	0	0	0	0
Medical Care	25	25	25	25	25	0
- Medical care	25	25	25	25	25	0
Operation and Maintenance of Equipment	1,206	2,267	909	909	1,027	118
- Maintenance of office equipment	169	130	100	100	100	0
- Maintenance of information technology equipment	347	425	260	260	260	0
- Information technology support services	659	1,664	515	515	612	97
- Support of payroll/personnel operations	29	48	34	34	55	21
- Household goods storage (PCS)	2	0	0	0	0	0

BUDGET ESTIMATES FISCAL YEAR 2018
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2018 CR	FY 2019 Request	2018 to 2019 Change (+/-)
<u>Supplies and Materials</u>	<u>\$326</u>	<u>\$360</u>	<u>\$300</u>	<u>\$300</u>	<u>\$310</u>	<u>\$10</u>
- Office supplies and materials	145	164	148	148	158	10
- Information technology supplies and materials	181	196	152	152	152	0
<u>Equipment</u>	<u>\$1,407</u>	<u>\$1,094</u>	<u>\$770</u>	<u>\$770</u>	<u>\$985</u>	<u>\$215</u>
- Furniture and fixtures	68	155	80	80	100	20
- Information technology hardware/software	1,080	889	655	655	850	195
- Machinery and equipment	259	50	35	35	35	0
<u>Grants, Subsidies and Contributions</u>	<u>\$400</u>	<u>\$900</u>	<u>\$399</u>	<u>\$399</u>	<u>\$0</u>	<u>(\$399)</u>
Sub-total appropriated	\$48,748	\$46,650	\$48,655	\$46,333	\$47,200	\$867

BUDGET ESTIMATES FISCAL YEAR 2018
FINANCIAL REQUIREMENTS
(in thousands of dollars)

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2018 CR	FY 2019 Request	2018 to 2019 Change (+/-)
<u>Reimbursable Programs (non-appropriated)</u>	<u>\$1,711</u>	<u>\$1,525</u>	<u>\$1,965</u>	<u>\$1,965</u>	<u>\$1,808</u>	<u>\$(157)</u>
- Compensation	879	825	983	983	1,003	20
- Benefits	260	250	282	282	290	8
- Travel	228	240	300	300	300	0
- Communications	0	0	0	0	0	0
- Other contractual services	341	200	390	390	205	(185)
- Supplies and materials	3	10	10	10	10	0
Sub-total of Reimbursable Programs	\$1,711	\$1,525	\$1,965	\$1,965	\$1,808	\$(157)
<u>Internal Training and Education (non-appropriated)</u>	<u>\$824</u>	<u>\$1,070</u>	<u>\$1,030</u>	<u>\$1,030</u>	<u>\$1,043</u>	<u>\$13</u>
- Compensation	141	144	150	150	153	3
- Benefits	42	48	48	48	49	1
- Seminars, workshops, conferences and training	205	344	344	344	349	5
- New mediator costs	129	175	143	143	147	4
- Tuition	219	140	140	140	140	0
- Other contractual services	9	84	85	85	85	0
- Supplies & materials	5	15	5	5	5	0
- Subscriptions	74	120	115	115	115	0
Sub-total of FMCS Training and Education	\$824	\$1,070	\$1,030	\$1,030	\$1,043	\$13
Sub-total of non-appropriated (reimbursable)	\$2,535	\$2,595	\$2,995	\$2,995	\$2,851	\$(144)
TOTAL RESOURCES	\$51,283	\$49,245	\$51,650	\$49,328	\$50,051	\$723

