ATTACKS ON FEDERAL WORKERS

The IAFF opposes additional cuts to federal workers’ pay, benefits, and job security.

BACKGROUND

In the 112th Congress, federal workers have come under attack from politicians looking to scapegoat federal workers for the challenges facing our great country. The historic economic collapse was caused by many events and actors, but federal employees were not one of them. Federal workers are dedicated public servants who provide essential government services. They protect our borders, care for our veterans, apprehend and prosecute criminals, and keep our federal lands and facilities safe and secure. Despite an increased demand for their services as a result of the Great Recession, they continue to serve the citizens of this country with dignity and honor.

Fire fighters have a long and proud tradition in the federal workforce within the Departments of Defense, Interior, Veterans Affairs, Agriculture and other agencies. From protecting our nation’s defense facilities to protecting our national treasures, federal fire fighters have served with distinction and humility. Like their brothers and sisters employed by municipalities, federal fire fighters have also shared in the sacrifice to help meet the country’s fiscal challenges. In November 2010—well before the negotiations over raising the debt limit produced the Budget Control Act of 2011—President Obama imposed a congressionally-supported pay-freeze of two years, which will save the federal government $60 billion over the next 10 years.

Despite these significant savings, some in Congress want even deeper cuts to the federal workforce. Various Republican proposals would extend the federal pay freeze for as long as three years, reduce the federal workforce through attrition or mandatory furloughs, and slash or even abolish federal workers’ pension plans.

Even worse, some in Congress want to use cuts to federal workers as a piggy bank to pay for other priorities, rather than deficit reduction. Congress passed an extension of the payroll tax cut and unemployment insurance benefits, but paid for the measure in part by forcing future federal workers to contribute more toward their pensions without any increase in benefits. In addition, House Republicans are seeking to pay for a transportation bill by cutting federal workers benefits, and certain Senators are proposing to reduce federal staffing and extend the pay freeze to prevent automatic cuts to defense spending that Congress agreed to as part of the Budget Control Act of 2011.

All these efforts should be rejected. Federal workers already have made significant sacrifices to restore our fiscal house through a two-year pay freeze. Additional cuts to pay or benefits will decimate a workforce that provides essential services to the American public. Instead of using federal workers as a scapegoat, Congress should focus on the paramount issue our great country: putting Americans back to work.

CONGRESSIONAL ACTION

On February 17, 2012, Congress passed H.R. 3630, the Middle Class Tax Relief and Job Creation Act of 2012, which will extend the current payroll tax cut through the end of the year and extend unemployment insurance benefits. To help pay for the bill, H.R. 3630 requires higher pension contributions from future federal workers without any increase in benefits. Current workers are not affected. The bill was signed into law on February 22, 2012.

Additionally, H.R. 3813, which requires higher contributions from existing employees and a drastically reduced pension benefit for new hires, has been approved by the House Committee on Oversight and Government Reform, and legislation, S. 2065, has been introduced to extend the federal workers pay freeze until 2014 and make further staffing cuts.
ATTACKS ON FEDERAL WORKERS

• Too many politicians in Washington are using federal workers as scapegoats for the economic challenges facing our country. The historic economic collapse was caused by many events and actors, but federal employees were not one of them. Federal workers are dedicated public servants who provide essential government services. They protect our borders, care for our veterans, apprehend and prosecute criminals, and keep our federal lands and facilities safe and secure. Despite an increased demand for their services as a result of the Great Recession, they continue to serve the citizens of this country with dignity and honor.

• Fire fighters have a long and proud tradition in the federal workforce within the Departments of Defense, Interior, Veterans Affairs, Agriculture and other agencies. From protecting our nation’s defense facilities to protecting our national treasures, federal fire fighters have served with distinction and humility.

• Federal fire fighters have shared in the sacrifice to help meet the country’s fiscal challenges. In November 2010—well before the negotiations over raising the debt limit produced the Budget Control Act of 2011—President Obama imposed a congressionally-supported pay-freeze of two years, which will save the federal government $60 billion over the next 10 years.

• Congress should reject deeper cuts to the federal workforce. Proposals currently under consideration include extending the federal pay freeze for as long as three years, reducing staffing, and slashing federal workers’ pension plans.

• Federal workers should not be treated like a piggy bank to pay for other priorities. Congress already paid for an extension of the payroll tax cut and unemployment insurance benefits by forcing future federal workers to contribute more toward their pension plans without any increases in benefits. In addition, House Republicans are seeking to pay for a transportation bill by cutting federal workers benefits, and certain Senators are proposing to reduce federal staffing and extend the pay freeze to prevent automatic cuts to defense spending that Congress agreed to as part of the Budget Control Act of 2011.

• In the fire service, staffing cuts not only reduce services, they jeopardize fire fighters’ lives. Fire Departments should not be forced to function without safe staffing levels.

