

United States of America
BEFORE THE FEDERAL SERVICE IMPASSES PANEL

In the Matter of)	
)	
DEPARTMENT OF DEFENSE)	
DEPARTMENT OF DEFENSE DEPENDENTS)	
SCHOOLS)	
PACIFIC REGION)	
)	
and)	Case No. 91 FSIP 191
)	
OVERSEAS EDUCATION ASSOCIATION,)	
INC.)	
)	

DECISION AND ORDER

The Overseas Education Association, Inc. (Union), filed a request for assistance with the Federal Service Impasses Panel (Panel) to consider a negotiation impasse under section 7119 of the Federal Service Labor-Management Relations Statute (Statute) between it and the Department of Defense, Department of Defense Dependents Schools, Pacific Region (Employer or DODDS).

The Panel determined that the impasse should be resolved through written submissions from the parties, with the Panel to take whatever action it deemed appropriate to resolve the impasse. Written submissions were made pursuant to this procedure, and the Panel has now considered the entire record.

BACKGROUND

The Employer's mission is to provide quality education to eligible minor dependents of Department of Defense military and civilian personnel who are stationed overseas. The Union represents a consolidated bargaining unit of approximately 8,000 employees in the Atlantic, Germany, and Pacific regions who work as teachers, counselors, social workers, psychologists, and nurses. The parties are covered by a master labor agreement which is due to expire in September 1992. This dispute involves only the Pacific region; it affects approximately 1,800 bargaining-unit employees who are stationed in Japan, Korea, and the Philippines.

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ISSUE AT IMPASSE

The parties have reached impasse following negotiations over a management proposal to change the employees' payday from the Thursday following the close of the pay period (a 5-day lag) to the Friday following the close of the pay period (a 6-day lag). The Employer has implemented its proposal.*/

a. The Employer's Position

According to the Employer, the change in payday is necessary in order to bring DODDS employees into line with Air Force civilian employees, who are paid on Fridays. It notes that the Air Force has consolidated its payroll function in fewer offices, which are already understaffed, thereby requiring a more streamlined operation. Accordingly, a uniform payday for both Air Force and DODDS employees is necessary. The Employer maintains that employees would benefit from a Friday payday, as it would give them the option of being paid over 26 pay periods per year, as others on this system are, as opposed to 22, which is peculiar to bargaining-unit employees. Moreover, employees would still be paid every 14 days, and, thus, no hardship is likely to occur. Should problems arise, however, the Employer proposes that they be addressed on a case-by-case basis.

b. The Union's Position

The Union proposes that the status quo be maintained, i.e., that employees continue to be paid on Thursdays. It argues that the Employer has neither demonstrated any need for the change, nor provided any evidence that a Friday payday will either streamline payroll operations or reduce the amount of work in payroll offices. The Union stresses that a Friday payday would undoubtedly have an adverse impact on some employees' ability to meet their financial obligations, which, in turn, would negatively affect their morale. It points out that if employees are not paid until Friday, some will not

*/ The Employer contracts with the Air Force for payroll services. Prior to implementation, DODDS employees, with the exception of those stationed on Okinawa, were paid on Thursdays, on a biweekly basis, out of three separate finance offices: Yokota Air Base (Japan), Osan Air Base (Korea), and Clark Air Base (Philippines). For the last few years, DODDS employees stationed on Okinawa have been paid on Fridays out of the finance office at Kadena Air Base.

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receive their checks until Saturday; since most overseas banks are not open on weekends, this would leave employees without access to funds until the following Monday.

CONCLUSIONS

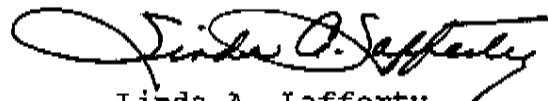
Having examined the evidence and arguments in this case, we conclude that the dispute should be resolved on the basis of the Employer's proposal. We agree that a uniform payday for DODDS and Air Force employees should allow for more efficient operation of Air Force payroll offices. Moreover, since employees would continue to be paid every 14 days, the adverse impact of this change is likely to be minimal. If problems arise, however, we are convinced that the Employer's commitment to address them on a case-by-case basis should provide employees with adequate protection against unforeseen circumstances. Finally, we are persuaded that since a Friday payday would allow employees the option of a year-round paycheck, a number of employees may actually benefit from the change.

ORDER

Pursuant to the authority vested in it by section 7119 of the Federal Service Labor-Management Relations Statute and because of the failure of the parties to resolve their dispute during the course of the proceedings instituted under section 2471.6(a)(2) of the Panel's regulations, the Federal Service Impasses Panel under section 2471.11(a) of its regulations hereby orders the following:

The parties shall adopt the Employer's proposal.

By direction of the Panel.



Linda A. Lafferty
Executive Director

September 10, 1991
Washington, D.C.