

## REGION X REPORT

Spring 2017

**William "Bill" Shackelford**  
**Region X Vice President**

I want to express my sincere thanks to all Region X members for your support during the past 2 1/2 years as your Region Vice President.

Throughout the Region X Federation Convention "season", we have been talking a lot about the future of our great Association. This conversation started at the National Convention in Reno last August, and continues with the Strategic Planning Committee and with all of you here today. I don't have to tell you that NARFE is changing. NARFE HAS to change. But I assure you, our core values are not. We are poised to meet the challenges we are facing today and the ones that lie ahead. When I assumed office on November 1st, 2014 as the Regional Vice President for NARFE Region X, there were 174 chapters within the five Federations which make-up the Region - - Kentucky, North Carolina, Tennessee, Virginia, West Virginia. **The total number of chapters is now 154.**

Through recent conversations with the five Federation Presidents, I have learned that several additional chapters will be closing or are currently considering closure. **As many as 18 Chapters in may cease operations, with a total of 1,340 members in 2017.** Many of us would say that loss of membership within the chapter would be the primary reason and could be attributed to the untimely passing of members as well as the non-renewal of individual memberships. However, overall NARFE membership levels has stabilized. The April close-out showed that the membership loss for first four months of 2017 was **2,868**. By comparison: April, 2014 **6,196**; April, 2015 **4,962** and April, 2016 **3,921**.

### HEALTH OF CHAPTERS AND FEDERATIONS

The health of the federations & chapters is a matter of major concern. The primary reason for Chapter closures are the lack of members willing to step-up and assume a leadership position. Combined with the lack of solid finances which are attributed to low levels of members, several Federations & Chapters are struggling. Nationally, there are many Chapters that have an extremely low numbers of members.

- Less than 10 members = 5
- Less than 25 members = 77
- Less than 50 members = 240

As a result of low levels of membership, there are 19 Federations which receive financial supplemental funds of NARFE HQ. Federations with less than 1,625 members

receive \$1,500 from NARFE HQ in an effort to provide financial stability. Within Region X, the West Virginia Federation qualifies for supplemental funding. There was discussion at the recent NEB meeting that it may be necessary to develop procedures for closing/merging federations.

Everyone is aware that a number of changes have occurred in NARFE as the result of our National Convention specifically with the passage of the two NEB resolutions pertaining to One Member/One Vote and Optional Chapter Membership. Implementation of these two initiatives will require every Federation to re-write the Federation Bylaws. The NEB believes that implementation/compliance with OMOV and OCM should occur by **January 1, 2019**.

With the implementation of Optional Chapter Membership at the 2016 NARFE National Convention, National Members are automatically members of the Federation, which is their right based on the 10% funds. The overall percentage of National Division members has increased by 1% compared to February close-out numbers. National Division membership percentage is now **over 25% in Regions III, IX and X** and is over 30% in **Region VII as well as 9 Federations (District of Columbia, Florida, Arizona, Utah, Guam, Nevada, Alaska, Tennessee & Virginia Federations and two Federations (Wyoming & Montana) are over 40%**. At the current rate of increase, I believe that North Carolina, will join the "30% Club" when the May close-out occurs in early June.

As many of you know several years back, the Future of NARFE (FON) Committee discussed the possibility of restructuring the Federations to a structure aligned along the Congressional Districts in each state. As the FON Committee evolved into the Strategic Planning Committee, this restructuring concept did not go away, it simply moved more to the "back of the book". However, this concept could be revived as a means to maintain contact with National Division members as the numbers increase. A solid Congressional District Leaders program within each Federation should be developed.

Some Federations believe that the National Division members are getting a "free ride" in comparison to Chapter members whose large portion of Chapter dues goes to the Federation, in addition to the 10% funds resulting from their membership. The question has been raised - - "Has NARFE HQ said explicitly whether Federations can or cannot charge National Members Federation dues??"

Specifically, the question, as stated, of charging National Division member Federation dues has not been addressed. In my opinion, I find it difficult to accept the premise that these individuals are getting a "free ride" from the Federations. Inasmuch as the majority of these members are former E-NARFE Chapter 2363 members, all Federations have been receiving 10% funds based on their membership in NARFE since the inception of E-NARFE in 2011. This fact raises the question that could be posed by the National Division members -- "You got my money, now what do I get from the Federation??"

