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TO: NATIONAL COUNCIL SSMA OFFICERS AND EXECUTIVE COMMITTEE
RE: Legislative Report #21

Last week was relatively quiet on the federal employee front, in the aftermath of passage of the House budget resolution and the commitment obtained by Reps. Davis and Wolf to safeguard federal pay and benefits despite additional cuts required from the authorizing committee for the civil service.

Appropriations bills are actively being worked; last week staff of House and Senate Labor/HHS/Education Subcommittees were deep in joint working sessions with the hope that very similar bills can be crafted to avoid a contentious House-Senate conference after the respective proposals pass each chamber. Formal "mark-up" of the bill, which includes funding for SSA's administrative expenses, has not yet been completed by either the House or the Senate committee. I do not yet have information on the level of funding likely for SSA.

Allocation problems have slowed down mark-up of several other Senate appropriations bills. A scheduled committee vote on the Senate Treasury/General Government bill was postponed until those problems are worked out; the House counterpart, however, reached subcommittee mark-up last week. Rumors are that a federal pay raise higher than 3% has been made more likely because of a 3.6% military raise included in the DOD authorization bill, and that appropriators on the Treasury/General Gov. subcommittees may include language directing the higher raise, with agencies required to absorb the cost. Federal unions continue to press the Administration to come forward with a higher pay proposal; teasers have been appearing in our Washington area papers recently. My view is that there is some hope for the 3.6%, but that rumors of anything larger are not grounded in reality.

Chairman Mica's Civil Service Reform proposals are, according to his staff, being suddenly and quickly packaged for possible action this year, despite the shortage of legislative time remaining. A draft proposal should be available this week, with a hearing possibly scheduled for next week. We can expect the bill to include many of the same provisions Mica and his staff have tried to advance previously -- more rigorous treatment of "poor performers," expanded demonstration project authority, consolidation of federal appeals agencies, etc. It is also likely

that changes to the federal retirement system are being included, and it is possible that Mica will include some modification of the overtime cap (not necessarily the language of the Davis bill) and a raising of the cap on contributions to the FERS thrift plan. Mica's strategy to try to move this bill quickly may be to include some provisions which federal employees support in order to garner greater support for a bill which includes proposals federal employees cannot support. The Administration has been opposed to raising the thrift plan contribution cap because of projected tax revenue losses; we do not yet know whether the ever-growing projections of budget surpluses over the next five years will modify that view. But the bill is likely to contain this or other proposals which are opposed by the Administration or are controversial among the Members themselves.

It is not clear at this point, therefore, whether Mica would have the votes to move such a bill out of committee, although his staff believe that he does and also that there is some support among Senate Governmental Affairs members (to whom a House-passed bill would be referred) for moving some provisions of a bill to the Senate floor before the end of the session if anything passes the House in time to allow it.

If a draft bill is, in fact, circulated this week, I will share it with Ron Niesing while he is in Washington so that we can begin to develop an NCSSMA position; we can also discuss it with the entire Executive Committee in Baltimore next week. We will, of course, need to watch and work this closely.

Discussion of this is on the agenda of the Coalition for Effective Change this week; at that time I should learn of what, if anything, OPM is asking Mica to include on any legislation he may try to move.

My view at this time is that there is insufficient support for and insufficient analysis of some of the items reported to be included in this bill and that there is insufficient time left this year to move it through the system; however, the improbable is never impossible in Congress. If it does move, we will be working to ensure that an overtime proposal which lifts the current cap is included on and remains on the bill.

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