

Federal Freeze Act

Sponsored by Senator Marsha Blackburn (TN)

Background: In 2016, there were approximately 2.1 million full-time civilian employees working for the federal government, excluding the Postal Service. As of March 2024, that number has grown to about 2.3 million federal civilian employees. The number of federal employees increased by over 140,000 people between Fiscal Years 2019 through 2023, with 2023 alone seeing a surge in of over 80,000 new federal employees. As established by the 1990 Federal Employees Pay Comparability Act, federal civilian employees receive automatic annual federal pay increases in accordance with the Bureau of Labor Statistics' Employment Cost Index. However, the president maintains the authority to create alternative pay schedules, and various presidential administrations have frozen federal hiring and salaries in order to help curb our nation's ever-growing budget deficit. From 2011 to 2013, President Obama froze federal pay in order to reduce federal spending and manage an economy that was in a slow recovery.

On January 23, 2017, President Trump ordered a 79-day across-the-board hiring freeze on all federal civilian employees. The order exempted military personnel and granted executive agency heads the ability to exempt individuals deemed necessary to safeguard U.S. national security and public safety. On January 1, 2019, President Trump ordered a freeze on the salaries for federal workers, eliminating a plan for a 2.1% across-the-board pay raise and a 25% boost in locality-based pay, which would have cost taxpayers a combined \$31 billion. Rather than relying on executive action that will vary from one administration to another, Congress must act. The Federal Freeze Act would freeze the pay of federal employees and direct federal agency heads to cap the hiring of new employees for one year. This is a crucial step toward addressing out-of-control spending and saving taxpayer dollars.

Summary: The Federal Freeze Act would:

1. Implement a one-year freeze on increases in federal civilian employees' annual rate of basic pay.
2. Direct federal agency heads to establish a cap on the number of workers that can be employed for a period of 3 years.
3. Order agency heads to decrease the number of department employees by 2 percent in the second year after enactment of the bill and 5 percent 3 years after enactment.
4. Create an exemption for agency heads to hire additional employees deemed necessary to serve the interests of law enforcement, national security, public safety, and employees in public health services who are considered necessary to respond to an emergency or major disaster as defined by the Stafford Act.