• Federal workers already have made significant sacrifices to restore our fiscal house through a two-year pay freeze. Additional cuts to pay or benefits will decimate a workforce that provides essential services to the American public. Instead of using federal workers as a scapegoat, Congress should focus on the paramount issue facing our nation: putting Americans back to work.
Congressional Attacks on Federal Worker Pay and Benefits

- **H.R. 3630 will slash take-home pay** for future federal workers by increasing their pension contributions to the Federal Employees Retirement System by 2.3 percent without any increase in benefits. On February 17, Congress passed H.R. 3630, the “Middle Class Tax Relief and Job Creation Act of 2012.” This bill, which was signed into law by President Obama on February 22, 2012, extends a 2 percent cut in workers’ payroll tax contributions through the end of 2012 and extends long-term unemployment insurance benefits. Although Congress traditionally passes emergency spending measures without offsets, Republicans in Congress demanded that cuts to federal employees’ pensions be used to offset part of the $30 billion cost for the unemployment insurance extension. Current federal employees and new hires with at least five years of previous experience as a federal employee are not affected by H.R. 3630.

- **H.R. 3813 would slash pension benefits for all federal workers.** The House Oversight and Government Reform Committee approved a bill that would require federal workers and members of Congress to contribute a total of 1.5 percent extra over three years beginning in 2013 to their pensions. Other measures in the legislation include: elimination of the FERS annuity supplement for workers not subject to mandatory retirement; and a requirement that those hired after Dec. 31, 2012, are placed under a “high-five” average salary calculation for annuities rather than the current high-three average pay calculation.

- **H.R. 7 would, for the first time ever, force only federal workers to pay for transportation projects that benefit every American.** Traditionally, taxes on users of transportation fund the construction of roads, bridges, and mass transit. But for the first time ever, the 2012 “American Energy and Infrastructure Jobs Act,” also known as the highway bill, would fund transportation projects by using the pension slashing provisions from H.R. 3813, including an increase in the amount federal employees contribute to their pensions. The massive transportation bill also would place federal employees hired after Dec. 31, 2012, as well as newly elected lawmakers under a high-five average salary calculation for annuities rather than the current high-three average pay calculation.

- **H.R. 3835 would freeze pay for federal workers.** On February 1, 2012, the House passed a bill sponsored by Rep. Sean Duffy (R-WI) that would extend the current federal pay freeze through 2013. Not only would this hurt the take-home pay of federal workers, it would decrease the lifetime value of federal pensions as well. H.R. 3835 also would apply to members of Congress, which many Democrats have decried as a political ploy to force lawmakers into the uncomfortable position of either voting for a prolonged pay freeze affecting civilian employees or voting against a freeze on their own salaries.

- **S. 2065 would freeze pay and cut jobs to offset cuts to defense spending.** Introduced by a group of high-profile GOP senators, including John McCain of Arizona, this bill would extend the federal pay freeze for two additional years and reduce the size of government by 5 percent through attrition. The legislation is designed to stave off cuts to the Defense Department budget if sequestration takes effect in 2013. The Pentagon already is slashing more than $400 billion from its budget and will have to find another $500 billion in savings during the next decade if across-the-board automatic spending cuts take effect next year as mandated by the 2011 Budget Control Act.

- **H.R. 3844 would block step increases for federal workers.** On January 1, 2012, Rep. Martha Roby (R-AL) introduced a bill that would prohibit step increases for federal employees who currently are subject to a pay freeze. The provision, tucked into larger legislation aimed at improving transparency within the appropriations process, would prevent federal workers from receiving within-grade step increases through the end of 2012. If enacted, it would mean extra pain for federal employees during the second year of the federal pay freeze; the current salary freeze does not affect pay boosts as a result of within-grade step increases or promotions.
Who In Congress Is Defending Federal Workers?

Excerpts from the House floor debate on H.R. 3630

The Honorable Steny Hoyer (D-MD): “Do I think it’s the private sector that makes this country great? Absolutely. Do I believe they need an energized, high-morale, highly educated Federal workforce as their partner? I do. And you will not have that, ladies and gentlemen, if we keep along this path of every time we come to a bill that’s a little bit of trouble, the pay-for is to reach into the Federal employees’ pockets ... Do you want America to be an exceptional country? Then you’d better have the best civil service on Earth, as well as the best private sector.”

The Honorable Chris Van Hollen (D-MD): “Federal employees ... are willing to do their fair share to help reduce our deficit, but stop singling them out and making them scapegoats. They had nothing to do with the financial meltdown on Wall Street. They are not the drivers of our national debt. And I am sick and tired of hearing some Members of Congress bad-mouthing and belittling Federal employees.”