## **STRATEGIC PLANNING**

NARFE strategic planning is now ongoing. The Strategic Planning Team and Committee chaired by NARFE National Secretary/Treasurer Jon Dowie met March 8-9 to continue the important work that will lead to a more secure future. A new committee, with one member from each Region, was appointed and they have begun their research and deliberation. Working alongside the Strategic Planning Team, an updated situation analysis is being prepared to best understand the threats NARFE faces and goals are being agreed upon to best secure NARFE's future.

There are a variety of recommendations being considered by the 2016-2018 Strategic Planning Team/Committee. The Committee defined clear, realistic planning goals as follows: align NARFE resources with the mission of the organization; support membership growth at the local and state level; define minimum roles and responsibilities for leadership, advocacy, member marketing and service in federations; and prioritize national and federation funds to best deliver on its missions. In addition, issues from the 2016 strategic plan deemed worthy of further discussion also will be considered.

We are committed to an open and transparent process. Updates will be made available on the NARFE website and we encourage all who would like to share a thought on the plan to send us an email at [stratplan@narfe.org](mailto:stratplan@narfe.org). At this point, I would expect more information will be made available to the NEB and the Federation Presidents at our joint meeting.

Henry Brattlie, currently an Area Vice President in the North Carolina Federation, will be the Region X Strategic Planning Committee Representative. I nominated Henry because of his great rapport with NC Chapters and also his insight into communications requirements for the future.

## **MEMBERSHIP / MARKETING**

- 2016 was a good year for membership. We saw a continued, significant slowing of our membership decline.
- As recently as 2012, total losses for the year were 18,734. In 2016 we were able to reduce overall losses to nearly half that number.
- In 2016, our dropped for non-renewal rate also improved. Again as recently as 2012, total annual drops were running over 35,000. Last year total drops were reduced to 26,000. This despite the continued presence of significant numbers of un-reported deaths within the non-renewal figures.

- In fundraising, we continue to test new gifts and work hard to reduce expenses. Many of you may have received a tote bag or certificate of appreciation last year. Although neither beat the holiday cards in terms of donations, the bag was very popular and apt to be tested again. In 2016 we also tested a 12-month rather than 16-month calendar which was well received. With this change and others we were able to reduce overall program costs by 13% and bring in a million dollars in net donations.

### **FEDERAL BENEFITS INSTITUTE**

The NARFE Federal Benefits Institute webinars continue to be a strong recruitment, retention and non-dues revenue generation tool.

- In 2016, 10 webinars were offered, directly resulting in 1,259 new members and 182 member reinstates. Financial planning webinars were added to mix in 2016. We will continue to expand the scope of our offerings in 2017.
- Webinars are recorded, archived and available to all members on the NARFE website.
- Webinars also generated \$20,000 dollars in non-dues revenue through sponsorships and have served to significantly build awareness of the NARFE brand.
- In 2017 we have scheduled 12 new webinars with 15 budgeted. This will allow us the option to react quickly on special topics as they arise.
- Federal Benefits Department, under David Snell, continues to provide top notch service and advice.

### **ESTABLISHMENT OF NARFE EXECUTIVE DIRECTOR POSITION**

As many of you know, one major area of discussion has been the establishment of an Executive Director (ED) position within NARFE. This is an issue that was initially suggested by the FON Committee, supported by the delegates at the 2014 (Orlando) and 2016 Reno) NARFE National Conventions and discussed further by the SPC and SPT.

NARFE has utilized the services of Development Resources Incorporated (DRi) for vital assistance to be certain that the job is done correctly inasmuch as the hiring of an Executive Director would be an investment that can be expected to pay dividends for a long time to come.

DRi handled the “posting” of the job announcement and the receipt of applicant material from interested individuals. The initial number of interested individuals was approximately 100 applicants.

With DRi expertise and input from National President Thissen, The consulting firm reviewed almost one hundred applicants, conducted personal interviews with 46 individuals and presented the NARFE NEB Selection Committee (National President Richard Thissen, National Secretary/Treasurer Jon Dowie, Region VIII Vice President Helen Zajac, Region IV Vice President Ed Konys and myself) with 10 top-notch persons. An initial tele-conference between DRi and the 5-member Search Committee reduced this number to seven. The Executive Search Committee conducted face-to-face interviews with these 7 candidates, selected four individuals for second interviews and identified two individuals which were presented to the full NEB on April 18. The NEB vote was unanimous and I am pleased to announce that Ms. Barbara Sido has accepted the position As the NARFE Executive Director is Barbara Sido (“Seedo”); her first day will be May 15, 2017.