FEDERAL MEDIATION AND CONCILIATION SERVICE

Detail of Total Employment – End of Year

	2017 Actual	2018 Estimated	2019 Requested
Executive Level III	0	1	1
ES	3	3	3
Subtotal	3	4	4
GS-15.....	23	24	25
GS-14.....	123	133	121
GS-13.....	37	36	46
GS-12.....	4	4	4
GS-11.....	8	11	11
GS-10.....	0	0	0
GS-9.....	9	9	9
GS-8.....	7	7	7
GS-7.....	8	7	7
GS-6.....	1	1	2
GS-5.....	0	0	0
GS-4.....	0	0	0
GS-3.....	0	0	0
GS-2.....	0	0	0
Subtotal	220	232	232
Total employment, end of year	223 **	236 *	236 *
Full-time equivalent (FTE) usage	220 **	236 *	236 *
Average ES Salary.....	\$172,100	\$172,288	\$175,734
Average GS Level	13.10	13.15	13.07
Average GS Salary	\$115,011	\$116,560	\$118,010

* 10 FTE funded by reimbursable revenue

** 9 FTE funded by reimbursable revenue

III. 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.” 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 70 years, 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 FMCS work within collective bargaining relationships. 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 FMCS’s comprehensive package of core programs and services.

A. Collective Bargaining Mediation

Through collective bargaining mediation, FMCS helps avert or minimize the cost of work stoppages to the U.S. economy. 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. 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 2017, FMCS mediators were actively involved in more than 3,200 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 goal of preventing unresolved contract interpretation issues from becoming contentious issues in future contract negotiations. Lengthening contract terms increase the importance of resolving contentious issues arising during the term of a contract. In FY 2017, FMCS mediated 1,719 grievance mediation cases and helped the parties reach agreement in 1,224 of these (74 percent).

C. Relationship-Development and Training

Preventing conflict that may arise during the term of a collective bargaining agreement is another important goal of FMCS. The Agency's relationship-building training programs are designed to improve labor-management relationships by helping labor and management to develop collaborative problem-solving approaches. 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 2017, FMCS mediators conducted nearly 2,000 training programs with collective bargaining partners.

Alternative Bargaining Training, such as Interest Bargaining, teaches techniques and the potential benefits of a non-adversarial, joint problem-solving approach to negotiation. FMCS regularly develops, based on the needs of the parties, alternative bargaining models to enhance problem-solving and mitigate adversarial relationships. Core training programs consist of:

- **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.
- **Interest-Based Bargaining and Interest-Based Problem Solving.**
- **Collective Bargaining and Mediation Training.** Trains the parties on effective negotiation and communication skills.

D. Conflict Resolution and ADR Services for Government

Outside the collective bargaining arena, FMCS provides professional services to a wide range of Federal, state, and government agencies on a cost-reimbursable basis. ADRA authorizes FMCS to assist in resolving disputes, train persons in skills and procedures employed in alternative means of dispute resolution, design conflict management systems, build capacity for constructive conflict management, and strengthen inter-agency and public-private cooperation. Through this work, FMCS seeks to reduce litigation costs and to promote better government decision-making.

In this context, FMCS provided conflict management and ADR services more than 1,200 times in FY 2017. These services included mediation, convening, facilitation, and systems design:

- **Workplace and Employment Disputes.** FMCS mediates workplace and employment disputes for Federal and state agencies. The majority of these disputes concern claims of employment discrimination (EEO), other types of personnel issues and workplace conflicts. FMCS accepts individual and multi-party conflicts for mediation.
- **Disputes Involving Administrative Programs.** FMCS also mediates disputes between agencies and their “regulated public,” such as whistleblower complaints or disputes involving contracts, grants, licenses, enforcement, and administrative programs.
- **Training Persons in the Skills and Procedures Employed in Alternative Means of Dispute Resolution.** FMCS also provides training in conflict resolution to aid in the effective use of alternative dispute resolution throughout

the Federal Government. To that end, FMCS offers both live and web-based training on a variety of topics.