The Honorable Frank Wolf (R-VA): “While there are many federal employees in the Capital region, it is worth noting that more than 85 percent of the workforce is outside of Washington. Eighty five percent. More than 65 percent of all federal employees work in agencies that support our national defense capabilities as we continue to fight the War on Terror. Has anyone fully considered the impact that this legislation will have on our ability to recruit qualified individuals to the CIA, the NSA, the National Reconnaissance Office and the National Counter Terrorism Center?”

The Honorable Jim Moran (D-VA): “We are blessed with the least corrupt, most effective, least discriminatory, most responsive Federal workforce in the world. And yet how do we repay them? We are requiring them to increase their pension contributions by 400 percent, with no increase in benefits. So we are sending them a signal: We don’t really appreciate what you’re doing. You’re expendable ... The whole country is going to pay a price for the signal that this bill sends, and that’s why I think we should defeat it.”

The Honorable Gerald Connolly (D-VA): “Three times this week the Republican majority has attempted to get at benefits and pay and compensation of the Federal workforce, and often it’s based on misinformation—a bloated workforce. We entered data into a hearing record just the other day that shows that the Obama administration, in absolute terms, has 350,000 fewer Federal workers than those that served during the administration of President H.W. Bush ... it’s the lowest since John Kennedy was in the White House in 50 years.”

The Honorable Elijah Cummings (D-MD): “Our Federal employees are not a piggy bank. We should not reach into their pockets anytime we need to pay for something. Federal workers are the backbone of our government. In return for their hard work and dedication, the majority has rewarded Federal workers with an unprecedented amount of criticism ...”

The Honorable Alcee Hastings (D-FL): “Republicans don’t think twice about limiting federal workers’ ability to support their families, but are more than willing to shut down the government when bankers are asked to pay their fair share of taxes on their bonuses. How much can we continue to pick on federal workers? They are not fat-cats. They are postal workers, janitors, teachers, nurses, social workers, and police officers. When did they become the bad guys? How much can we continue to pile on them before their backs break? How much weight should the wealthiest Americans, who can afford it, carry?”

The Honorable Donna Edwards (D-MD): “… I wonder where it is that we will be able to find the next Robert Ball, who lived in my district, who was the architect of Social Security. I wonder whether we will be able to find the national security and intelligence specialists, who live out in my district in Collington, for the next generation. I wonder, Mr. Speaker, whether we will be able to find the next negotiator of a START Treaty, who lives in my district. We won’t be able to find them because we’ve asked Federal workers to continue to sacrifice for a deficit that they didn’t create.”
October 20, 2011

The Honorable Patty Murray
Co-Chair
Joint Select Committee on Deficit Reduction
448 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Jeb Hensarling
Co-Chair
Joint Select Committee on Deficit Reduction
129 Cannon House Office Building
Washington, D.C. 20515

Dear Senator Murray and Congressman Hensarling:

On behalf of the 4.6 million federal and postal workers and annuitants represented by the national member organizations of the Federal-Postal Coalition, we are writing to respond to two proposals from members of the House Oversight and Government Reform (OGR) Committee, as well as two proposals from members of the Senate Homeland Security and Governmental Affairs Committee. In general, we strongly urge you to reject any proposals which would further harm the livelihoods of federal employees.

Not only are federal employees facing layoffs and downsizing due to shrinking agency budgets, they are also currently subject to compensation cuts. This past November, the President called upon federal workers to help right the nation's fiscal ship by imposing a congressionally-supported two-year federal pay freeze. Despite popular opinion, federal employees are not immune to the economic woes of this country. Similar to their private sector counterparts, federal workers are confronting financial hardships due to unemployed spouses, rising health care costs and general living expenses. Many are responsible for supporting their families on a single paycheck.

Federal workers have already contributed $60 billion in deficit reduction.

The pay freeze is a steep price for federal employees to pay in these challenging economic times. It will save an estimated $2 billion by the end of 2011 and more than $60 billion over the next decade. The fact that the pay freeze originated before the passage of the Budget Control Act of 2011 should not prevent its recognition as a price already paid by federal workers toward deficit reduction. The freeze was enacted in late 2010 as an initial step toward deficit reduction targets. The Joint Committee's deliberations should take this into account in the balancing of sacrifices and their consequences.
Senators Lieberman-Collins proposal

The letter sent on October 14th to the Committee by Senators Joe Lieberman (I-CT) and Susan Collins (R-ME), the Chairman and Ranking Member of the Senate Homeland Security and Governmental Affairs Committee, includes many damaging proposals to the compensation of the federal workforce. Their proposal would extend the two-year pay freeze on federal employees for another year, force federal employees to contribute another 1.2 percent of their salaries toward retirement, reduce the salary used to determine an employee’s monthly retirement payments (from a high 3 calculation to a high 5), bar employees from counting any unused sick leave toward retirement calculations, and reduce workers’ compensation benefits for employees injured on the job. The total amount of these cuts would approximate $60 billion over ten years. That is in addition to the $60 billion for the two year pay freeze that federal employees have already sacrificed.

