

Letter to Congressional Leaders Transmitting an Alternative Plan for Pay Increases for Civilian Federal Employees

August 31, 2009

Dear Madam Speaker: (Mr. President:)

I am transmitting an alternative plan for pay increases for civilian Federal employees covered by the General Schedule (GS) and certain other pay systems in January 2010.

Under title 5, United States Code, civilian Federal employees covered by the GS and certain other pay systems would receive a two-part pay increase in January 2010: (1) a 2.4 percent across-the-board adjustment in scheduled rates of basic pay derived from Employment Cost Index data on changes in the wages and salaries of private industry workers, and (2) locality pay adjustments averaging 16.5 percent based on Bureau of Labor Statistics salary surveys of non-Federal employers in each locality pay area. According to the statutory formula, for Federal employees covered by the locality pay system, the overall average pay increase would be about 18.9 percent. This total Federal employee pay increase would cost about \$22.6 billion in fiscal year 2010 alone.

Title 5, United States Code, authorizes me to implement an alternative pay plan if I view the adjustments that would otherwise take effect as inappropriate due to “national emergency or serious economic conditions affecting the general welfare.” For the reasons described below, I have determined that it is appropriate to exercise my statutory alternative plan authority to set an alternative January 2010 across-the-board pay increase. If needed, I will provide a plan for locality pay rates by the statutory deadline of November 30.

A national emergency, within the meaning of chapter 53 of title 5, has existed since September 11, 2001. Likewise, with unemployment at 9.5 percent in June to cite just one economic indicator, few would disagree that our country is facing serious economic conditions affecting the general welfare. The growth

in Federal requirements is straining the Federal budget. Full statutory civilian pay increases costing \$22.6 billion in 2010 alone would put even more stress on our budget. Such an increase would cost \$19.9 billion more than the 2.0 percent overall Federal civilian pay increase that I proposed in my 2010 Budget and would build in later years.

Accordingly, I have determined that under the authority of section 5303(b) of title 5, United States Code, an across-the-board increase of 2.0 percent shall go into effect on the first day of the first applicable pay period beginning on or after January 1, 2010.

Finally, the law requires that I include in this report an assessment of the impact of my decision on the Government’s ability to recruit and retain well-qualified employees. I do not believe this decision will materially affect our ability to continue to attract and retain a quality Federal workforce. To the contrary, since any pay raise above the amount proposed in this alternative plan would likely be unfunded, agencies would have to absorb the additional cost and could have to reduce hiring to pay the higher rates. Moreover, the GS “quit” rate continues to be very low (2.1 percent on an annual basis), well below the overall average “quit” rate in private enterprise. Should the need arise, the Government has many compensation flexibilities, such as recruitment and retention incentives, and special salary rates, to maintain the high quality workforce that serves our Nation.

Sincerely,

BARACK OBAMA

NOTE: Identical letters were sent to Nancy Pelosi, Speaker of the House of Representatives, and Joseph R. Biden, Jr., President of the Senate.

Remarks on H1N1 Influenza Preparedness and Response *September 1, 2009*

Good afternoon, everybody. Before I say a few words about the meeting we just had, I'd like to mention some good news that came out today about our economy. Now, for the first time in 18 months, our manufacturing sector has expanded, and the statistics used to measure manufacturing output is the highest it's been in over 2 years.

This means greater production of transportation equipment like cars and electronic equipment like computers and appliances, and it means these companies are starting to invest more and produce more, and it is a sign that we're on the path to economic recovery.

And there's no doubt that we have a long way to go, and I and the other members of this administration will not let up until those Americans who are looking for jobs can find them. But this is another important sign that we're heading in the right direction and that the steps we've taken to bring our economy back from the brink are working.

Now, we just had a good meeting about our ongoing efforts to prepare this country for the H1N1 flu virus this fall. And I want to thank John Brennan; our CDC Director, Tom Frieden; and Secretaries Sebelius, Napolitano, Duncan, and Locke for all the good work that they've been doing to get us ready today.

As I said when we saw the first cases of this virus back in the spring, I don't want anybody to be alarmed, but I do want everybody to be prepared. We know that we usually get a second, larger wave of these flu viruses in the fall, and so response plans have been put in place across all levels of government. Our plans and decisions are based on the best scientific information available, and as the situation changes, we will continue to update the public.

And we're also making steady progress on developing a safe and effective H1N1 flu vaccine, and we expect a flu shot program will begin soon. This program will be completely voluntary, but it will be strongly recommended.

For all that we do in the Federal Government, however, every American has a role to

play in responding to this virus. We need State and local governments on the frontlines to make antiviral medications and vaccines available and be ready to take whatever steps are necessary to support the health care system. We need hospitals and health care providers to continue preparing for an increased patient load and to take steps to protect health care workers. We need families and businesses to ensure that they have plans in place if a family member, a child, or a coworker contracts the flu and needs to stay home.

And most importantly, we need everyone to get informed about individual risk factors, and we need everyone to take the commonsense steps that we know can make a difference. Stay home if you're sick; wash your hands frequently; cover your sneezes with your sleeve, not your hands; and take all the necessary precautions to stay healthy. I know it sounds simple, but it's important, and it works. Finally, for people who want to learn more about this virus, please go to www.flu.gov or talk to your doctor.

I want to commend every member of our team. I think we've done an extraordinary job in preparing for this flu outbreak. We anticipate that there will be some issues coming up over the next several months. The way it's moving is still somewhat unpredictable, but what I'm absolutely confident about is that our team that's assembled here has done an extraordinary job in preparing for whatever may happen.

So we appreciate all of you for being here, and I want to publicly again thank you for all your extraordinarily hard work. All right.

NOTE: The President spoke at 2:13 p.m. in the Rose Garden at the White House. In his remarks, he referred to Assistant to the President for Homeland Security and Counterterrorism John O. Brennan; Secretary of Health and Human Services Kathleen Sebelius; Secretary of Homeland Security Janet A. Napolitano; Secretary of Education Arne Duncan; and Secretary of Commerce Gary F. Locke.