She is a Certified Account Executive (CAE) which is earned only after extensive experience, training and testing. She has a wealth of experience serving in the past as an executive director, in various association positions, and running her own consulting company. She has served in executive positions in the American Institute of Architects, National Restaurant Association Education Foundation, School Nutrition Association and School Foodservice Foundation and Business and Professional Women/USA. She also worked in the US Department of Labor, Employment and Training Administration. Her Consulting firm, Prevailing Wisdom, provided confidential executive coaching for senior association executives.

As a member of the Executive Director Search Committee, I can tell you that Barb and each of the other finalists mentioned many positives that they saw in our organization. The candidates formed their assessment from reviewing several years of tax returns, the revised National Bylaws, information on the web site (each one indicated our web site needs improvement), media coverage and our legislative actions. Each candidate saw us as an organization moving in the right direction and were all eager to join a progressive/dynamic organization.

As Executive Director, Barb brings experience in the management of non-profits. It is anticipated that her skills and knowledge will not only increase our non-dues revenues but also be expected to build NARFE membership.

I would expect that Barb will be formally introduced, as the new NARFE Executive Director at the joint NEB/Federation Presidents meeting scheduled for July 11 – 13.

## NEW BUSINESS & MEETINGS

- The 2016 National Convention was a tremendous success and attendees were very pleased with the changes made to make their experience more pleasant and rewarding.
- Financially, there were tremendous increases in sponsorship and vender support at the convention, resulting in a 65% increase in convention year revenue.
- The Member Perks program continues to expand. In the first three months of 2017 alone, three new partners have been added: Wyndham Extra Vacations, HearUSA and Sunrise Senior Living.
- The Legislative Training Conference, which in the past had no sponsorship or exhibitors, brought in \$40,000 in non-dues revenue.

## LEGISLATION

As we discuss the important business of preserving and improving NARFE as an organization through strategic planning, it's essential that we keep our mission at the forefront of our thoughts. The mission is the reason NARFE must remain strong for this and future generations.

So let's take a look at what NARFE is doing to advance that mission of protecting the value of public service for past and future generations by protecting your earned pay and benefits. The good news is: NARFE is doing a lot to protect your earned pay and benefits. The bad news is: Thanks to our country's leaders, NARFE needs to be doing a lot to protect your earned pay and benefits.

Unfortunately, we've been facing substantial threats to federal employee and retiree interests recently, and it's taking everything we can do to stop these threats from becoming reality.

You should hear this in more depth from the Legislative Department directly, but here's a quick summary of what we've been dealing with the last couple of years.

First, while we have faced substantial legislative threats over the last six years, and current and future federal employees have contributed to deficit reduction in various ways, federal retirees have not seen any cuts to their earned benefits. Let me repeat that: **federal retirees have lost nothing**.

That said, the federal community has been forced to contribute more than \$120 billion towards deficit reduction since 2011. Anyone suggesting federal employees and retirees contribute more ought to keep this in mind.

Yet the threats continue. The House-passed budget for fiscal year 2016 assumed \$318 billion in cuts from the federal community. \$318 billion! These proposed cuts include policies: forcing you to pay substantially more for your retiree health insurance through FEHBP; increasing retirement contributions by 6% for current federal employees; diminishing the value of the TSP; and more. However, due to the combined effort of NARFE lobbying and NARFE member grassroots engagement throughout the country, none of these cuts have been enacted into law.

However, we expect to be fighting back against these proposals again, either in the fiscal year 2018 or 2019 budgets, or both. Preventing cuts to earned retirement and health benefits will be our top priority – and we're going to need your help to achieve that goal.

Within our efforts to protect the earned health benefits of all federal retirees, we have been opposing flawed postal reform legislation from advancing in its current form. Under the legislation, all current postal retirees would be forced to add Medicare Part B coverage to their existing retiree health insurance or forfeit FEHBP coverage altogether. While many federal retirees choose to add Part B coverage to their FEHBP, retirees now have that choice. We believe strongly that it should remain that way. Removing that choice changes a promise made to postal retirees, by adding conditions and cost to their earned health benefits, and it sets a dangerous precedent for the rest of the federal community.

**NARFE continues to oppose the Postal Reform Bill. NARFE HQ has received a report that Chapter members attempting to leave magazines at Post Offices that they have placed magazines before are now being turned away. It is not certain if this is a local situation or due to the NARFE stance on Postal Reform, please pass on any such reports you hear about to me ASAP.**

While defense against hits to earned benefits has been the top priority, our Legislative Department has also been working to move the ball forward on other issues affecting NARFE members.