Meanwhile, Senators Lieberman and Collins recommended only $11 billion in cuts to the $320 billion spent each year on government service contractors. Additionally, they decided to leave in place a policy that allows government contractors to charge taxpayers up to $700,000 for each contractor employee.

Senator Akaka and House Democratic OGR proposals

Conversely, Senator Daniel Akaka (D-HI), Chairman of the Senate Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, as well as all of the Democratic Members of the House Oversight and Government Reform Committee have urged your committee to reject all proposals which would make further cuts to the earned pay and benefits of federal workers, and recognize the $60 billion sacrifice already made by federal employees.

In addition, Senator Akaka and the House OGR Democratic Members all agree that government contractors should do their fair share, and they endorse President Obama’s proposal to lower the cap on contractor compensation to $200,000, but recommend applying it government-wide to all federal contractor employees, rather than just the top five contractor executives. Federal employees and contractors routinely work side-by-side, doing similar jobs in support of the same projects. If $200,000 is enough for cabinet secretaries, Nobel Prize-winning scientists at NIH and NASA, and other dedicated professionals who protect the public interest, then it is good enough for the government’s contractors. A former senior Defense Contract Audit Agency executive estimates that a $200,000 cap on all contractor employees would save at least $50 billion over ten years. (Even capping all government contractor employees at the outrageous $700,000 level would save $7 billion over ten years.)

1 Representative Darrel Issa (R-CA), Chairman of the House OGR Committee, sent a letter October 14th to the Joint Committee on behalf of himself regarding federal workers. His proposal is so draconian that it would completely destroy the civil service as we know it. His proposal would: extend the current pay freeze through 2015; eliminate all within-grade increases; increase employee contributions to retirement by 6.2% for FERS employees, and 3% for CSRS employees; change the annuity benefit calculation from a high-3 to high-5 average salary; eliminate the FERS social security supplement for those who retire before age 62 (except mandatory early retirees); cut the federal workforce 10% through a hiring freeze and attrition; and, eliminate FERS for those with fewer than five years of service, replacing it with only a defined contribution system. The Federal-Postal Coalition vehemently opposes all of the Congressman’s recommendations.
**Streamlining the FEHBP Pharmacy Benefit Program**

The committee could save $1.6 billion over ten years by streamlining the pharmacy benefit program under the Federal Employees Health Benefits Program (FEHBP). The current system is overly complex, non-transparent and results in the government paying more for prescription drugs under FEHBP than other federal programs. The proposal would allow the Office of Personnel Management (OPM) to contract with a single Pharmacy Benefit Manager (PBM) to negotiate prescription drug prices rather than through multiple contracts. Modeled after the TRICARE plan, it would combine the purchasing power of eight million FEHBP participants, resulting in greater leverage in setting prices. This proposal is supported by the President, Senators Lieberman, Collins, Akaka, and the House OGR Democrats as well as the Federal-Postal Coalition.

**Across-the-Board Workforce Cuts**

Many budget proposals circulating on Capitol Hill include recommendations for arbitrary downsizing of the federal civil service by proposing across-the-board workforce cuts without regard to agency mission. Neither the President’s proposal nor the letter by Senators Lieberman and Collins included such a damaging recommendation, and Senator Akaka specifically proposed, instead, a 15 percent reduction overall in civilian and defense service contracts. Downsizing of the federal workforce has historically led to wasteful privatization and the use of contractors to perform functions that are too important or sensitive to be outsourced at a much higher price. The federal government, consistent with the law, should continue to rebalance its overall federal workforce, taking advantage of opportunities to use federal employees in lieu of contractors for reasons of cost and performance.

According to a report released in September by the Project on Government Oversight (POGO), *Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors,* “on average, contractors charge the government almost twice as much as the annual compensation of comparable federal employees. Of the 35 types of jobs that POGO looked at in its new report—the first report to compare contractor billing rates to the salaries and benefits of federal workers—it was cheaper to hire federal workers in all but just 2 cases.”

