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Trump wants to give federal workers a raise

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The Trump administration, after announcing plans to slash spending across much of the government, will recommend a 1.9 percent raise for federal workers to take effect in January, according to a budget document and a senior budget official.

The official, who was not authorized to comment publicly, said agencies have been told by the White House to build a 1.9 percent pay raise for civilian employees into their spending plans for the fiscal year that starts Oct. 1.

The proposed budget the administration released last week, boosting military spending by \$54 billion and cutting non-military programs by roughly the same sum, made no mention of a raise. It was designed, though, as a “blueprint” and did not address many issues typically contained in budgets. The administration is scheduled to release a more detailed plan in May.

A preliminary blueprint for the Commerce Department instructs the agency to “factor in a 1.9 percent pay raise for civilian employees, to go into effect on the first pay period of January, 2018.” Since such raises are government-wide, the increase would apply for all employees.

News of the intended raise was met with criticism from federal employee unions, which called it paltry given the hits the workforce has taken to pay and benefits in recent years.

“While it’s good that the White House recognizes the need to raise wages for federal employees, [a 1.9 percent pay raise] is far below what’s called for under the law,” J. David Cox Sr., national president of the American Federation of Government Employees, the largest union, said in a statement.

“Federal employees earn less today than they did at the start of the decade when adjusted for inflation, and they deserve a more meaningful increase to make up for the more than \$182 billion in cuts to their pay and benefits that have occurred since 2010,” Cox said.

The news also surprised some fiscally conservative budget watchers, given the president’s pledge to shrink the size and scope of the government and Budget Director Mick Mulvaney’s prediction last week that layoffs are inevitable.

“It is surprising,” said Chris Edwards, director of tax policy studies at the libertarian Cato Institute. He noted, though, that the raise would also apply to employees working in the Defense

and Homeland Security Departments, whose functions the administration is seeking to boost — and who make up about half the 2.1 million civilian workers.

John Czwartacki, a spokesman for the Office of Management and Budget, said he had no information to provide on a raise “at this time.”

Any increase is subject to approval by Congress, a process that could continue until the fall. Several Senate and House Democrats have introduced legislation backed by the unions advocating a 3.2 percent raise starting in January.

It’s common practice for presidents to use a Labor Department measure of wage growth called the Employment Cost Index as a starting proposal for a raise for federal workers; an exception would be a national emergency or economic change such as a downturn. Under federal pay law, “the base increase in 2018 would be 1.9 percent,” [according to](#) the Federal Salary Council, which oversees that law.

“For his first year, a raise was expected,” said Rachel Greszler, a research fellow in economics and budget affairs at the Heritage Foundation, of the president’s plan. The conservative think tank is recommending to the administration an overhaul of the entire compensation system for federal employees.

“We look forward to more significant changes in a year,” Greszler said.

National Treasury Employees Union President Tony Reardon said in a statement that the Employment Cost Index shows growth in private industry wages of 10.4 percent on average over the last five years, compared to an overall increase of 5.4 percent for federal workers in the same period.

“Federal employees are facing the same financial challenges as any middle-class worker and their salaries need to keep up with rising costs of health care, tuition and mortgages,” he said.

A 1.9 percent increase would be about in line with what federal workers have received in recent years. After three years of frozen pay rates from 2011 to 2013, federal workers received raises of 1, 1, 1.3 and 2.1 percent from 2014 through 2017. The latter two figures are averages, since part of each raise was paid out in differing amounts, varying by locality.

In each case, Congress allowed the raise to take effect through silence. Under the federal pay law, if lawmakers take no action on the White House’s proposal by the end of a year, the increase takes effect by default for the succeeding year and it is up to the White House to decide whether to split the raise into across the board and locality components.

While the raises technically apply only to white-collar employees under the pay scale, for many years their increases have acted as the cap for raises for blue-collar employees, who are paid under a separate locality-based system.

Career executives and others at senior levels don’t get the general raise but are eligible for performance-based raises, up to a pay cap. A general raise boosts that cap, along with a separate cap affecting some employees high up the scale.