- **Consultation, Evaluation, and Systems Design.** FMCS provides professional conflict resolution specialists to help agencies design conflict prevention and resolution systems to build capacity for constructive conflict management systems. Systems design may include an initial consultation, an assessment, program design and development, training delivery, and program management follow-up.
- **Facilitation during Decision-Making.** Particularly in times of limited budgets, FMCS facilitation services can help agencies achieve cost-savings when decision-making is delegated to a committee, task force, or other type of group. FMCS facilitation services, including consultation, convening, training, and the actual facilitation, help groups accomplish their tasks within specified time frames. Notably, these services can be provided both onsite and virtually, another valuable time and cost saving feature of FMCS facilitation services.
- **Negotiated Rulemaking.** Negotiated rulemaking is a process in which a government agency invites persons and groups potentially impacted by a proposed rule to participate in its drafting. Interested parties who might otherwise oppose or challenge the rule are given the chance to participate in its formulation, thus reducing post-issuance challenges. The Negotiated Rulemaking Act of 1996 authorizes FMCS to convene and facilitate this process.
- **Agency Cooperation & Collaboration.** FMCS can facilitate intra-agency or multiple agency groups tasked with developing a strategic plan or identified objective involving complex matters. Interest-based problem-solving and collaboration skills are essential to achieving successful outcomes.
- **Public Policy Dialogues.** Similarly, FMCS is often called upon to facilitate public policy discussions involving Federal agencies and public-private stakeholders such as those conducted under the Federal Advisory Committee Act (FACA). These multi-party stakeholder discussions can benefit from the assistance of a skilled and neutral facilitator experienced in synthesizing discussion points and interests, as well as establishing and overseeing meeting structures and processes. Training and coaching are also available for participants.

E. International Training and Exchange

Beyond the nation's borders, FMCS plays an important role in promoting collective bargaining and conflict resolution around the world. FMCS delivers its international training programs using cost-reimbursable funds, largely through interagency acquisition agreements with other government agencies, such as the Departments of State, Labor, and USAID.

The FMCS international work is a small, but integral, part of its services. FMCS helps establish the labor relations institutions that are essential to the smooth functioning

of free market economies. These programs are also a knowledge-sharing experience: FMCS mediators gain familiarity with complex issues affecting the global economy and, as a result, are more effective in resolving domestic labor-management disputes with international implications. In FY 2017, FMCS completed training and consultation programs in Honduras, Thailand, and Burma (Myanmar). Additionally, FMCS conducted web-based training for labor relations professionals in the ready-wear garment industry of Bangladesh and met with international delegations from the International Visitors Program sponsored by the U.S. Department of State at the FMCS office in Washington, D.C. During all these programs, FMCS mediators provided instruction for government labor inspectors, labor representatives, employer representatives, government officials and other labor dispute stakeholders. They also provided consultative support for governments in these countries to assist in their efforts to develop effective dispute resolution systems and organizations.

In addition to programs delivered abroad, every year FMCS mediators host numerous foreign delegations visiting the United States and educate them in U.S. labor-management relations and conflict resolution practices.

F. Arbitration Services

National labor policy favors arbitration over litigation for settling contractual disputes. The FMCS Office of Arbitration Services maintains a roster of approximately 1,000 independent arbitrators who are qualified to hear and decide disputes over the interpretation or application of collective bargaining agreements. Upon request from the parties, FMCS furnishes a list of names from which they may choose an arbitrator to hear their case and render a decision. FMCS administers its established policies and procedures on arbitration, which also incorporate the Code of Professional Responsibility for Arbitrators of Labor-Management Disputes, to which FMCS is a signatory.

During FY 2017, the Office of Arbitration Services processed nearly 12,000 requests and oversaw the appointment of more than 5,200 arbitrators nationwide.

G. FMCS Institute for Conflict Management

The FMCS Institute for Conflict Management (Institute) delivers accessible, innovative, and experience-based conflict resolution training for individuals and small groups of employees and managers. The training is specifically designed to meet the challenges of labor-management relations and organizational change. The Institute's training programs provide participants the opportunity to interact with and learn from experienced practitioners who use these skills every day. Federal mediators and private-sector arbitrators comprise the Institute faculty. The Institute runs as a reimbursable program and is funded by fees received from training participants.

