

December 11, 2006

## MEMORANDUM

TO: Chapter Presidents and Legislative Coordinators

RE: 2007 Federal Employee Pay Raise

**SUMMARY: This weekend Congress passed H.J. Res. 102, the Continuing Resolution for fiscal year 2007 without taking additional action on the President's recommended average pay raise of 2.2 percent for federal employees. This pay raise will go into effect January 2007.**

On December 9, 2006, the President signed into law, H.J. Res. 102, the Continuing Resolution (CR) for fiscal year 2007 which will essentially keep the government running through February 15, 2007. Because the Republican-led Congress had not enacted nine of its 11 regular appropriations bills, including the Transportation/Treasury Appropriations bill which includes federal pay, it was necessary to clear this stop-gap measure to ensure that the federal government could continue to operate. Unfortunately, the CR did not address the area of federal employee pay. Therefore, the President's November 30th recommendation which was sent to the Hill and calls for an average of only 2.2 percent pay raise (including locality pay) stands. Federal employees should expect to see this raise, effective the first full pay period in January.

The new Congress will need to revisit the fiscal year 2007 appropriations bills as well as begin work on the FY 2008 measures early next year. As I pointed out in my earlier memos, the House had passed and the Senate reported its Transportation/Treasury Appropriations bills with a 2.7 percent recommendation for federal pay. The new Congress could revisit the issue and restore the half percent that was in the earlier bills, and I will certainly be pushing for that. It could do so retroactively — or it could simply address the issue for the future. While the scenario is uncertain, particularly since the DOD appropriations bill included only a 2.2 percent military pay raise, the lowest level in 18 years, you can be assured that I will use every opportunity I see to fight for a better pay raise for both.

If you have any questions on this subject, please call Gail Amidzich in the Legislation Department at 202-572-5500, ext. 7048.

Colleen M. Kelley  
National President