**Strengthening Tax Enforcement and Compliance**

The President’s deficit reduction plan also calls for providing the Internal Revenue Service (IRS) with additional funding for new tax enforcement and compliance initiatives. These programs play a critical role in preserving the fairness and integrity of the U.S. tax system and generate a positive return on investment for taxpayers of roughly seven to one. According to the Congressional Budget Office (CBO), the plan, which calls for incremental funding increases for new revenue generating tax enforcement activities beginning in FY2012, is expected to reduce the deficit by $3.2 billion over ten years. However, the Office of Management and Budget (OMB) has stated the additional funding will have a significantly larger effect, saving an estimated $30 billion or more.
Department of Defense funding

We urge you to reiterate the long-held view of Congress that it is essential to U.S. national security that the Department of Defense (DoD) retain an organic capability to maintain military readiness and resist additional cuts in the civilian personnel accounts of DoD. The civilian employees of DoD operate as an integral part of the readiness of our armed forces, serving alongside and providing support to each of the military services and the defense agencies in the U.S. and abroad. Under the initiatives already approved by Congress and the Administration, civilian personnel are being targeted for a disproportionate percentage of cuts, reducing jobs and economic activity since many of these positions return taxpayer dollars to the community as economic multipliers almost double those for other sectors, creating on average three jobs for every one – certainly a priority in this economic climate. Further defense cuts would decimate the civilian workforce, which has proven to be the most efficient and cost-effective in history, and devastate the economies of communities across the nation.

In conclusion, more than anyone, our nation’s civil servants understand the constraints of the federal budget. They are already doing their part to lower government costs. During these tough economic times, when citizens are demanding more from the federal government, America cannot afford a second-class civil service. The undersigned organizations urge you to reject any further cuts to the compensation of federal employees and retirees, as well as arbitrary cuts to the federal workforce. Thank you for your time and attention to our views.

Sincerely,

American Federation of Government Employees
American Federation of State, County, and Municipal Employees
American Foreign Service Association
Federal Aviation Administration Managers Association
Federally Employed Women
Federal Managers Association
International Association of Fire Fighters
International Federation of Professional and Technical Engineers
National Active and Retired Federal Employees
National Air Traffic Controllers Association
National Association of Assistant United States Attorneys
National Association of Federal Veterinarians
National Association of Postal Supervisors
National Association of Postmasters of the U.S.
National Council of Social Security Management Associations
National Federation of Federal Employees
National League of Postmasters
National Treasury Employees Union
Professional Aviation Safety Specialists
Professional Managers Association
February 13, 2012

House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the nation's more than 300,000 professional fire fighters and emergency medical personnel, it is with reluctance that I write to convey our grave concerns with HR 7, the American Energy and Infrastructure Jobs Act of 2012. There is much in this bill that is commendable, and we are greatly appreciative that Chairman Mica and Ranking Member Rahall have generously agreed to include in their managers' amendment an important improvement to the training provided to fire fighters who respond to hazardous materials incidents.

Despite these positive initiatives, we are forced to oppose HR 7 as currently written. The inclusion of a hastily-crafted proposal to raise retirement contributions for federal fire fighters is an unnecessary and punitive tax increase on a particularly vulnerable group of dedicated public servants who have already sacrificed in the name of deficit reduction.

Not only is this pay-for mean-spirited, it also makes no sense from a policy or economic perspective. Surface transportation needs are on-going expenses. We cannot generate the necessary revenue with rifle shot approaches. After we have paid for a temporary extension of highway programs with a permanent change in federal workers pensions, how will we pay for the next extension? Can we expect to see future attacks on federal workers' health benefits or life insurance policies?

In addition to this unacceptable pay-for, HR 7 also slashes funding for public transit systems, which will be devastating for struggling municipal governments across the nation. The bill also jeopardizes fire fighters safety by repealing safety requirements for roadside responses and exempting fire apparatus from vehicle weight limits.

A far better approach has been outlined by the Senate, which has produced a balanced bipartisan bill that enjoys broad support. We urge House members to reject HR 7, and immediately begin work on a new bill that does not contain attacks on federal workers.

Thank you for your consideration. Passage of a surface transportation bill is of critical importance to our nation and to the fire service. We look forward to working with you on a fair and balanced approach that can win both House and Senate approval.

Sincerely,

Harold A. Schaitberger
General President

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2012 Alfred K. Whitehead Legislative Conference
Federal workers under siege
By: Seung Min Kim / March 11, 2012

Government bureaucrats have long been a favorite punching bag for conservatives, and they’re under siege like never before in the current Congress.

In the past year alone, congressional Republicans have turned to the federal workforce to help pay for everything from a payroll tax cut to jobless benefits to a transportation bill. Trimming the federal payroll is also at the heart of two bills to stave off deep across-the-board spending cuts set to take effect next year.

The onslaught has triggered a recurring debate as lawmakers grapple with the nation’s mounting debt. Are Republicans scapegoating hardworking public servants as part of their anti-government fervor? Or is the party training long overdue scrutiny on a bloated, sheltered bureaucracy?

“This is the most hostile Congress has ever been to federal employees,” said Democratic Rep. Gerry Connolly, whose northern Virginia district houses the third-largest concentration of federal workers nationwide. “The other side has decided they’re an easy punching bag, and it is outrageous on many, many scores.”

