

The National Council of Social Security Management Associations, Inc.

**THE WASHINGTON REPORT
LEGISLATIVE REPORT 02-2002**

February 21, 2002

- **Congressional Report**

Capitol Hill Day for NCSSMA Executive Committee

The NCSSMA Executive Committee spent an afternoon on Capitol Hill on February 7 and visited about twenty Congressional offices to discuss issues of concern to NCSSMA members. The President's budget had just been sent to Capitol Hill on February 4, so the visits were very timely for Executive Committee members to discuss their primary concern – that adequate funding be provided to SSA field offices. Executive Committee members also discussed the importance of securing legislation to modify the current rules on overtime.

The Limitation on Administrative Expenses (LAE), which funds the operations of SSA, received a 4.6% increase in the President's budget, compared to a 6.0% increase in the LAE appropriation in the current fiscal year (FY2002). The Executive Committee members made effective and compelling cases for ensuring that the field offices receive at least 5000 additional FTEs in the FY2003 budget, to bring the current FTEs up to 33,500, which is still 5000 fewer FTEs than the field offices had in 1985!

The importance of grassroots contacts was evident throughout the day as Members of Congress and their staffs listened carefully and committed to assisting NCSSMA in the organization's legislative goals. Nancy Smolinski and Steve Bock were assured by Congressman Tom Davis's (R-VA) office that the Congressman would introduce a provision to change the current overtime rules as part of government reform legislation. Members of Congress and their staffs listened attentively about how SSA's front-line services to their constituents could be affected by the combination of baby boomer retirements, SSA retirements, and decreasing resources to the SSA field offices. Several Congressional offices, including Rep. Chet Edwards (D-TX), Rep. J.D. Hayworth (R-AZ), Sen. Christopher S. "Kit" Bond (R-MO), Sen. Jean Carnahan (D-MO), and Sen. Byron Dorgan (D-ND) committed to working with NCSSMA to see that field offices are adequately staffed, and that recruiting and training activities are underway to meet current and future needs.

Now that Congress has received the President's budget, hearings have begun on the Administration's budget recommendations in both the House and Senate Budget Committees and Appropriations Committees. The budget caps that were established in 1997 expired in FY2002, although it is expected that Congress will establish a budget ceiling to maintain an element of fiscal discipline. With Congress facing deficit spending for the first time in five years and with the emphasis on national defense and security, funding for domestic programs, such as SSA's LAE, will be a challenge. This challenge underscores even more dramatically NCSSMA's need

for a strong grassroots initiative. With such keen competition for federal funds, it will be even more important to make the case for field office resources in the context of how the local offices serve the constituents of Members of Congress.

Background information on the LAE and overtime issues can be found on the NCSSMA web site.

- **Pay Raise**

President Bush's proposed FY2003 budget calls for a 2.6 percent raise for civilian personnel and a 4.1 percent pay increase for military personnel. The White House believes that due to the current war in Afghanistan, the military should receive a higher pay raise. Reps. Steny Hoyer (D-MD), Tom Davis (R-VA), Jim Moran (D-VA), Connie Morella (R-MD), Frank Wolf (R-VA), Albert Wynn (D-MD), and Del. Eleanor Holmes Norton (D-DC) have said they will resume their efforts again this year to see that federal employees receive a higher pay raise than that proposed by the President – they have already sent a letter to President Bush asking for parity between the civilian and military pay raises. Rep. Hoyer also testified before the House Budget Committee last week that most Federal civilian employees are contributing to the war's homeland defense effort. On the Senate side, Sen. Daniel Akaka (D-HI) made a floor statement that highlighted the fact that in most years since 1981, there have been equal pay raises for the civil service and the military.

Last year the President's budget also requested larger pay increases for military personnel. The military received an average pay increase of 6.9 percent this year, compared with the average 4.6 percent pay increase for civil service personnel. The same group of lawmakers listed above opposed the pay disparity last year and helped ensure passage of legislation mandating the 4.6 percent increase for civil service employees – President Bush had called for a 3.6 percent increase for civil service employees.

- **Long-Term Care (LTC) Insurance**

Early enrollment in the federal government's long-term care program will take place March 25 through May 15. This sign-up period is for federal employees and retirees who want to go ahead before the start of the government's marketing campaign. Open season for the LTC program starts July 1 and runs through December 31 – with staggered 60-day enrollment periods during that time. Applicants purchasing coverage during the early enrollment period may be asked to state that they are aware they're purchasing coverage without reviewing informational materials that will be available during the open season period.