H. Labor-Management Committee Grants

The 1978 Labor-Management Cooperation Act authorizes and directs FMCS 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." Congress funds this initiative in FMCS annual appropriations, and grants are competed and awarded to encourage labor-management committees to develop innovative joint approaches to workplace problems. In FY 2017, FMCS awarded \$937,849 in grants.

IV. Workload Projections – FY 2018 and FY 2019

The following pages include FMCS workload over prior fiscal years, caseload estimates, accomplishments for 2017, and estimated workloads in 2018 and 2019.

WORKLOAD OUTPUTS AND PROJECTIONS

FISCAL YEARS 2013 - 2019

PROGRAM SERVICES	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2017	FY 2018	FY 2019
	Actual	Actual	Actual	Actual	Estimated	Actual	Estimated	Estimated
1. COLLECTIVE BARGAINING								
MEDIATION								
Assigned Cases ⁱ	12,938	12,054	11,636	11,734	12,360	11,280	11,800	11,800
- Private Sector	11,802	10,856	10,620	10,678	11,180	10,465	10,674	10,674
- Public Sector (state and municipal)	843	905	749	738	888	564	847	847
- Federal Sector	293	293	267	318	292	251	279	279
Mediated Cases ⁱⁱ	4,122	4,009	3,719	3,540	4,230	3,230	3,883	3,883
- Private Sector	2,826	2,697	2,600	2,435	2,949	2,352	2,707	2,707
- Public Sector (state and municipal)	981	1,020	842	808	1,000	641	918	918
- Federal Sector	315	292	277	297	282	237	259	259
Closed Cases	12,651	12,032	11,644	11,605	12,081	11,261	11,533	11,533
Closed Mediated Cases	3,339	3,299	3,081	2,941	3,466	2,616	3,423	3,423
Activity Rate ⁱⁱⁱ	26%	27.4%	26.5%	25.3%	28.7%	23.2%	29.7%	29.7%
Settled and Closed Mediated Cases	2,807	2,852	2,605	2,516	2,955	2,278	2,954	2,954
Percentage of mediated cases settled w/FMCS ^{iv}	84%	86.5%	84.6%	85.5%	85.3%	87.1%	86.3%	86.3%
Activity rate in significant cases ^v	47%	40.6%	42.6%	38.7%	45.0%	36.4%	45.0%	50.0%
2. GRIEVANCE MEDIATION								
Assigned Cases	1,872	1,762	1,729	1,713	1,750	1,719	1,825	1,825
Mediated Cases	1,809	1,704	1,676	1,670	1,708	1,650	1,779	1,779
- Private Sector	1,398	1,330	1,319	1,269	1,334	1,283	1,387	1,387
- Public Sector (state and municipal)	267	256	240	267	253	229	265	265
- Federal Sector	144	118	117	134	121	138	128	128
Settled GM Cases	1,383	1,308	1,221	1,264	1,301	1,224	1,336	1,336
Percentage of cases settled w/ FMCS ^{vi}	76%	76.8%	72.9%	75.7%	76.2%	74.2%	75.1%	75.1%

PROGRAM SERVICES	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimated	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
3. RELATIONSHIP-DEVELOPMENT AND TRAINING								
Number of training programs provided	2,027	1,884	1,923	1,941	2,000	1,956	2,200	2,200
- Private Sector	1,174	1,111	1,090	1,107	1,192	1,179	1,298	1,298
- Public Sector (state and municipal)	533	436	472	471	491	410	539	539
- Federal Sector	320	337	361	363	317	367	363	363
4. ADR Services.....								
Mediated Cases	1,118	910	1,193	1,076	1,200	1,200	1,200	1,200
- Federal Sector	1,089	884	1,152	1,057	1,177	1,185	1,175	1,175
- Public Sector (state and municipal)	1	6	3	3	6	4	5	5
- Private	28	20	38	16	17	11	19	19
Settled ADR Cases	488	410	536	479	562	594	556	556
Percent of ADR cases settled w/ FMCS ^{vii}	44%	45.1%	44.9%	44.5%	46.8%	49.5%	46.4%	46.4%
5. OUTREACH								
Outreach cases ^{viii}	2,911	2,710	2,722	3,049	3,000	2,837	2,900	2,900
6. ARBITRATION SERVICES								
Number of panels issued	13,361	13,179	12,744	12,250	12,500	11,836	12,185	12,185
Number of arbitrators appointed	6,020	5,836	5,415	5,296	5,391	5,247	5,264	5,264
7. GRANTS.....								
Number of grants funded	0	0	8	3	10	11	3	0
8. INSTITUTE.....								
Number of courses provided	10	8	8	9	10	9	10	10
Number of participants	188	114	151	142	180	189	190	190

