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DATE: August 31, 1998

TO: NATIONAL COUNCIL SSMA OFFICERS AND EXECUTIVE
COMMITTEE

RE: Legislative Report #29

The only real news directly impacting federal employees during August recess was the President's announcement that he was recommending a 3.6% pay raise for federal civilian employees in FY 99, followed by 4.4% in FY 2000. Most people now consider the 3.6% final, since the Senate Appropriations bill contains the same figure, and the House bill is silent on the issue.

However, recess speculation has been in full swing among those who indulge in it, and you may read or hear that the end of this Congress will be a "dangerous" time for the federal workforce because so many appropriations bills are unfinished and the need to identify further savings during final negotiations could put largely-Republican-driven federal pay and benefit cutting initiatives back on the table. While I will monitor the situation closely, I believe that we have a sufficient number of relatively high-ranking Republican Members and Senators to keep the wolves at bay. Certainly Senator Stevens', as Chairman of the Senate Appropriations Committee, can control the outcome on his bills in this regard. Rep. Wolf (R-Va) and Rep. Hoyer (D-Md), among others, make a powerful bipartisan pro-civil service team on the House Appropriations Committee. The unpredictable nature of near-election day politics always makes people anxious here in Washington, so we can expect lots more speculation and worst-case scenario painting before it's over.

When will that be? The major must-do work remaining for this Congress involves not only finalization of all appropriations bills but also emergency funding measures, such as the one to rebuild the bombed U.S. embassies in Africa, and special funding measures, such as one for additional Y2K funds for government agencies.

The remaining month of the 105th Congress is sufficient time to conclude all of this and present to the President appropriations bills he can sign. That would require, however, cooperation between Congress and the Administration, cooperation between Democrats and Republicans, and cooperation between the House and Senate. The last has already begun - in fact over the past few years, I have seen growing collaborative work behind the scenes on several appropriations bills become normal operating procedure. This is certainly true

for the Labor/HHS/Education funding bill, which contains SSA's administrative budget. But largely partisan division on social issues means that this bill is again one of sharp division and ongoing controversy -- and will be, as always, one of the very last appropriations bills completed. The Senate Subcommittee, headed by Sen. Specter (R-Pa) is scheduled to act on the bill tomorrow, with full Committee action following quickly, later this week. House-Senate conference on issues such as the level of SSA's administrative language should be relatively easy, because of the groundwork done largely by staff. Attached to this report is a letter I distributed for NCSSMA during the August break to all members of the Senate Subcommittee, urging them to restore to SSA's budget the funds cut by the House (largely a special allocation for redeterminations which requires sign-off by the House Social Security Subcommittee/Ways and Means, which has not yet been forthcoming with its approval). This issue is likely to be resolved during conference, but agreement on bill language related to abortion and funding for welfare, education and health programs will prove elusive.

The Labor/HHS/Ed funding bill is among six or seven appropriations bills which the President has said he will veto for policy reasons alone unless it is changed before it is presented to him. Funding disagreements between Congress and the Administration regarding specific programs build on those policy disagreements. Ramifications of all the fallout from the Starr investigation includes extremely diverse speculation about whether the President is in a relatively weakened position for end-game negotiations. This is followed by more speculation about how the President's and Congress' perception of his relative strength or weakness may affect their behavior. How the final days are managed (or mismanaged) by Congress is sheerly a matter of what the parties believe will help them at the polls on election day. We can anticipate that one or more short-term CR/s should be no problem to obtain, as long as both Congress and the Administration believe that they will be productive in terms of allowing resolution of funding issues during the extension period or providing some other political benefit.

The threat of a short or longer-term government shutdown is dismissed by many on the Hill, but others say it is not hard to imagine how one could occur. Things could get out of hand, if, for example, Republican leaders perceive that the President is weakened and therefore they take a hard line believing he will give in to some demands, but instead the President reacts from a sense that he will show strength by maintaining his positions on health care, education and other major policy and funding initiatives, contained largely in the Labor/HHS/Ed appropriations bill. Perhaps Republicans will be sufficiently risk-averse to avoid such a potential pitfall. Or not. The only thing we know with certainty is that no one knows what will happen. And that it unfortunately appears that the bill containing SSA's funding will once again be the major battleground for the end-game struggle.

End

NCSSMA Letterhead

August 17, 1998

The Hon. Arlen Specter, Chairman
Subcommittee on Labor, HHS, Education
and Related Agencies
Committee on Appropriations
U.S. Senate
Washington, D.C. 20510

Dear Chairman Specter:

I am writing on behalf of the 3200 Social Security managers and supervisors who are members of NCSSMA. We are responsible for direct service to the American public in more than 1,300 SSA facilities. We live and work in the same communities as those we serve and are accountable in the eyes of the public for proper administration of all SSA programs. Our greatest concern is to serve the American public well by providing not only timely, accurate payment of their Social Security benefits but also dignified, courteous service. We believe the public deserves - and has paid for - no less.

NCSSMA urges the Senate to fully fund SSA's FY 1999 budget request of \$6.448 billion in administrative spending. That request represents less than a 0.6% increase over the FY 1998 appropriation. Obtaining full funding is critical to SSA's ability to handle the tremendous volume of work we must process while keeping quality controls in place to ensure the integrity of SSA's complex programs. The funding bill pending before the House currently recommends an administrative funding level which is \$69 million below the President's request. We urge the Senate to restore those funds. These additional funds will allow SSA to process 268,000 additional SSI redetermination reviews and to better administer accounts for individuals who choose to have a representative handle their Social Security claims.

We in the field and teleservice centers are working hard to meet customer service and productivity standards established under the Government Performance and Results Act. SSA has made ambitious commitments in the areas of disability claims and continuing disability reviews, 800 # telephone service, the issuance of Personal Earnings and

Benefit Estimate Statements (projected at 33 million for FY 1999), automating front line work processes, and reducing waiting times in our offices. We strongly support agency initiatives aimed at reducing processing times for hearings and appeals for disability cases.

Staffing reductions and the loss of supervisory positions in recent years have left many of our offices struggling with insufficient staff to maintain high levels in all services. As the stewards of public monies, we need adequate staff in our community-based Social Security offices and teleservice centers to identify program abuse and prosecute fraud. We need to improve our access to local telephone service for the calling public, a source of frequent complaint to the home offices of members of Congress. Many SSA offices are severely challenged because of shortages in management personnel to cover extended evening hours, Saturday office hours, and to conduct community outreach and educational activities which are so important during this time of national debate about the future of the Social Security program. Despite these challenges, our productivity remains high, but we need full funding to maintain staffing and resource levels necessary to properly administer of all SSA's responsibilities to the American public.

Without full funding of SSA's FY 1999 budget request, maintenance and restoration of high quality service nationwide to meet the variety of needs of beneficiaries, claimants, and the general public will not be possible. Initiatives to reduce fraud and abuse and to improve on our stewardship responsibilities will fall short of expectations. NCSSMA asks you to consider these resource needs as you decide on funding allocations for the upcoming fiscal year. Full funding of the Administration's request of \$6.448 billion is critical.

Sincerely,

Ron Niesing
NCSSMA President