

October 12, 2006

M E M O R A N D U M

TO: Chapter Presidents

RE: Historic FEEA Donation

I attended a breakfast yesterday celebrating the 20th anniversary of the Federal Employees Education and Assistance Fund (FEEA), a nonprofit organization dedicated to providing emergency assistance and scholarships to federal employees and their families. NTEU is one of the charter members of FEEA, and I currently sit on the board of directors.

As part of the festivities, I announced that NTEU has donated \$726,363 to FEEA. This is one of the largest single donations ever made to FEEA.

This donation stems from NTEU's 22-year effort to obtain justice for federal employees paid special salary rates during the 1980s. After multiple rounds of litigation, including two successful trips to the court of appeals, NTEU settled the lawsuit with the federal government in 2002. Under the terms of the lawsuit, class members and their survivors were paid more than \$160 million in two separate distributions, the last occurring in July 2005.

After all the class members and survivors were paid and all the final settlement administrative costs were covered, there was \$726,363 remaining in the settlement trust. Most of this leftover amount was attributable to individuals who failed to cash their settlement checks. In addition, final administrative expenses were lower than anticipated. It was not feasible to redistribute the leftover money to the class, because the administrative costs of conducting a third distribution would have exceeded the total amount left in the fund. Accordingly, under the terms of the court-approved settlement, NTEU directed that the remaining funds be donated to FEEA.

FEEA intends to use the donation to establish a FEEA-NTEU Scholarship Fund. The Fund will award at least five \$5,000 scholarships to eligible federal employees or their family members each academic year, beginning with the 2007-2008 academic year. These merit-based scholarships can be combined with other FEEA merit scholarships to increase their worth. Additional information about the FEEA-NTEU Scholarship Fund can be found on the attached fact sheet. For more information about FEEA, go to www.feea.org.

Colleen M. Kelley
National President

Attachment

FEEA-NTEU ENDOWED SCHOLARSHIP FUND

The **FEEA-NTEU Scholarship Fund** will award at least five \$5,000 scholarships to eligible federal employees or their family members each academic year, beginning with the 2007–2008 academic year. These merit-based scholarships, the largest awarded by FEEA, can be combined with other FEEA merit scholarships to increase their worth.

Background

The FEEA-NTEU Scholarship was established through a generous donation by the National Treasury Employees Union (NTEU). The initial donation of \$726,363 was generated through excess administrative funds following the completion of a 22-year class action lawsuit NTEU filed against the federal government.

Known as the special rates lawsuit, the legal action began in 1983 and encompassed a class of some 212,000 federal employees who were paid special salary rates but who may not have received pay raises to which they were due. After multiple court battles over 22 years, the case was settled for some \$178 million.

The court-approved settlement of the class action suit provided for administrative expenses to be paid from the agreement reached between NTEU and the government. The settlement agreement also provided for any excess funds to be donated to the charity of NTEU's choice which was FEEA.

Details

- Applications for the scholarships will be available in January 2007.
- Current civilian federal and postal employees with at least three years of federal service and their dependent family members (children and spouses) are eligible.
- Applicants must be enrolled or plan to enroll in an accredited post secondary school in a course of study that will lead to a two-year, four-year or graduate degree
- Applicants must have at least a 3.0 grade point average on a 4.0 scale

Complete information on the FEEA-NTEU Scholarship Award and other FEEA scholarship programs is available at www.feea.org