V. Annual Performance Plan

Performance expectations for each service area are guided by the FMCS current five-year strategic plan. For each strategic goal, the FMCS has identified a number of objectives, key implementation strategies and actions, and measures for tracking its performance toward achieving each goal. The following section details each goal and presents a matrix identifying the programs impacted by them, performance objectives and accomplishments for 2017, and performance goals for 2018 and 2019.

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.
- Pursue FMCS joint problem-solving initiatives 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:

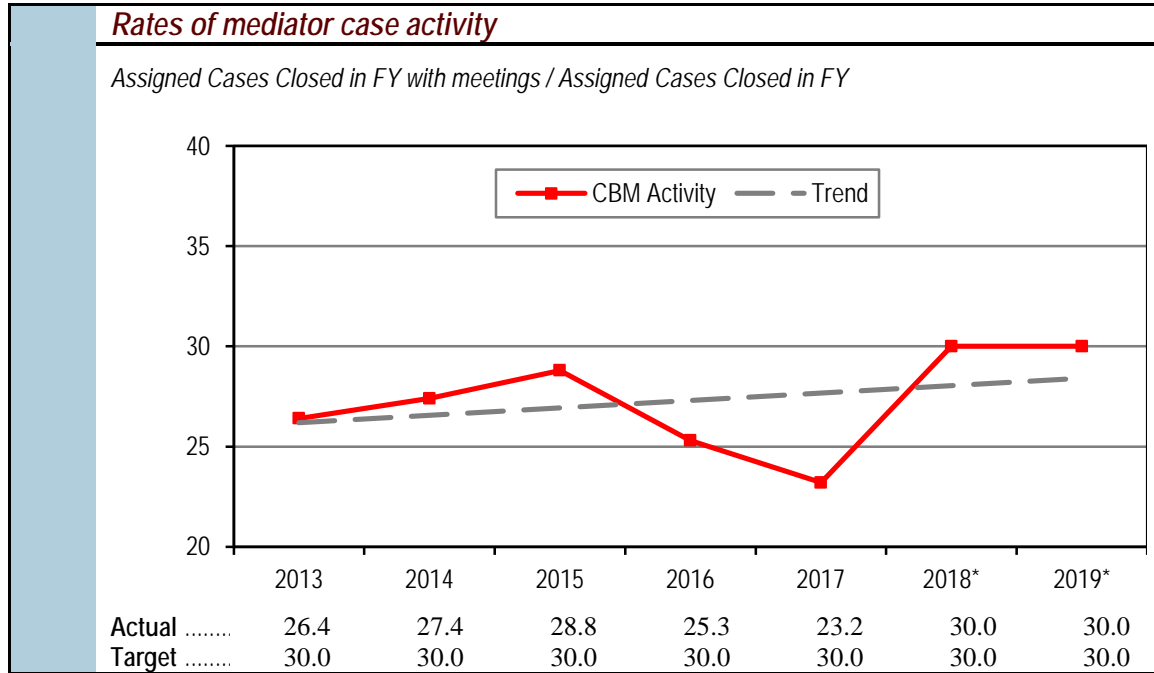
Collective bargaining mediation represents the core of the FMCS mission and its most publicly visible work. An independent study conducted for the FMCS found that mediation prior to a contract's expiration date significantly reduces the duration of any work stoppage that occurs. Previously, three separate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

