

The National Council of Social Security Management Associations, Inc.

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- **Federal Overview**

Both the House and Senate will be concentrating on appropriations bills between now and June 30th, when the Congress will recess until July 10th for the July 4th Holiday. Over the last several weeks there has been a considerable chill between the Republican and Democratic leadership in the Senate which has slowed down the appropriations process; the House and Senate Republican Leadership has also been at odds about how to proceed with various spending measures. Although there will likely be some action (and certainly a lot of debate) in the House and Senate on tax measures, managed care, gun control and campaign finance reform, most Congressional observers feel that with the exception of appropriations bills there will not be any major legislation passed this year.

The Congress will also be in recess from July 31st until September 5th and most Members will be in their Districts and States during this period. It is an excellent time to set up appointments to discuss matters of importance to NCSSMA, particularly the overriding concern about service delivery.

- **Supervisory Overtime Pay**

There are bills in both the House (H.R. 2696) and Senate (S. 1885) to provide overtime equity in the federal workplace. Both bills would increase the overtime cap for managers and supervisors to GS-12, step 1 and ensure that no one is paid less for overtime work than their regular rate of pay. H.R. 2696 was introduced by Rep. Tom Davis (R-VA) and currently has **six** cosponsors: Rep. Neil Abercrombie (D-HI); Rep. Benjamin A. Gilman (R-NY); Rep. Maurice D. Hinchey (D-NY); Rep. Walter B. Jones, Jr. (R-NC); Rep. Zoe Lofgren (D-CA); and Rep. Barney Frank (D-MA). S. 1885 was introduced by Sen. Charles S. Robb (D-VA) and currently has two cosponsors: Sen. Barbara A. Mikulski (D-MD) and Sen. Paul S. Sarbanes (D-MD).

- **NCSSMA Response to House Social Security Subcommittee Hearing on Representative Payees**

Attached are copies of the letters sent in response to the recent hearing held by the Social Security Subcommittee on representative payees.

- **Coalition for Effective Change (CEC) Activities**

The following are items of interest from the May 17th meeting:

1. Legislative Issues:
 - Supervisory Overtime Legislation – CEC will renew its support for legislation to raise grade limit on pay for overtime. (H.R. 2696 and S. 1885)
 - Short-term Reemployment Without Reduction of Annuity – CEC will support this proposal and send a letter to OPM. (attached)
2. National Partnership for Reinventing Government (NPR):
 - NPR, OMB and OPM are still talking about the possibility of getting some kind of HR legislation through this year, but consensus is that Congress is unlikely to do much this year.
 - NPR and OPM are circulating a paper on balanced measures to agencies for comment. The paper supports more OPM oversight for HR. We will receive and review a copy of the paper.
 - NPR is planning to repeat the customer satisfaction and employee surveys in November. They also expect to include new customers in the survey this year.
 - NPR and OPM are encouraging agencies to address training in their strategic plans, since only 53% of employees surveyed said they are getting the training they need for their job. Some thought is being given to legislation to permit agencies to pay for training for new jobs instead of just for current job.
3. Labor-Management Partnerships:
 - Jeff Sumberg, Assistant Director for Labor and Employee Relations at OPM briefed the group about the partnership reports submitted by agencies to OPM and OMB. OPM is now in the process of reviewing the reports – it is not expected that they will prepare a summary report, but they will identify keys to success and problems to avoid. The partnership between SSA and AFGE was recognized as one that, although it has its difficulties, is working.
4. The Future of the Civil Service: Paul Light, Brookings Scholar, spoke to the CEC about the future of the civil service. He suggested that we are at a “profound and interesting moment” in how we conduct business in the Federal Government. He feels that some kind of reform is likely in the next two years, but is stalled for this year.

He also feels that the Government needs to do more to offer multiple entry points to Federal service. The old model of young people joining civil service for a 30-year career no longer works. Recruitment and retention are no longer two sides of the same coin – some people will come in for a few years and go on. Some people will still stay. He said it is necessary to reconfigure some mid-level jobs for in and out employees. Top students come out of college in debt and if the Federal Government could offer them some form of debt relief it would be a good recruitment incentive.

He also felt that more and more Federal agencies are bailing out of the traditional Title V civil service model. It is possible that reform in the next couple of years should include some kind of change to top levels of SES that put employees on some type of performance contract. He also felt that there might be an increase in retirements due to increased eligibility among employees, but not everyone will retire when they are eligible.

He also feels the Government Performance and Results Act is at a critical point. The Administration and Congress need to decide whether it really matters and whether there will be budget consequences for agencies that do DPRAs well and those that don't. So far, there have been no consequences for agencies that haven't really done a good job under GPRA to plan and show measurable results.

Light also stated that there are no significant policy differences between Al Gore and George W. Bush. Presidents Bush and Clinton both took a micro approach to Government – trying to change it around the edges, rather than looking for broad reform. President Clinton identified 82 initiatives in the 2000 State of the Union – not one dealt with Government reform. If Gore becomes President, Light feels he might put Government reform higher on the agenda.

He also mentioned Senator George Voinovich (R-OH). Senator Voinovich is the Chairman of the Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia of the Committee on Governmental Affairs. Light said, "he appears to be interested in Government reform and is not bashing the civil service."

Light feels the key questions for Government reform are: What do we want civil service to be and do in the future? What do we want it to look like? In approaching Government reform, don't just pick at the edges, but start with a blank sheet of paper and identify principles and boundaries – leave agencies free to operate within broad boundaries.