NARFE was **THE** organization that led the fight to prevent a massive 52 percent increase in Medicare premiums in 2016 for hundreds of thousands of federal retirees. We are leading the push for reforms to the Federal Long Term Care Insurance Program. And we continue to advocate for reforms to the Windfall Elimination Provision, and the Government Pension Offset.

### **PRESS**

Our Legislative Department also leads our press outreach, and we have had continued success in that realm, securing more than 750 press clips in 2016, including a few local TV appearances. This exposure helps both raise awareness of NARFE and of issues important to federal employees and retirees. In the Washington, DC area, Jessica Klement is a

regularly scheduled guest on television program entitled "GovMatters". Her appearances are every other month. This program is on NewsChannel 8 which is owned by Sinclair Broadcasting. Check your local cable listings to see if you also receive this program.

### **NARFE-PAC**

I want to talk a little about NARFE-PAC, NARFE's political action committee. It represents the only way NARFE, as an organization, can contribute to the campaigns of congressional candidates who support NARFE and our legislative agenda. Simply, NARFE-PAC exists to ensure our friends in Congress stay in Congress.

NARFE-PAC is sustained solely by your contributions. By law, we cannot use your dues money, or any other non-dues revenue, for political purposes. March was NARFE-PAC month, and I'm sure you noticed the wrap around the March magazine, encouraging you to donate. The March issue also highlighted the many outrageous changes that Congress wants to make to your earned benefits.

NARFE-PAC contributions help us build strong relationships with lawmakers; relationships that are critical to NARFE's success to preserve and protect your earned pay and benefits against unfair congressional attacks. These attacks must be stopped and it can't be done without your help.

If you haven't sent in a contribution yet, I strongly urge you to do so today. The 2017-2018 First Quarter totals for Region X Federations were as follows:

### **KENTUCKY**

- Contributors = 61
- Donations = \$2,775.00
- Average Donation = \$45.49
- Sustainers = 7

### **NORTH CAROLINA**

- Contributors = 111
- Donations = \$5,110.00
- Average Donation = \$46.04
- Sustainers = 23

### **TENNESSEE**

- Contributors = 40
- Donations = \$1,390.00
- Average Donation = \$34.75
- Sustainers = 4

## VIRGINIA

- Contributors = 250
- Donations = \$14,837.00
- Average Donation = \$59.35
- Sustainers = 46

## WEST VIRGINIA

- Contributors = 31
- Donations = \$1,425.95
- Average Donation = \$46.00
- Sustainers = 6

If we want to stop playing defense and start playing more offense, it's critical we have a strong and viable NARFE-PAC.

## NARFE MAGAZINE

As some of you may know the NARFE Magazine long-time editor, Maggie Carter retired in November, 2016. NARFE HQ welcomes Susan Boswell as the new editor and I assure you that the NARFE Magazine will continue to be excellent and serve as the biggest benefit in NARFE and its positive use, by members, in our recruiting efforts.

## REGION X BI-ENNIAL CONFERENCE

The event this year will be hosted by the West Virginia Federation and is scheduled for October 10 – 12 and will be held at the Hilton Garden Inn in Martinsburg, West Virginia.

- Conference registration – TBD
- Discussing with hotel about possibility of Conference registration fee include some meals and/or rooms
- Received \$450.00 sponsorship from GEHA

## REGION X WEBSITE / FACEBOOK

From a Region X standpoint, in order to insure that important information reaches as many NARFE members in Region X as possible, I want to let everyone know that I will be posting items of interest such as Regional Updates and NEB Meeting Summaries on the Region X website ([www.narferx.org](http://www.narferx.org)). **This report has been posted on the Region X website.**

Additionally, I will also be sharing many NARFE Daily News Clips from the NARFE Legislative Department as possible on the NARFE Region X FaceBook page. Simply enter NARFE Region X in the FaceBook search box. [A 12-minute video by National President Richard Thissen has been posted on the Region X Facebook page.](#)

If you have any questions at any time, please contact me by e-mail at [RVP10@narfe.org](mailto:RVP10@narfe.org).

### **CLOSING**

Thank you for taking time out of your busy lives to join your fellow NARFE members here today.

Thank you for your continued membership and your support and belief in NARFE. Your commitment to NARFE and its mission is crucial if we're going to succeed not only on Capitol Hill, but also as an organization. We are all in this effort together so let's move forward before it is too late.

I look forward to discussion with you all the challenges that lie ahead, and how we're changing to meet those challenges.