

AN ALTERNATIVE PLAN FOR LOCALITY PAY
INCREASES

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

AN ALTERNATIVE PLAN FOR LOCALITY PAY INCREASES PAYABLE
TO CIVILIAN FEDERAL EMPLOYEES COVERED BY THE GENERAL
SCHEDULE (GS) AND CERTAIN OTHER PAY SYSTEMS IN JANU-
ARY 2010, PURSUANT TO 5 U.S.C. 5305(a)(3)



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THE WHITE HOUSE,
Washington, November 30, 2009.

Hon. NANCY PELOSI,
Speaker of the House of Representatives,
Washington, DC.

DEAR MADAM SPEAKER: I am transmitting an alternative plan for locality 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." As in August, when I submitted an alternative plan under 5 U.S.C. 5303(b) to limit the across-the-board increase in 2010 to 2.0 percent, I have determined that it is appropriate to exercise my statutory alternative plan authority under 5 U.S.C. 5304a to set alternative January 2010 locality pay rates.

A national emergency, within the meaning of chapter 53 of title 5, has existed since September 11, 2001. Likewise, our country continues to face serious economic conditions affecting the general welfare and most Americans would not understand or accept that Federal employees should receive an average pay increase of 18.9 percent while many of their fellow citizens are facing employment cutbacks or unemployment. 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 5304a of title 5, United States Code, the locality pay percentages currently in effect as shown in the attachment shall remain in effect in 2010.

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. As I said in August, I do not believe this decision will materially affect our ability to continue to

attract and retain a quality Federal workforce. 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.

Sincerely,

BARACK OBAMA.

ALTERNATIVE PLAN FOR 2010 LOCALITY-BASED COMPARABILITY
PAYMENTS

Locality pay area	Locality payment (percent)
Atlanta-Sandy Springs-Gainesville, GA-AL	18.55
Boston-Worcester-Manchester, MA-NH-RI-ME	23.98
Buffalo-Niagara-Cattaraugus, NY	16.39
Chicago-Naperville-Michigan City, IL-IN-WI	24.47
Cincinnati-Middletown-Wilmington, OH-KY-IN	18.28
Cleveland-Akron-Elyria, OH	18.16
Columbus-Marion-Chillicothe, OH	16.62
Dallas-Fort Worth, TX	19.95
Dayton-Springfield-Greenville, OH	15.90
Denver-Aurora-Boulder, CO	22.03
Detroit-Warren-Flint, MI	23.56
Hartford-West Hartford-Willimantic, CT-MA	25.08
Houston-Baytown-Huntsville, TX	28.28
Huntsville-Decatur, AL	15.46
Indianapolis-Anderson-Columbus, IN	14.23
Los Angeles-Long Beach-Riverside, CA	26.51
Miami-Fort Lauderdale-Pompano Beach, FL	20.21
Milwaukee-Racine-Waukesha, WI	17.65
Minneapolis-St. Paul-St. Cloud, MN-WI	20.36
New York-Newark-Bridgeport, NY-NJ-CT-PA	27.96
Philadelphia-Camden-Vineland, PA-NJ-DE-MD	21.25
Phoenix-Mesa-Scottsdale, AZ	16.08
Pittsburgh-New Castle, PA	15.86
Portland-Vancouver-Beaverton, OR-WA	19.71
Raleigh-Durham-Cary, NC	17.38
Richmond, VA	16.10
Sacramento-Arden-Arcade-Yuba City, CA-NV	21.53
San Diego-Carlsbad-San Marcos, CA	23.44
San Jose-San Francisco-Oakland, CA	34.35
Seattle-Tacoma-Olympia, WA	21.06
Washington-Baltimore-Northern Virginia, DC-MD-VA-WV-PA	23.10
Rest of U.S.	13.86