MEASURES OFFERED AIMED AT ELIMINATING FY 2011 PRESIDENTIAL PAY INCREASE

Over the past few weeks, several congressional Republicans have made multiple attempts to attach language to different bills with the intent of freezing the FY 2011 presidential pay increase for federal employees. The Obama administration has proposed a 1.4 percent pay raise for military and civilian employees in 2011.

On May 28, the House voted 227 to 183 against a proposed freeze on the FY 2011 presidential pay increase for federal employees. House Minority Whip Eric Cantor (R-Va.) had attempted to attach the amendment to the FY 2011 National Defense Authorization Act (H.R. 5136). Just days earlier, on May 26, the Senate rejected by a vote of 47 to 50 a similar amendment that would have eliminated the presidential pay increase and bonuses in 2011 and used the money to fund the wars in Iraq and Afghanistan. The Senate amendment was introduced by Sens. Tom Coburn (R-Okla.) and John McCain (R-Ariz.) and was attached to the supplemental war spending bill (H.R. 4899).

The most recent attempt at eliminating the FY 2011 presidential pay increase for federal employees came through an amendment to the American Jobs and Closing Tax Loopholes Act (H.R. 4213). The intent of H.R. 4213 is to extend tax provisions and federal unemployment benefits and help states fund their Medicaid programs. The proposed substitute amendment (S. Amdt. 4333) was offered by Sen. John Thune (R-S.D.) on June 15 and included language that would freeze federal employees' salaries and eliminate their bonuses, collect federal employees' unpaid taxes, cap the number of government workers at current levels, institute a 5 percent cut in discretionary spending outside of the Defense and Veterans Affairs departments, and rescind $38 billion in unobligated stimulus funds. On Thursday, the Senate voted 57-41 to let stand a budgetary point of order against the Thune amendment, thereby blocking the amendment. However, a similar amendment offered by Coburn (S. Amdt. 4331) to H.R. 4213 is still on the table. The amendment includes several proposed spending cuts, including eliminating the FY 2011 presidential pay increase, and Coburn has been granted permission to divide the amendment into 20 separate parts, each of which could receive a separate vote. At press, the bill was still being considered by the Senate.

While Republicans argue that freezing the presidential pay increase will help lower the national budget deficit, Democrats counter that the proposal is largely symbolic and would save less than $3 billion when last year's deficit was over $1 trillion. Thune stated that his amendment would help to reduce the $13 trillion national debt by saving $113 billion in what he labeled unnecessary spending, although Democrats view this defense as exaggerated. “We need to reject this cynical ploy to make federal employees a scapegoat for spending after congressional Republicans added trillions to the debt when they were in the majority,” said House Majority Leader Steny H. Hoyer (D-Md.).

One of the greatest concerns regarding freezing the FY 2011 presidential pay increase for federal employees is the possibility of the pay freeze having a negative impact on recruiting and retaining
federal employees. "Over the years, as I've witnessed countless acts of personal courage, devotion to country and real sacrifice [by federal employees]." Sen. Ted Kaufman (D-Del.) said prior to the vote on the Thune amendment. "I have also seen and heard such dishheartening and baseless attacks against those who choose to serve. The pending amendment is just the latest assault. Now is not the time to talk about laying off federal workers, or freezing their pay. We should be talking — seriously and on this floor — about how to invest in recruiting the next generation of federal employees."

"If such legislation passes, it would pose a serious threat to the ability of federal agencies to recruit and retain a talented and experienced workforce," said PASS National President Tom Brantley. "Increasing the pay gap between the public and private sectors will no doubt put a strain on attracting and keeping federal employees. It is especially disturbing to make such a proposal when so many in the country are struggling financially. PASS will strongly voice our opposition to any attempts to eliminate the FY 2011 presidential pay increase."

Although Democrats have successfully voted down three attempts to eliminate the FY 2011 presidential pay increase, Republicans indicate that they are determined to continue pushing the issue. "We're paying too many people too much money," explained Rep. Jason Chaffetz (R-Utah). "I'd actually like to see [federal salaries] cut."

However, despite many Republicans promising to make it an issue throughout the 2010 midterm election season, the majority of Democrats are firmly stating their opposition. For example, Rep. Gerry Connolly (D-Va.) has called the freeze "demoralizing" to public servants. "I'm certainly not going to campaign on freezing civilian pay," he said. "That's a campaign promise."

Federal labor unions, including PASS, have launched initiatives aimed at defeating any efforts to eliminate the FY 2011 presidential pay increase. Prior to the House amendment being defeated, PASS sent out an Action Alert email to PASS members urging them to contact their House representative and ask them to oppose the elimination of the FY 2011 presidential pay increase. As this continues to be an issue, all PASS members should be watching for additional Action Alerts aimed at preventing the elimination of the presidential pay increase for federal employees, including all members represented by PASS.

**UPDATE: DEPENDENT COVERAGE EXTENSION DEFEATED IN SENATE**

On June 9, an amendment offered by Sen. Benjamin Cardin (D-Md.) that would have expedited coverage to dependent children up to the age of 26 under the Federal Employees Health Benefits Program (FEHBP) was unsuccessful because it failed to clear a procedural hurdle requiring 60 votes. The measure was offered as an amendment to the American Jobs and Closing Tax Loopholes Act of 2010 (H.R. 4213), which would extend expiring tax provisions.

The Healthcare Reform Act enacted in March requires that group health plans that provide coverage for dependants must extend coverage to dependent children up to the age of 26. Currently, the requirement is only effective for plan years beginning on or after September 23 for calendar plan years; however, the law authorizing the FEHBP does not allow dependent children of federal workers to receive the same coverage until the new contract year begins in January 2011. Sen. Cardin's amendment would have eliminated this inequity between FEHBP enrollees and private sector insurers. The provision was rejected by a three-vote margin. PASS will continue working alongside federal employee groups to communicate the importance of correcting this disparity.