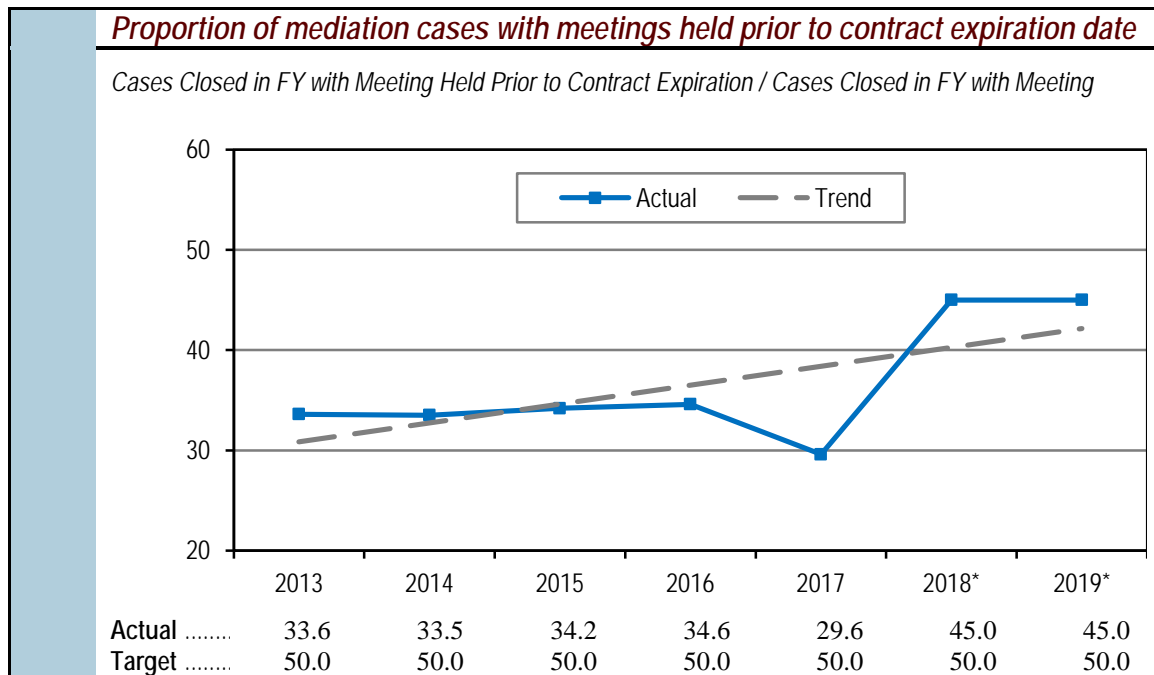
The FMCS evaluates its success in these areas by looking at how many negotiations use mediation services, whether or not a work stoppage occurred, the duration of any stoppage, and the timing of mediators' involvement. On an aggregate basis, the FMCS also estimates the financial cost of work stoppages 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, with particular emphasis on implementing changes to health care benefits.
- Deliver internally sustainable dispute resolution systems.
- Educate labor and management leaders at home and abroad in the art of building and maintaining labor-management partnerships.

Strategy:

- Promote the use of FMCS programs and outreach emphasizing joint initiatives on significant issues likely to impact collective bargaining.

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. 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.

The continued success of American employers and employees in a globally competitive arena requires a high level of cooperation between labor and management. This is particularly true with respect to new circumstances confronting both parties in the collective bargaining relationship. Competitive issues can be both complex and subtle and require creative solutions that address unique challenges.

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

- Increased utilization of FMCS services to resolve contract-based disputes.
- Maintain roster of experienced arbitrators.
- Encourage on-line arbitration referral service case filings.