Light urged the CEC to present proposals to carry out change and work with him on the ideas. Members have agreed to draft some ideas for the next meeting.

- **Senate approves 3.7% military raises**

The Senate Appropriations Committee has approved a 3.7 percent pay raise for military personnel next year, which makes it unlikely that federal employees will receive anything greater than 3.7 percent. The committee approved the raise as part of a \$287.4 billion fiscal 2001 spending bill for the Pentagon. The bill follows the President's February budget recommendation, which called for 3.7 percent raises for both military and civilian personnel.

Up to 75 percent of military personnel will receive an additional pay increase in July under a pay reform agreement reached last year between the Administration and Congress. The July increase ties pay raises to promotions and performance.

Reps. Thomas M. Davis III (R-VA), Steny H. Hoyer (D-MD), Constance A. Morella (R-MD), Frank R. Wolf (R-VA), and others have indicated they will lobby to increase federal pay next year by 4.2 percent. Federal employee unions have also made a 4.2 percent raise their goal. A larger raise may still be possible if estimates of a budget surplus are realized. That might allow for some dealmaking on appropriations bills during the anticipated partisan fights over spending priorities this summer.

- **Government pension offset reform bill (H.R. 1217)**

Rep. William J. Jefferson's (D-LA) bill would exempt the first \$1,200 of an individual's combined pension income from the current pension offset rules, which now call for a reduction in the spousal social security benefits of civil service annuitants. This proposal has collected 235 co-sponsors, and Rep. Jefferson has stated that the Social Security Subcommittee will hold a hearing on the proposal by June or July. (There is a hearing scheduled for June 27th on the "Government Pension Offset and Windfall Elimination Provision.")

Similar legislation (S. 717) has been introduced in the Senate by Sen. Barbara Mikulski (D-MD).

Legislation regarding this issue has been introduced in the past, but has not been enacted because of cost concerns. Some estimates have projected a cost of \$3.5 billion over five years. Recent estimates for implementing the Jefferson and Mikulski bills project a cost of about \$1.5 billion over five years. According to the National Association of Retired Federal Employees (NARFE), SSA actuaries determined last February that the cost would increase the OASDI long-range actuarial deficit by a "negligible" amount.

- **Paid Parental Leave Act of 2000 (H.R. 4567)**

Rep. Carolyn Maloney (D-NY) has introduced legislation which would allow federal employees to take six weeks of paid parental leave for the birth or adoption of a child. Both fathers and mothers could take the leave to care for either newborn or adopted children. The time would not come out of accrued sick leave.

The Family and Medical Leave Act of 1993 allows federal employees to take up to 13 days of paid sick leave to care for newborns, although workers who have a sick leave balance of fewer than 10 days are allowed only five days. Parents may also take up to 12 weeks of unpaid maternity or paternity leave.

Cosponsors of the legislation include Reps. Tom Davis (R-VA), Steny Hoyer (D-MD), Benjamin Gilman (R-NY), and Lynn Woolsey (D-CA). NTEU and AFGE have issued statements in support of the bill.

- **Proposed SSA Testimony Rules**

SSA is proposing rules that would prohibit SSA employees from testifying in any legal action in which the agency is not a party unless the worker has the SSA commissioner's permission. The proposed rules also establish procedures for producing SSA documents in such lawsuits. SSA has been operating under rules established for the Department of Health and Human Services. The proposed rules would not apply to requests for testimony from either house of Congress, and therefore are not applicable to the testimony NCSSMA provides to Congress. The rules were published in the May 10th *Federal Register* and comments are being accepted until July 10th.

- **Equal Employment Opportunity Commission (EEOC) issues new settlement guidance**

The EEOC has released new guidance for federal agencies which is designed to encourage and expedite settlements of EEO disputes. The new guidance is contained in a new chapter (Chapter 12) of EEOC's Management Directive 110, and gives agencies more flexibility in settlement agreements. Some points from the new chapter include:

- Agencies do not have to admit wrongdoing in order to settle an EEO claim.
- Agencies have significant flexibility in structuring settlement agreements. As long as the parties agree, they can settle for any relief that a court could order if the case were to go to trial.
- Agencies can settle EEO cases that call for cash payments to the employee, but no corresponding personnel actions, provided that the monetary payment does not exceed the amount of back pay, attorney's fees, costs and/or damages the employee would be entitled to if discrimination had been found.
- Settlements can contain terms which affect the retirement status of the employee.

- **Gore SSN Theft Proposal**

On June 8th, Vice President Gore announced a new initiative for protecting personal privacy and combating the theft of SSNs. Sen. Dianne Feinstein (D-CA) and Rep. Edward Markey (D-MA) are expected to introduce the legislation on Gore's behalf. The legislation would make it illegal to sell or purchase stolen SSNs and directs the FTC to enforce the law.

As you may recall, SSA's Inspector General James Huse has endorsed legislation banning the resale of SSNs without the consent of the individuals to whom they are assigned.

- **Final Thought from Capitol Hill**

"I don't want to download it and screw up everything."

– Assistant Attorney General Joel Klein, speaking to reporters and editors from National Journal Group publications about what browser he uses on his computer. Klein said he uses both Internet Explorer - a Microsoft product - and Netscape, because they are what came with the computers.

The Washington Report
418 C Street, NE
Washington, DC 20002
202-547-8530/FAX 202-547-8532
Contact: Sara Garland or Rachel Emmons
e-mail: sarag@mail.greystone-group.com or rachele@mail.greystone-group.com