A five-year transportation bill by Rep. John Mica (R-Fla.) included a 1.5 percent increase in federal pension payments over three years. Both the original House and Senate Republican bills to extend the payroll tax holiday had provisions that continued a federal salary freeze that’s been in place for two years; Senate Republicans also proposed cutting the federal workforce by 10 percent within three years.

Hawkish lawmakers fretting over looming defense cuts born of the supercommittee’s failure want to use attrition to slim down the government workforce. Those budget savings would replace the budget cuts set to hit the Pentagon in January 2013.

Republicans said the austerity measures are needed to tame an oversize federal workforce and to ensure that compensation is more in line with the private sector. The Congressional Budget Office estimated in January that on average, federal workers had salaries and benefits about 16 percent more generous than comparable workers in the private sector.

According to a December 2010 report from the Office of Personnel Management, there were approximately 5.4 federal employees per 1,000 Americans in fiscal 2006. Four years later, there were about 5.9 federal workers per 1,000 Americans. The average federal employee salary was $74,311 in September 2010, according to OPM.

The size and pay of the federal workforce is untenable, many Republicans say, in the face of a federal deficit expected to top $1 trillion for the fourth consecutive year.

“We don’t have money,” said Rep. Dennis Ross (R-Fla.), who chairs a House subcommittee overseeing federal workforce issues. “If we were a business, we would shut down so many segments of our operation that we would put people on the streets.”
“Federal workers are patriotic, they work hard and by and large, do a great job,” added Rep. Jason Chaffetz (R-Utah), who sits on Ross’s panel. “I’m just concerned that there are too many of them. There would be more money to pay for the core of our federal workforce if we didn’t keep adding to the sheer number of federal employees.”

But Democrats, as well as unions representing thousands of federal workers, see it differently. They accuse congressional Republicans of launching an unjustified attack on federal employees — a product, they say, of the anti-government sentiment fueled by the tea party-backed, GOP takeover of the House.

“You have on the House side, this anti-government sentiment,” said Sen. Ben Cardin (D-Md.). “They’re using federal workers as part of their strategy to try to weaken federal programs.”

Cardin, who is up for reelection this November, put up a last-minute fight during the payroll tax negotiations last month over pension payments for federal workers. He and fellow Maryland Democrats Rep. Chris Van Hollen and House Minority Whip Steny Hoyer, changed the terms of the deal so that only workers hired after Dec. 31 were affected — but none of the lawmakers supported the deal when it reached the full Congress.

Under the package signed into law by President Barack Obama on Feb. 22, incoming federal workers will dole out an extra 2.3 percent of their salaries into their pensions — a four-fold increase from the current rate, advocates are quick to point out. The savings helped pay for an extension of unemployment insurance.

“It’s not right,” Cardin said in an interview. “They’ve already contributed to [reducing] the deficit. So it’s one thing when you’re considering [federal workforce savings] in a package that really deals with deficit reduction, but we’re using [it] to offset other programs. It’s outrageous.”

The roughly 2 million federal employees are in the middle of a two-year salary freeze, though they can receive bonuses and raises if they are promoted. Over 10 years, that will save about $60 billion, and the increased pension contributions will save about $15 billion over a decade.

The National Treasury Employees Union has put together a list of more than 20 pending bills in Congress that it calls “harmful” to the federal workforce — such as extending the pay freeze or imposing mandatory unpaid furloughs.

With a Democratic Senate and a Democrat in the White House, chances seem slim that those measures would become law. But Colleen Kelley, who is the president of the 150,000-member union, said she’s still concerned that those stand-alone bills could become part of a larger, must-pass package, such as a measure to fund the federal government.

The union’s political arm is funneling money to a handful of Democrats running for Senate this year, including Cardin, Tim Kaine of Virginia, Sen. Sherrod Brown of Ohio and Rep. Shelley Berkley of Nevada. Kelley said they are still finalizing which House races to get involved in.

Larry E. King, who recently retired from the U.S. Forest Service after 34 years, argues that federal workers have been an “easy target” for lawmakers.

“We don’t fight back,” said the Kentuckian, a member of the National Federation of Federal Employees. “You can kick a good dog until it bites, and just because we’re dedicated to doing our jobs and doing our service to the country shouldn’t mean we should get kicked all the time.”
Capitol Hill deal would raise new employees' retirement contribution to 3.1 percent

By STEPHEN LOSEY | Last Updated:February 16, 2012

Congressional negotiators late Wednesday struck a deal to greatly increase future federal employees' retirement contributions to help pay for an extension in unemployment benefits.

The American Federation of Government Employees said newly hired and rehired federal employees would pay 3.1 percent of each paycheck toward their Federal Employees Retirement System pensions under the deal. That would be a 2.3 percentage point increase over the current 0.8 percent contribution rate — nearly quadrupling the amount feds pay.

