



President's Report for the 2015 NARFE Annual Meeting

July 7, 2015

The period of time since the 2014 National Convention has been exciting and eventful. As a result of resolutions approved by the delegates at the Convention, a reorganization of NARFE Headquarters took place. The delegates approved the elimination of two National Resident Officers positions effective November 1, 2014, which necessitated the reorganization of staff.

As a result, we developed a reorganization plan, which was reviewed and approved by the National Executive Board in November 2014. The current structure is available on the NARFE website, and a complete description was provided in the *NARFE Insider* publication.

This reorganization allowed us to make several significant changes and improvements to add additional and improved capabilities:

- 1) Established a Marketing Department devoted to management and oversight of membership recruitment and retention as well as fundraising, affinity partnerships and sponsorships;
- 2) Hired two exceptionally qualified individuals to fill the Membership Marketing Deputy Director position vacated with the creation of the Marketing Director position (responsible for membership recruitment and retention as well as direct mail fundraising activities) and the New Business Deputy Director position (responsible for all aspects of non-dues revenue activities except direct mail fundraising); and
- 3) Created a Senior Analyst position responsible for support of state legislative activities.

In addition, two positions were eliminated. Further changes will occur as employees retire or otherwise leave NARFE. We are committed to building the most effective and cost-efficient structure.

The delegates also approved the creation of a Standing Strategic Planning Committee Process. As a result, we conducted research and, in February, contracted with Sabatier Consulting to create a strategic planning structure. With their assistance, we constructed the Strategic Planning Process. The process has three components: Sabatier serves as the facilitator overseeing the process; a Strategic Planning Team (SPT) provides research and final compilation of recommendations; and a Strategic Planning Committee (SPC) develops recommendations. I appointed Jon Dowie as the chair of both the SPT and SPC, and he is doing a great service to NARFE through his excellent leadership. A timeline for activities was developed, and the Strategic Planning Committee is in the process of determining its recommendations. The Committee was requested to seek assistance, advice and comments from the Regional Vice Presidents. And, in order to ensure input from all stakeholders and members, we established a special email address to receive comments/concerns.

Moving on to finances, the results of the 2014 audit indicated that for the third year in a row, our total assets increased. National Secretary/Treasurer Dowie's report will provide more details on the finances as well as the areas under his purview.

On the legislative front, this year has been very busy. It began with the release of the President's budget in February and the passage of budgets in the House and Senate. In each of these budgets, federal employee and retiree benefits were targeted. However, the House budget was the most egregious due

to the magnitude (\$318 billion over 10 years) and breadth of the benefits affected (FEHBP premiums, TSP return rates, retirement contributions by employees, and on and on.) With the support of the NARFE members and their diligent work at the grass-roots level, we were able to achieve a major victory when the House and Senate passed a joint budget that did not include reconciliation instructions to our committees of jurisdiction. This means our pay and benefits were spared ... for now. While this is a very big victory, it is only the first step of a long process. We will need to continue to work hard to ensure cuts to our programs are not included as "pay-fors" in the highway bill, in raising the debt ceiling, and in continuing resolution proposals. Keeping our pay and benefits out of unrelated bills will be no small task. It will require the vigilance of all NARFE members. While the budget has taken much of the time of the Legislative Department staff, they are also working to help draft meaningful postal reform. In addition, we have provided written testimony to several hearings and have attended policy conferences of both parties to receive the latest insight on future legislative plans. Our Legislative Department has also served as the NARFE point of contact with the Office of Personnel Management (OPM) on the recent data breaches. I'll stop there, as you're going to receive a legislative update later today.

The Marketing Department has continued to refine our recruitment and retention activities and has made great strides in fundraising and new business development. There will be detailed briefings on these activities throughout the week. I am certain you will be impressed with the practices that have been implemented and the results achieved.

The Communications Department continues to produce our award-winning *narfe* magazine, the *NewsWatch* electronic newsletter and the quarterly *NARFE Insider* report for NARFE officers. The Department is also in charge of our Facebook page, on which our followers are growing exponentially each month. NARFE members are more active on social media than you might think!

The Federal Benefits Service Department staff continues to receive high marks from the members for their rapid response to questions and concerns. They are also integral to our interface with OPM. Looking ahead, the Department is working with the Legislative, Marketing and Communications Departments to ensure members are both aware and take advantage of the new self-plus-one option available under the FEHBP when the 2016 Federal Benefits Open Season starts on November 9, 2015.

This brings me to the situation concerning the OPM data breach, which is probably the most serious data hack ever, due to the type of data exposed. While previous hacks may have compromised credit card and name-and-address data, this breach included Social Security numbers (credit card numbers can be changed, not so with Social Security numbers), information on parents and families, previous addresses, birth dates and locations, etc. And we still don't have all the facts. We have been working to keep the pressure on OPM to release information on the scope of the problem, and we have also recommended lifetime identity theft and credit monitoring for those affected and an increase in the liability limit from \$1 million to as high as unlimited in special cases. In conjunction with the Federal-Postal Coalition, we sent a letter to President Obama requesting he take proactive measures in this very urgent matter. We are continuing to monitor congressional hearings and are working daily to prod OPM for the information so we can provide our members the best available support.

I could talk for hours on our activities. We have been very successful. We all want to continue our successes long into the future. To continue as a great organization, we will need to adjust and evolve.

Richard Thissen