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:

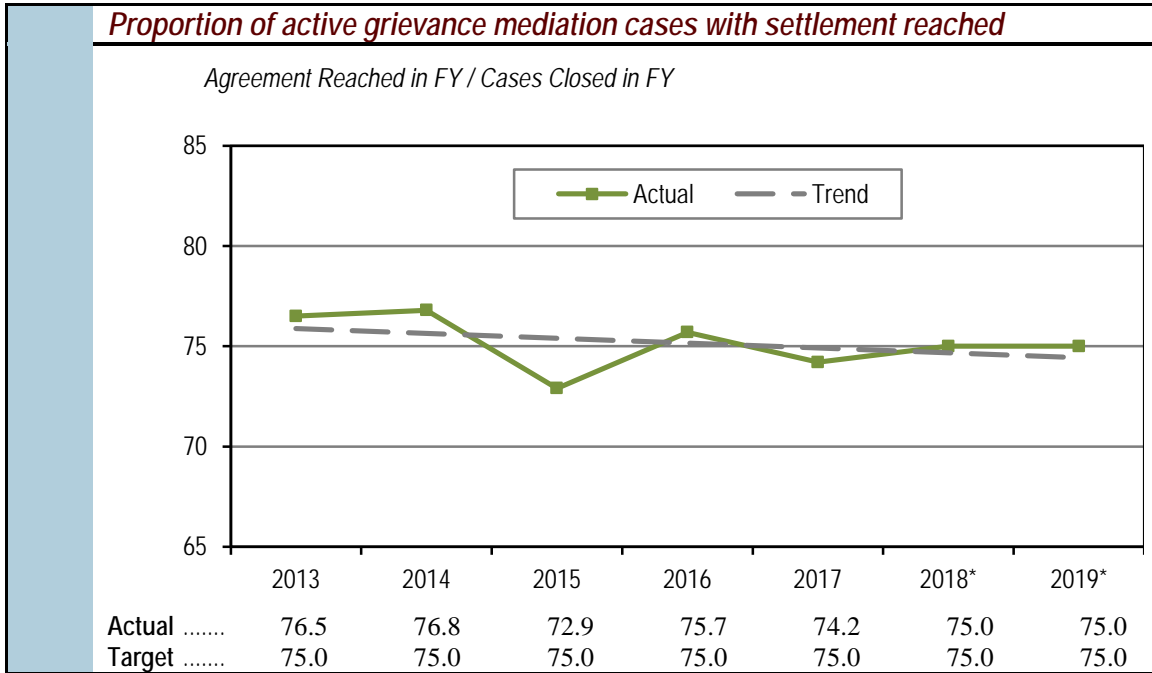
Grievance mediation, joint problem-solving facilitation, and arbitration are three approaches for resolving disputes that may arise from differing interpretations of a labor contract's terms and conditions. Grievance mediation and joint problem-solving facilitation are voluntary processes that rely upon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

Increasing the FMCS presence among groups that have not traditionally used its services is one way to build healthier collective bargaining relationships. The FMCS 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, favorable 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

Strategic Goal #4: Promoting ADR

Resolve regulatory / enforcement policy disputes and statute-based workplace disputes.

Objectives:

- Use employment mediation as an alternative to litigation.
- Use problem-solving processes to resolve regulatory/ policy based disputes.

Action:

- Increase number and variety of dispute mediation services provided to government agencies, including, but not limited to, employment mediation, regulatory negotiations, public policy disputes, systems design, skills development and training, facilitation of inter- and intra-Agency cooperation and collaboration, mediator coaching and mentoring.