The changes would affect new hires and rehires beginning in 2013, AFGE said. AFGE received its information from Capitol Hill sources close to the benefit negotiations. A congressional source who asked not to be named confirmed what AFGE told Federal Times.

The Associated Press earlier reported that newly hired feds would have to pay 2.3 percent total, or a 1.5 percentage point increase. But the deal has apparently gotten worse for feds.

It is expected to raise $15 billion of the $30 billion needed to cover the cost of unemployment benefits.


Unions blasted the news. Bill Dougan, president of the National Federation of Federal Employees, called on lawmakers not to "sell out" new federal employees. He said that federal employees have already sacrificed $60 billion over a decade through a two-year pay scale freeze, and said NFFE is "adamantly opposed" to putting any further costs on them.

Federal employees "have endured the freeze and done their jobs without complaint, because they believed that their sacrifice could make a difference," Dougan said. "Today, we are not so sure that those on Capitol Hill understand the magnitude of that sacrifice. Neither current nor future federal workers got our nation into this mess, yet Congress is trying to heap the responsibility of cleaning it up squarely on their backs."

AFGE National President John Gage said he is outraged by the reported deal.

"Cutting take-home pay for working class men and women is exactly the wrong thing to do to put Americans back to work," Gage said.

The plan apparently would not affect current feds.
CBO says federal employees rake in much more pay
Comparison with private sector likely to heat up debate over ending freeze

By Stephen Dinan

Monday, January 30, 2012

Buoyed by generous benefit packages, federal workers earn significantly better compensation than similarly educated workers in the private sector, according to a report released Monday from Congress' chief scorekeeper that threatens to reignite at the national level last year's state battles over public-employee rights.

Overall, federal workers earn 16 percent more in total compensation — including wages and benefits — than comparable private-sector employees, according to the Congressional Budget Office. Only private-sector workers with the highest levels of education, such as doctors and lawyers, earn more than their public counterparts.

The finding is incendiary at a time when Republicans in Congress are fighting for a freeze on federal worker salaries and the Obama administration is balking, arguing that after two years of freezes, it's time to ramp up pay.

The CBO said federal workers do better in wages at the low education end, are about equal in the middle, and fall behind the private sector at the top end.

But the key difference is in benefits, where federal workers average more than $20 per hour in compensation — 48 percent higher than the $13.60 in prorated hourly benefits in the private sector. Added together, CBO said, that means significantly higher pay for government employees.

"For workers at all education levels, the cost of total compensation averaged about $52 per hour worked for federal employees, compared with about $45 per hour worked for employees in the private sector with certain similar observable characteristics," CBO analysts said in their report.

Unions that represent federal workers said the CBO's comparison was pointless.

The CBO looked at workers with equivalent education levels, but John Gage, president of the American Federation of Government Employees, said the better approach is to compare specific jobs. On that measure, Bureau of Labor Statistics figures show that federal employees make less than those working equivalent jobs in the private sector.

"Salaries and wages should be a function of the job, not the job-holder — and that's the case in the federal government," Mr. Gage said.

He also said the federal government doesn't consider race, age or sex in employment, and questioned whether discrimination may play a role in holding down pay for some in the private sector.
"The logical implications of a study such as CBO's can border on the absurd. Assessing the cost of hiring certain numbers of whites and racial minorities, young and old, women and men might lead to the ridiculous notion that since the private sector pays, on average, lower wages to women and racial minorities, then to cut costs, the government should hire more people with those demographic characteristics, rather than hire according to skill," he said.

Emboldened by the 2010 elections, new Republican governors and legislative majorities in some states last year battled public workers in attempts to curtail benefits and in some cases strip collective bargaining rights.

The fight was most pointed in Wisconsin, where Gov. Scott Walker is likely to face a recall vote this year over his push, and in Ohio, where Gov. John Kasich's effort to curtail public employee unions' bargaining power was overturned by a referendum in November.

In Washington, the battle has been less heated — in part because Republicans haven't gone as far as their state counterparts, and in part because the GOP and Democrats agreed on halting cost-of-living increases for federal civilian workers in 2011 and 2012. That did not rule out pay increases for merit or promotions, but both sides said it amounts to a freeze.

The House has a vote slated for this week to continue that freeze through the end of 2013 for federal workers, members of Congress and their staff.

"While private-sector workers face the squeeze and millions of families continue searching for work, the idea of asking that their hard-earned tax dollars go to fund a pay raise for government employees is just not right," said Rep. Sean P. Duffy, the Wisconsin Republican who is sponsoring the freeze bill. But Democrats are balking this time.