Early enrollment participants will also have to make premium payments directly or by bank debit as payroll and annuity deduction systems will not be in place. Additionally, benefits available during the early enrollment will not be as extensive as those offered during open season (the

lifetime benefit will not be available), but it will be possible to change benefits later on after the open season begins.

The underwriting requirements will be the same for early enrollment and open season – federal employees and members of the uniformed services and their spouses will be subject to short form underwriting. Other eligible groups – Postal Service and Tennessee Valley Authority employees; retired military personnel and retired military reservists – will be subject to full underwriting.

Premiums will be calculated by the recipient's age as of the date that the early enrollment application is received. For those applications that are approved, coverage becomes effective on May 1, or on the first of the month after approval – whichever is later. Early enrollment applications will be available by March 25 at: www.ltcfeds.com or by calling 1 (800) 582-3337.

- **Bush Administration**

The Senate confirmed by unanimous consent the nomination of James B. Lockhart, III, to be Deputy Commissioner of Social Security, the nomination of Harold Daub to be a Member of the Social Security Advisory Board, and the nomination of Dan G. Blair to be Deputy Director of the Office of Personnel Management (OPM).

Blair served most recently as senior counsel to Sen. Fred Thompson (R-TN) on the Senate Committee on Governmental Affairs where he helped develop the long-term care insurance program as well as reforms for FEHBP and life insurance programs. In his new role, Blair will advise OPM director Kay Coles James on human resources issues for federal employees.

- **Government Pension Offset (GPO) and Windfall Elimination Provision (WEP)**

We are continuing to monitor several pieces of legislation affecting the GPO and WEP.

- Rep. William Jefferson's (D-LA) GPO reform bill (H.R. 664) currently has 285 cosponsors and Sen. Barbara Mikulski's (D-MD) companion bill (S. 611) has 27 cosponsors.
- Rep. Howard "Buck" McKeon's (R-CA) legislation to eliminate the GPO and WEP (H.R. 2638) has 90 cosponsors.
- Senator Diane Feinstein's (D-CA) legislation (S. 1523) to repeal the GPO and WEP currently has one cosponsor.
- The Social Security Reform legislation introduced by Rep. E. Clay Shaw (R-FL) in December currently has 3 cosponsors. This legislation (H.R. 3497) reduces the GPO from a 2/3 offset to a 1/3 offset.

- **Senator Voinovich Introduces IT Employee Exchange Legislation**

Senator George Voinovich (R-OH) recently introduced legislation that would permit the public sector and private sector to exchange information technology specialists. The bill (S. 1913) is

called the “Digital Tech Corps Act of 2002” and mirrors legislation introduced in the House last summer by Rep. Tom Davis (R-VA). The legislation seeks to address an expected crisis in the federal information technology field – more than 50 percent of the federal government's IT workforce will be eligible to retire by 2006. Sen. Voinovich's bill has been referred to the Senate Governmental Affairs Committee, and Rep. Davis's bill was referred to the House Committee on Government Reform's Subcommittee on the Civil Service and Agency Organization.

- **Government Reform Proposals**

There is a possibility that the Senate Governmental Affairs Committee will hold hearings next month on proposals by the Bush Administration (S. 1613) and committee member Sen. George Voinovich (R-OH) (S. 1603) that seek to give agencies greater flexibility in hiring, managing and retaining employees. The two measures have many common themes and provisions – both would create a new government-wide buyout authority with offers subject to OMB approval and also repeal the recertification requirements for senior executives. Some officials have said it is possible that the two proposals will be combined into a single measure.

The Administration's Managerial Flexibility Act (S. 1613) also includes:

- Enhancing the authority to give recruitment, retention and relocation bonuses;
- Permitting agencies to develop and use alternative personnel systems;
- Authorizing broader use of early retirement authority; and
- Raising the cap on total compensation for senior executives to the Vice President's salary, while revising the way their performance is evaluated.

Sen. Voinovich's legislation (S. 1603) also includes:

- Requiring agencies to put greater emphasis on career development training for employees, including broadened payments for academic degree training;
- Allowing phased retirement for certain specialized positions;
- Reducing the notice period before disciplinary action for employees with poor performance from 30 to 15 days;
- Requiring a General Accounting Office study of the disciplinary and termination process relating to federal employees with unacceptable performance; and
- Establishing a chief human capital officer in agencies. (Although SSA was not included in the list of agencies provided in the legislation.)

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