The National Council of Social Security Management Associations, Inc.

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- **Congressional Overview**

The Silly Season has begun in Washington, and so the fact that Congress has only about seven workweeks left before the general election is probably a very good thing. Although there is the appearance of legislative activity, the proof will be in the pudding, as they say. Nearly every bill before the House and the Senate is being considered in the context of electoral politics – how it will affect the principal voting constituencies of either party and whether it will add or detract from the perception of a "do nothing" Congress.

Many bills that are passing have been modified to the extent that they appear to do more than they do, such as campaign finance reform and Medicare prescription drug benefits. Tax legislation is a prime example of the games being played. The Estate Tax Repeal Bill was passed by Congress last week and is on its way to the President. This week Congress will try to finish work on a "Marriage Penalty" bill. Both of these tax bills are likely to be vetoed and will provide great rhetorical fodder for both the Republican and Democratic conventions. It is possible, however, that some version of the bills may end up in an end-of-year omnibus package.

Even the appropriations process, which includes the only must-pass bills of this Congress are, as the Washington Post put it, "a charade". Congress passed an overall budget earlier this year, which appeared to reduce domestic spending. However, everyone recognizes (and did even when they voted on the FY2001 Budget Resolution) that the appropriations bills will have to exceed the budget levels in order to adequately fund politically popular programs such as health care and education.

Only one of the thirteen appropriations bills, Military Construction, has been signed into law. The remaining bills are in various stages in the process and, like the tax provisions, will most likely end up as part of a massive omnibus bill enacted at the end of the Congressional session. Some of them will be passed and probably vetoed, such as the Labor-HHS Appropriations bill in which the LAE is included, only to rise again in modified form in the Omnibus bill. Senate Majority Leader Lott has stated his intention to pass the remaining twelve appropriations bills before the Congress adjourns on July 28 for its summer recess.

Congress finds itself in a similar situation as last year in that the self-imposed budget caps do not allow for growth in areas of great interest to the President and Democratic Members of Congress (and some Republican Members as well). With such a slim majority in the House, the Republicans are having difficulty passing appropriations bills and warding off controversial amendments. The Senate has been at an impasse in recent weeks over such issues as gun control, campaign finance reform, and Medicare coverage of prescription drugs. The President has powerful leverage since he has nothing to lose by keeping Congress in session until they accede to some of his funding requests on issues such as education. In an election year Members of Congress are eager to go home to campaign so it is likely that the President will eventually get his way and that the budget caps will be significantly exceeded.

Stay tuned. It may not be a terribly productive session, but the final weeks – with a lame duck President and a Congress that wants desperately to go home and campaign – should make it a very interesting time.

- **Executive Committee Lobbying Day**

The NCSSMA Executive Committee spent the afternoon of June 15th visiting 40 Congressional and Committee offices to discuss legislative priorities and other service delivery issues with their Members of Congress. It was a highly successful initiative. With rare exception, the Senators and House Members with whom the NCSSMA reps met were supportive and complimentary. Several Members offered to write letters of support to Committee Chairmen and one meeting resulted in two top ranking members of the Senate Budget Committee agreeing to take action on behalf of increased LAE appropriations. The experience was testament to the remarkable effectiveness of the grass roots approach – especially in an election year!

- **Limitation on Administrative Expenses (LAE)**

As a result of the Lobbying Day activities, Sara Garland worked with Senators Kent Conrad (D-ND) and Pete Domenici (R-NM) on an amendment to increase funding for the LAE to the President's recommended level (approximately $120 million more than the Senate Appropriations Committee had recommended). Although the Senators were unable to find offsetting funds to accommodate the amendment, Sen. Conrad shared his concerns about the need for increased LAE with his fellow Senators in a statement on the Senate floor (see attached), and put his colleagues on notice that his goal is to identify additional funding. The Labor-HHS Bill is expected to pass Congress by the end of July and the President will likely veto it during the August Congressional recess. It is likely that a second Labor-HHS Appropriations bill will be written in September that could include additional funding. If this is the case, we will continue to work with Senators Conrad and Domenici and other interested Senators to increase the LAE.

- **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 **seven** 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); Rep. Barney Frank (D-MA); and Rep. Jim Moran (D-VA). Rep. Moran signed on to the legislation following Nancy Smolinski's visit to his office – please continue to contact your Members of Congress on this legislation.

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).

- **Presidential Candidates' Government Reform Proposals**

While both candidates have stated that reform of the federal government must continue, there are some differences in their proposals. The following are some of the candidates' major government reform proposals:

Vice President Al Gore

- Create a new "e-government" to make government more accessible to people by eliminating red tape.
- Access to nearly every government service will be online by 2003 and agencies will be required to post progress reports at a national interactive town square.
- All major government purchases will be made online.
- Create "G-Bay" – an online auction site for surplus government property.
- Give every American a secure digital key to access government information and services.
- Place interactive kiosks in malls to ensure everyone has access to e-government.

Texas Governor George W. Bush

- Policies and "vision" of government reform are guided by three principles: government should be citizen-centered, results-oriented and, wherever possible, market-based.
- Bush has stated that if elected he will open up functions handled by 450,000 federal employees to competition with private contractors. This is approximately 25% of the federal workforce.
- A 2% cut in federal jobs over eight years. These cuts would be in addition to the 370,000 cuts made during the Clinton-Gore Administration.
- Not replacing 40,000 of the 80,000 senior and middle-level managers retiring over the next eight years.
- Redistribute 10,000 positions from higher-level designations to "front-line, service delivery functions that interact with citizens."
- Create a $100 million fund to support interagency e-government initiatives.
- Use the Internet to create a "citizen-centered" government.
- Appoint a Chief Information Officer for the federal government – will head cross-agency councils.
- Enforce the Government Performance and Results Act (GPRA) and ensure that agencies pass their audits under the Government Management Reform Act.
- Establish a bipartisan Sunset Review Board to eliminate obsolete programs.
- Increase performance-based contracting.