After supporting the pay freeze for the past two years, the White House objected in December when Republicans proposed continuing the freeze and using the savings to cover some of the costs of extending the payroll-tax cut into 2012.

Administration officials first said they planned to use the money elsewhere, and then planned to allow a half-percent pay increase for federal workers.

The White House did not respond to a request seeking comment on the CBO report.

The government spent about $200 billion on salaries in 2011, with $80 billion going to pay for the military and $120 billion covering civilian employees government-wide.

The federal government employs about 2.3 million civilian workers, which is about 1.7 percent of the total U.S. workforce. Another 2.3 million uniformed personnel are employed, including 1 million reservists, and 800,000 people work for government enterprises such as the Postal Service.

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Where the CBO report on federal pay went wrong

By Colleen M. Kelley, Published: February 2

As a longtime member of the Federal Salary Council, which studies and makes recommendations to the executive branch on federal pay, I take issue with some of the methodology and conclusions in this week’s Congressional Budget Office report comparing federal employee compensation to that in the private sector.

The CBO concluded that the most highly educated and highly paid federal employees are underpaid by more than 20 percent compared with employees with similar “characteristics” in the private sector. Those with college degrees — which the bulk of the federal workforce has — are about on par with their private-sector counterparts; those with less than a college degree, the lowest-paid federal employees, are overpaid by about 20 percent, it found, and have more generous benefits than do their private-sector counterparts.

First, the CBO’s expertise is really in crunching numbers and applying the arcane rules of congressional budget scoring. In this report, it compared characteristics of the federal and private-sector workforces, rather than comparing jobs done in each sector. The latter is the approach of the Bureau of Labor Statistics, which has consistently found a pay gap in favor of the private sector. The latest BLS report shows that gap to be an average of 26 percent.

Many have focused on the report’s comparisons of benefits. But the CBO admits these are “more uncertain than its estimates of wages.”

Rep. Paul Ryan (R-Wis.) said that the report shows “government bureaucrats in Washington continue to enjoy significant advantages over those whose tax dollars finance their compensation.” This seems to be an attempt to rally support for his efforts to slash pay for all federal employees.

But the employees that the report claims may be overcompensated are hardly those whom people would think of as “government bureaucrats in Washington.” No, these “bureaucrats” are among the lowest-paid federal employees, doing unglamorous but critical work around the country. They include border-security personnel, customer service representatives and food safety workers. And the main reason they come out ahead of their private-sector counterparts in the CBO report is because the federal government, as any responsible business should, provides basic benefits such as paid sick leave and health coverage.

The logical policy implications of the CBO conclusions would be to provide significant raises to the highest-paid federal employees, which would amount to $30,000 to $50,000 for annual salaries of $150,000 to $200,000. The union I lead represents some very highly educated and skilled attorneys, physicians and nuclear scientists in this pay range; we would support, but do not expect, such increases.
The federal pay system aims to find a balance between offering a fair and competitive wage, a secure retirement and a satisfying work environment for those who believe in public service. Especially for the most educated, highly skilled and highly compensated federal employees, the importance of the mission, the challenge of the work and the commitment to public service provide non-monetary incentives.

It is clear that the public and its representatives in Congress do not support compensating even the most educated and skilled employees at the level they could attain in the private sector. Nor would these employees ever see the kinds of monetary and non-monetary perks their counterparts in the private sector receive, such as paid sabbaticals, 12 weeks of paid maternity leave, bonuses, stock options, on-site spas and more.

On the other hand, the report’s conclusions would also suggest severely cutting the compensation of the lowest-paid federal workers, with the focus on slashing basic benefits. Here is why that would be wrong: The federal government, as one of the nation’s largest employers, must set a standard of basic fairness. Contrary to portrayals of “generous” federal benefits, federal employees do not receive paid dental or vision coverage or paid parental leave, nor do they get rich off their pensions. The typical lifetime federal employee will have an annuity from the defined benefit of approximately $1,000 per month. The government’s 401(k)-like fund, the Thrift Savings Plan, may provide around $400 per month if the average employee is able to contribute 5 percent of his or her salary for 30 years. While many private-sector entities have taken to eliminating or slashing health insurance and retirement benefits, especially for low-paid employees, our leaders should not support a race to the bottom for working Americans. Rather, they should seek out ways to increase economic and retirement security for those who may never be able to retire.

This report veers from the middle path that allows the government to attract and retain the best civil service workforce while keeping both the top and bottom compensation levels reasonable and fair. If Congress were to implement legislation based on the report’s findings, the resulting bills would not call for across-the-board pay freezes or benefit cuts, as many have suggested. They would call for eliminating health coverage and retirement benefits for the lowest-paid federal workers while increasing salaries for the highest-paid employees to more than $200,000 per year. Would Congress really pass such legislation?

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### House Committee

#### Oversight and Government Reform

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