Strategy:

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

Expected Outputs:

- Increase the number of mediated settlements in employment mediation cases.
 - Increase the number of regulatory/policy disputes resolved through facilitated processes.
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Discussion:

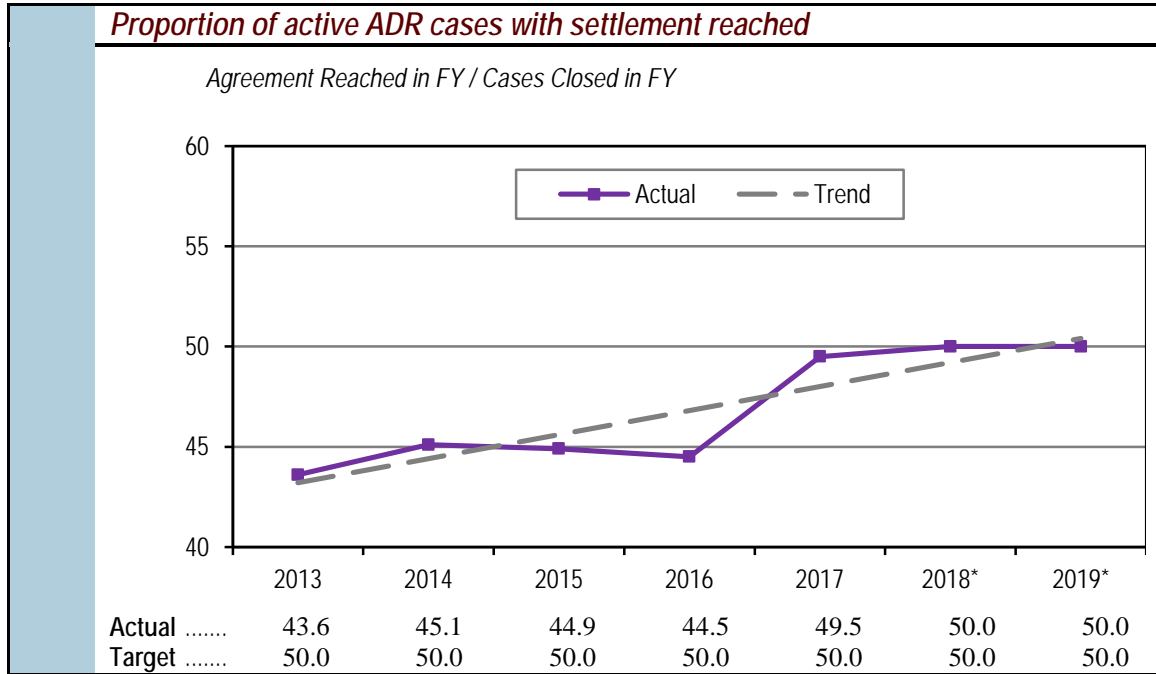
The FMCS alternative dispute resolution (ADR) work is defined by the Administrative Dispute Resolution Act of 1996 and is designed to help resolve disputes that do not result from a collective bargaining relationship. Under the Act, the FMCS is generally limited to work in the Federal sector, but may 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 or other statutory processes, may take several years and cost hundreds of thousands of dollars in legal fees and court costs, and require significant resource expenditures from the affected parties. In addition, imposed outcomes from utilization of these processes are unpredictable and the conditions present when the dispute arose may have changed dramatically. In regulatory matters, voluntary resolution of a single issue by multiple parties through a facilitated consensus-based process will normally offset any costs incurred.

By increasing the number of individual employment cases assigned, conflict management services and regulatory/enforcement services that the FMCS provides, and achieving an increased number of resolved matters, 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 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 2017 FMCS case intake was more than 19,400.
- ⁱⁱ Mediated cases represent the number of cases in the FY where mediators have become active in the negotiations.
- ⁱⁱⁱ Defined as the number of closed cases where there was at least one meeting divided by the number of total closed assignments.
- ^{iv} Defined as the number of mediated cases settled divided by the total number of mediated cases.
- ^v Significant cases are generally defined as situations where the bargaining unit exceeds 1,000.
- ^{vi} Defined as the number of grievance mediation cases settled and closed within the fiscal year divided by the number of closed GM assignments.
- ^{vii} Defined as the number of ADR cases settled divided by the number of mediated cases closed.
- ^{viii} 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.