- Make the civil service more “market based” and give agency heads more flexibility regarding recruitment incentives and service rewards.
- Bigger role for inspectors general in gauging whether agencies are achieving results – including auditing performance reports and helping validate the data.
- 2002 deadline for agencies to bring their bookkeeping up to federal standards.
- Commission to review every decade each agency and program to find candidates for elimination.

- **Long-term care insurance bill (S. 2420) moves towards Senate floor**

S. 2420, the “Long-Term Care Security Act,” has been marked up by the Senate Governmental Affairs Committee and is expected to be considered on the Senate floor before the end of July. Sen. Thad Cochran (R-MS), the subcommittee chair, incorporated a measure (S. 1232), which would allow federal employees placed in the wrong retirement system to choose whether to be covered by FERS or CSRS-Offset. Cochran noted that none of the other subcommittee members were opposed to merging the two bills. The Senate bill requires the employees to make up the missed contributions. The Administration supports the Senate version.

H.R. 4040 is the long-term care insurance bill passed by the House. Rep. Joe Scarborough (R-FL), Chairman of the Civil Service Subcommittee of the House Committee on Government Reform, authored the legislation and it was referred to Sen. Cochran’s subcommittee on May 11th. The House-passed version of the retirement error correction (H.R. 416) remains separate from the long-term care insurance bill and would allow workers to choose between FERS and CSRS-Offset. For those workers who choose FERS, the bill requires the government to make up for missed TSP contributions.

We have been in contact with House Civil Service Subcommittee staff and the anticipated course of action is that the House will accept the Senate version, expediting the legislative process by avoiding the necessity of a conference between the House and Senate. At this time Rep. Scarborough has signed off on this and the Subcommittee staff is waiting to hear from Rep. Dan Burton (R-IN), Chairman of the House Committee on Government Reform.

- **Increase in FEHBP premiums expected**

The Office of Personnel Management (OPM) recently told a congressional panel that FEHBP participants could expect to see an increase of approximately 8.7 percent for 2001. The actual increase will be known once OPM finishes negotiations with insurers. OPM is not expected to bring premiums down, but the agency is working on slowing down the rate of the premium increases.

- **House Subcommittee on Government Management, Information, and Technology (GMIT) Hearing on Implementation of the “Debt Collection Improvement Act of 1996”**

On June 8th we attending the hearing on the oversight of the implementation of the "Debt Collection Improvement Act." Witnesses included:

- Gary T. Engel, Associate Director of Government-wide Accounting and Financial Management Issues, Accounting and Information Management Division, U.S. General Accounting Office
- Richard L. Gregg, Commissioner, Financial Management Service (FMS), Department of the Treasury
- Edward A. Powell, Jr., Assistant Secretary for Financial Management and Chief Financial Officer, Department of Veterans Affairs
- Yvette Jackson, Deputy Commissioner for Finance, Assessment and Management, Social Security Administration
- Barry G. Cloyd, Chairman of the Government Services Program, American Collectors Association

A large portion of the testimony focused on FMS's two programs for collecting delinquent non-tax-related debt – an offset program and a cross-servicing program. Under the offset program, Federal payments (including salary and benefit payments) can be intercepted to satisfy delinquent debts – such as defaulted home loans or small business loans. The cross-servicing program allows the department to collect directly from the debtor or refer the debt to a private collection agency. Chairman Steve Horn (R-CA) stated that it is necessary for agencies to refer the delinquent debt to FMS in a timely manner – this is not always the case: the Department of Veterans Affairs has referred only one percent of its eligible delinquent debts, and the Social Security Administration has referred none of its eligible debt.

The GAO testimony focused on the results of its study of the cross-servicing program. (The study was requested by the subcommittee.) As part of the study the GAO reviewed the Treasury Department's efforts to promote timely debt referrals by agencies, and the department's allocation of delinquent debts to private collection agencies.

Only one question was addressed to Deputy Commissioner Jackson:
Chairman Steve Horn: The Social Security Administration has not referred any of its delinquent debt for cross-servicing. Why not?

> Deputy Commissioner Jackson: The Social Security Administration submitted an application on May 30, 1997, to be a debt collection center. The denial of the application was not received until May 10, 1999. SSI and former children's benefits were exempted on November 15, 1999. At that time SSA was also focusing on preparing for the "Year 2000" rollover, and those preparations continued through February 2000. SSA is continuing to work with FMS and we will be testing over the next 6 months. We have set up meetings and are going to Birmingham, Alabama, later this month. SSA was waiting to receive a decision from FMS – it took a long time.

- **<u>Coalition for Effective Change (CEC) Activities</u>**

The guest speaker for our June CEC meeting was Stephen Barr from the <u>Washington Post</u>. Stephen has taken over "The Federal Diary" column following Mike Causey's departure for the website www.planetgov.com. He is interested as the "new guy on the beat" in who and what the CEC is and does – and also in the same information regarding CEC's member organizations. We conveyed to him that NCSSMA is the voice of the field offices and teleservice centers nationwide and that one of our main concerns is the quality of service delivery at the local level – and the need for additional resources to meet existing and increasing demands. We also discussed the need for recruitment and retention tools to hire the best possible candidates and the need for passage of the current supervisory overtime legislation.

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