

July 21, 2006

MEMORANDUM

TO: Chapter Presidents and Legislative Coordinators

RE: Pay and Contracting Out Action

SUMMARY: The Senate Appropriations Committee yesterday passed its version of H.R. 5576, the FY '07 Transportation, Treasury, HUD Appropriations bill. The bill includes a 2.7% raise and continues contracting out provisions won last year.

The Senate Appropriations Committee yesterday passed its version of H.R. 5576, the FY '07 Transportation, Treasury, HUD Appropriations bill. The bill includes a 2.7% pay raise and continues contracting out provisions won last year. Subcommittee Chairman Kid Bond (R-MO) noted at the mark up that the Senate Defense Authorization and Appropriations bills provide only 2.2% for military personnel and that he would have to consider lowering the civilian raise if the military raise was not increased. We will be working to ensure that all employees — military and civilian receive a 2.7% raise in January 2007.

The Senate Appropriations Committee also continued language first won last year that requires a public-private competition for any work being considered for contracting out that affects more than 10 employees; requires that contracting out work show a savings of 10% or !0 million dollars, and ensures that agencies have the capability of bringing contracted out work back in.

Unlike the House-passed bill, no provision was added to the bill in committee to prevent the IRS from contracting out tax collection. NTEU is working with members of the Senate on possibly offering an amendment on this when the bill is brought to the Senate Floor. No date has yet been set for the Transportation, Treasury, HUD Appropriations bill to be considered on the Senate Floor.

Colleen M. Kelley
National President



NEWS RELEASE

1750 H Street N.W. • Washington, D.C. 20006 • (202) 572-5500

www.nteu.org

**For Immediate Release
July 19, 2006**

**Contact: Dina Long, Ext. 7058
Sheila McCormick, Ext. 7034
Mike Drapkin, Ext. 7011**

NTEU Leader Welcomes Senate Subcommittee Action in Support of 2.7 Percent Federal Civilian Pay Raise

Washington, D.C.—National Treasury Employees Union (NTEU) President Colleen M. Kelley applauded action taken yesterday by a Senate subcommittee that would provide federal civilian employees with a 2.7 percent pay increase in 2007.

The NTEU leader said the subcommittee's action in including the 2.7 percent increase for federal civilian workers next year in marking up the 2007 Transportation-Treasury Appropriations bill is welcome recognition of the important role fair pay has in agency recruitment and retention efforts.

“The paltry 2.2 percent raise proposed by the administration is unacceptable considering the critical role federal employees have in the successful operation of our country,” said Kelley. “The strong bipartisan support for a higher increase for federal employees is important recognition of the contributions of federal workers and that the competition for skilled and talented employees will only heat up in the future.”

The House version of the bill, approved June 14, includes the 2.7 percent pay raise for civilian employees.

As the largest independent union, NTEU represents some 150,000 federal workers in 30 agencies and departments.

--30--

For more information, visit www.nteu.org