Member Update

Senate Strips Harmful Provisions Targeting Federal Employees from Budget Reconciliation Bill

NATCA Members,

The NATCA National Legislative Committee (NLC) and Government Affiars Department is pleased to report that a series of dangerous provisions targeting federal employees were removed from the Senate version of its budget reconciliation bill that will go to the floor for a vote this weekend.

Originally introduced by the Committee on Homeland Security and Governmental Affairs (HSGAC), these harmful provisions were stripped from the bill after a concerted effort by NATCA's political activists to educate every senator about their effects on air traffic controllers, other aviation safety professionals, and federal employees as a whole.

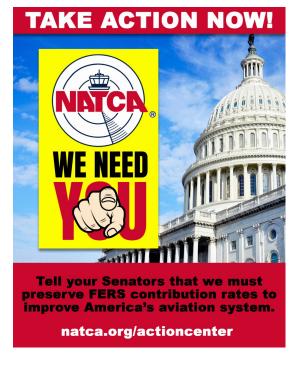
Since <u>we updated you</u> when the House of Representatives passed its budget reconciliation bill on May 22, NATCA legislative activists and Government Affairs staff have been hard at work in the Senate to prevent negative provisions from being included in its version of the bill.

As <u>we reported yesterday</u>, the HSGAC proposal included a minimum 5% increase to all new employees' retirement contributions and 10% if they elected to maintain civil service protections, ("at-will employment provision"), a charge to unions for their representative's official time and union office space, a charge for employees challenging unjustified personnel actions to the Merit Systems Protection Board (MSPB), and a 10% tax on contributions through payroll deduction to tax-exempt organizations, including union dues and charities among several other provisions.

NATCA members visited senators to lobby against these provisions last week. A week ago, we received good news. The Senate Parliamentarian ruled the atwill provision, the official time and union office space provision, and the MSPB provision out of order under the Senate's Byrd Rule, which limits budget reconciliation legislation to only matters related to revenues, expenditures, the debt, and the deficit. The 10% tax on payroll deductions to tax exempt organizations remained in order. This week, NATCA activists began the week lobbying against the 10% tax on union dues and charitable contributions. But, by mid-week, HSGAC had reintroduced revised provisions in the reconciliation bill intending to comply with the Parliamentarian's ruling. Instead of containing an at-will provision and additional FERS contribution for employees who maintained civil service protections, it included an 11.2% increase to FERS contributions for all new federal employees who start after January 1, 2026.

However, it attempted to splinter the federal workforce by exempting Members of Congress, their staffs, and special category employees (SCE)—including air traffic controllers, firefighters, and law enforcement officers—from the increased contribution rate. It also exempted those SCEs from the 10% tax on union dues and charitable contributions and excepted unions with at least 51% of their members comprised of SCEs. Finally, it reinstated the MSPB fees but created some exceptions for veterans' rights enforcement.

NATCA activists quickly switched our message to opposing these new provisions. Although air traffic controllers make up the majority of our membership, we also represent staff support specialists, engineers & architects, airports division employees, aircraft certification employees, and many other bargaining units throughout the FAA. Aviation safety depends on these members doing their jobs too and they rely on NATCA to represent them. Activists and Government Affairs staff visited every Senate office Thursday and Friday expressing our strong opposition to the HSGAC provisions and asking them to contact Majority Leader Thune to oppose these proposals.



In addition to NATCA's presence on Capitol Hill, NATCA members were mobilized to convey a grassroots message to Senate offices via NATCA's Action Center. <u>Please keep participating in that important outreach effort</u>, because your emails and calls really matter, and the bill will not be considered in its final form until the vote on passage. Finally, NATCA's state coordinators and local Senate points-of-contact connected with Senate offices to explain the harms presented by the HSGAC proposals. This coordinated response has been successful.

Do NOT participate in this campaign on a government device, while at the federal workplace, or while on duty time.

TAKE ACTION HERE NOW

We anticipate that the Senate will move through its floor procedures over the next 24 hours, including debate and voting on amendments to the current

proposal. There are still many contentious provisions in the Senate bill, but those negatively affecting federal employees' rights and benefits appear to be dead. We do not yet know whether the Senate bill will ultimately match the House-passed bill, or if the two chambers will meet to iron out their differences before it is passed identically in both chambers and submitted to the president for signature.

With all of the twists and turns throughout this process, we cannot say that we are safe from all risk, however, we can confidently say that our advocacy has made a significant positive difference in the debate and consideration of the budget reconciliation bill.

We will keep you updated as this process moves forward this weekend and into next week.

In Solidarity,

NATCA National Legislative Committee



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