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- **Pay Raise**

Although President Bush announced on Friday that civilian federal employees will receive a flat 3.1 percent pay raise for next year, key Washington, DC area lawmakers have said not to give up on the 4.1 percent pay raise figure. Federal pay law required the 3.1 percent increase (effective January 1, 2003), and gave the president a November 30 deadline to set the additional locality pay figure. By holding the raise to 3.1 percent and not adding another percentage point, the president's plan would save about \$1 billion in salary expenses next year for the total civil service workforce.

Both Reps. Tom Davis (R-VA) and Steny Hoyer (D-MD) have confidently predicted that Congress will add a "locality pay" adjustment to provide a total 4.1 percent pay raise. In an interview this past weekend they played down President Bush's announcement – calling it a product of a statutory deadline for a pay decision and the budget gridlock over FY 2003 spending priorities.

Both the House and Senate had recommended the 4.1 percent increase in their Treasury-Postal Appropriations bills. Although the president objected to the 4.1 percent increase, he had not threatened a veto over it and more than likely would have accepted the salary increase. Because of the impasse over the creation of the new Homeland Security Department, Congress was unable to move the pay raise and other spending bills through to the president's desk. Consequently, Congress approved a "continuing resolution," or CR, to keep the government operating. The CR expires Jan. 11, a few days after Congress returns to work. Rep. Davis said the president has to make the numbers work in the interim. "This is the problem with CRs... We all knew it was a problem, and there was really no way to fix it in the CR," he said.

Rep. Hoyer said that the Washington area delegation will "try to make sure whatever we pass between now and January 11, when the CR runs out, will include a 4.1 percent raise retroactive to January 1. And that's my expectation of what will happen." Rep. Hoyer also stated: "Anything less than the 4.1 percent pay adjustment sends the regrettable message that the services they [federal employees working anywhere from the CIA to the Defense Department] provide to America every day are not valued."

Rep. Hoyer also stated that he had recently spoken with Speaker of the House J. Dennis Hastert (R-IL) and was confident that the House would provide a 4.1 percent pay raise – retroactive to January 1, 2003.

Rep. Davis also stated in the interview, “We are going to revisit the appropriations in January. Congress is on record giving the 4.1 percent.”

Rep. Frank Wolf (R-VA) has also stated that he would continue the effort to obtain the 4.1 percent increase. “The budget numbers we had been following are all based on 4.1 [percent], so there would be no reason not to have the 4.1 percent,” Rep. Wolf said. He also said civilian federal employees should get the same increase as the military, noting the participation of civilian employees in the war against terrorism.

In his letter to Congressional leaders, President Bush announced that he was using presidential authority to restructure federal civilian workers’ pay in times of “national emergency or serious economic conditions” to limit raises to 3.1 percent. In the letter he also stated that, “full statutory civilian pay increases in 2003 would interfere with our nation’s ability to pursue the war on terrorism.” In reality a full statutory raise was never on the table. Many lawmakers, as they have in previous years, decided to maintain “pay parity” with the military in setting a civil service pay raise. Bush began the year recommending a 2.6 percent civilian federal workforce pay raise and a 4.1 percent military pay raise – he recently signed the military increase into law.

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