



May 24, 2021

Senate Appropriations Committee
Subcommittee on Financial Services and General Government
125 Hart Senate Office Building
Washington, DC 20510

Re: Federal-Postal Coalition Request to Appropriate a 3.2 Percent Federal Employee Pay Raise in 2022

Dear Chairman Van Hollen, Ranking Member Hyde-Smith, and members of the Senate Appropriations Subcommittee on Financial Services and General Government:

We write as members of the Federal-Postal Coalition, an alliance of more than 30 national member organizations that collectively represent more than five million federal and postal workers, retirees and their dependents across the country, to respectfully request that you appropriate a 3.2 percent average pay increase for federal workers via a 2.2 percent across-the-board increase, and a 1.0 percent average increase to locality pay rates in 2022, as would be provided by the FAIR Act, H.R. 392.

The federal response to the COVID-19 pandemic has underscored the important role of the federal workforce. America's public servants responded swiftly to the pandemic, as federal employees selflessly do in the face of every crisis. Workers at the Internal Revenue Service and the Small Business Administration quickly disbursed billions of dollars of aid to individuals and companies in need. Scientists and public health officials at the National Institutes of Health and the Centers for Disease Control and Prevention conducted groundbreaking research to keep our leaders and public informed of the novel coronavirus. Hundreds of thousands more federal workers stood on the frontlines of the pandemic to keep government services running when much of the country stood at a standstill.

Even as the response to a global pandemic has amplified the work of federal workers, federal employees have always been critical to this nation's success. Americans rely on the diligent work of our nation's public servants every day. Congress must ensure that the federal ranks are filled with the top our nation has to offer. This undertaking cannot be uncoupled from adequate compensation to recruit and maintain a highly qualified workforce. That is why we are requesting that Congress appropriate a modest federal pay raise for 2022. Our nation needs its best working for the American people.

Our coalition urges Congress to enable the federal government to compete for top talent by supporting competitive pay. Appropriating a 3.2 percent average pay raise for 2022 matches trends in the private sector and is a necessary step to ensure the federal government does not fall further behind in pay. Under the Federal Employees Pay Comparability Act of 1990 (FEPCA) federal employees should receive at least a 2.2 percent across-the-board increase in federal pay

rates in January 2022¹ prior to any amount being provided for locality pay rate increases.² This suggested percentage increase is based on the 2.7 percent increase in wages and salaries paid to workers in the private sector, as measured by the Employment Cost Index (ECI).³ This 2.7 percent increase in the ECI also serves as the default military pay increase for 2022. An average 0.5 percent increase to locality pay rates would ensure an average pay increase of 2.7 percent, at parity with the expected military pay increase and recent private-sector pay increases. An additional 0.5 percent increase in locality pay would make up for below market increases in recent years.

It is also our coalition's hope that Congress will take a thorough look at the issue of competitive pay and the strain placed on certain sectors of the federal government due to below-market wages. There are many occupations in the federal workforce that are understaffed because the federal government is unable to compete with private-sector pay. The jobs are often specialty occupations that require years of advanced education and training, and their understaffing puts Americans at risk. Look no further than federal veterinarians, who oversee the safety of our nation's food supply, yet face staffing shortfalls. Congress should institute specialty pay for occupations the federal government is in desperate need of and offer competitive pay for jobs in difficult to recruit areas of the country. The federal government must have the means to fill these critical roles.

As we wait to learn of the President's proposed budget, this coalition urges Congress to appropriate a federal pay raise and not simply cede authority to the Administration. It is important to show a unified commitment to the federal workforce and capable government. Congress should reestablish the precedent of appropriating market rate increases in federal pay rates and do so for 2022. Such a move is the first step in revitalizing the federal workforce and would place the federal government on a better path. For these reasons, we urge you to appropriate at least a modest 3.2 percent average federal pay rate adjustment through the FY2022 Financial Services and General Government appropriations bill.

Should you require any further information, please contact the Federal-Postal Coalition Chair, John Hatton at jhatton@narfe.org.

Sincerely,

American Federation of Government Employees (AFGE)
American Foreign Service Association (AFSA)

¹ While FEPCA would dictate a 2.2 percent pay increase prior to locality pay adjustments, private-sector pay rates are projected to increase by an average of 2.9 percent in 2021, according to World at Work. See: www.worldatwork.org/docs/research-and-surveys/sbs/SBS2020-21_TopLevelData.pdf.

² Locality pay differs by geographic areas and is designed to close the gap between private-sector pay and federal pay in comparative labor markets. Locality pay has never been fully implemented due to the large costs involved. As of October 2020, private-sector workers are paid 23.11 percent more than federal workers engaged in substantially equal work, according to the most recent data from the Federal Salary Council. The Federal Salary Council compares federal and private-sector pay for similar jobs based on Bureau of Labor Statistics survey data.

³ For FY2022, the relevant change in the ECI is from the third quarter of 2019 to the third quarter of 2020.

American Postal Workers Union (APWU)
FAA Managers Association (FAAMA)
Federal Managers Association (FMA)
International Association of Fire Fighters (IAFF)
International Federation of Professional and Technical Engineers (IFPTE)
Laborers International Union of North America (LIUNA)
National Association of Assistant United States Attorneys (NAAUSA)
National Active and Retired Federal Employees Association (NARFE)
National Air Traffic Controllers Association (NATCA)
National Council of Social Security Management Associations (NCSSMA)
National Federation of Federal Employees (NFFE)
National Postal Mail Handlers Union (NPMHU)
National Treasury Employees Union (NTEU)
National Weather Service Employees Organization (NWSEO)
Patent Office Professional Association (POPA)
Professional Aviation Safety Specialists (PASS)
Professional Managers Association (PMA)