

The National Council of Social Security Management Associations, Inc.

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- **Congressional Report**

Congress is headlong into budget and appropriations hearings, as well as developing a national energy policy in the Senate. With little warning, the House passed an economic stimulus bill on Thursday and the Senate adopted it on Friday. The swiftness of its passage has left Capitol Hill a bit breathless – even if it was months in the making.

Members of Congress are busily determining what their individual appropriations requests will be. Thanks to the Executive Committee's meetings on Capitol Hill, NCSSMA's requests will be included on a number of Members' lists.

We recently had a one-on-one meeting with Rep. Patrick Kennedy (D-RI). We discussed his participation in the Labor-Health and Human Services Appropriations Subcommittee hearing regarding SSA's FY2003 appropriations requests. We thanked him, on behalf of NCSSMA, for his public expression of support for increased resources for the field offices. Representative Kennedy said that he felt the field offices in Rhode Island do a wonderful job – your hard work has not gone unnoticed!!!

- **FY2003 Social Security Administration Budget Request before the Labor, Health and Human Services and Education Subcommittee on Appropriations**

We attended the hearing on SSA's appropriations requests on February 26, 2002. Members of Congress present at the hearing were: Chairman Ralph Regula (R-OH), Rep. Ernest, Jr. (R-OK), Rep. Don Sherwood (R-PA), Rep. Nancy Pelosi (D-CA), and Rep. Patrick Kennedy (D-RI).

The five appropriations requests presented by Commissioner Barnhart were those contained in the President's FY2003 budget request:

- **Limitation on Administration Expenses -- \$8.283 billion, an increase of 4.7 percent from the FY2002 comparable level**
 - \$7.937 billion for basic day-to-day operating expenses; and
 - \$346 million for the Administration's proposal to budget for the full cost of accruing Federal retirement benefit costs and annuitant health benefit costs in agency salary and expense accounts
- **Office of the Inspector General (OIG) -- \$87 million**
 - \$83 million for the OIG – an \$8 million increase in resources from the FY2002 budget
 - \$3.8 million related to the Administration's proposal to budget for the full cost of accruing Federal employee retirement and annuitant health benefits in agency accounts

- **Supplemental Security Income -- \$35 billion**
 - \$32 billion for Federal benefit payments
 - \$3 billion to reimburse the Social Security trust funds for SSI administrative expenses, to provide for vocational rehabilitation services, and to fund extramural research and demonstration projects
- **Special Benefits for Disabled Coal Miners -- \$408 million**
 - Funds cover benefit payments and administrative expenses for that portion of the Black Lung program for which SSA is responsible
 - The Administration is proposing that the Department of Labor (DOL) assume full responsibility for all parts of the Black Lung program administration, currently shared by SSA and DOL, to consolidate program accountability under a single Federal agency
- **Payments to Social Security Trust Funds -- \$20.4 million**
 - Request will serve to reimburse the Social Security trust funds for the costs of certain benefits and administrative expenses properly charged to Federal funds

The following statements made during the course of the exchange between the Members of Congress and Commissioner Barnhart should be of particular interest to NCCSSMA members (please note that is not a complete transcript of the hearing, but those items most pertinent to our issues):

Chairman Regula (R-OH) stated that the 800# really isn't working well – it seems to pose a cost problem as well as an administration problem.

Commissioner Barnhart responded that Operations monitors this daily and that the current response rate is 92% within 5 minutes.

Rep. Nancy Pelosi (D-CA) voiced a concern about the need to redesign the disability process. She was also concerned about staffing levels – she commented that the workforce has declined 29% due to downsizing while the workload has increased 31%.

Commissioner Barnhart responded that SSA should be able to maintain the key performance areas, but that the backlogs in other areas will increase. The Commissioner also stated that SSA is currently preparing a timeline for disability cases – regarding how long the process should take. SSA will take a look at current processes first and look at making changes (both procedural and policy) and what these changes would cost to implement. She also stated that SSA is looking at how to immediately reduce the backlog of disability cases. She has met with NCCSSMA already and is examining results from the Prototype. She has also met with representatives from NADE – she referred to them as “the people on the front line”. She is also preparing to sit down in the near future with the ALJs. Commissioner Barnhart pointed out that due to the MSPB case, SSA had not been able to hire ALJs for 2 years.

Rep. Pelosi stated that she didn't know how SSA could accomplish these items within the budget “freeze” numbers. She asked Commissioner Barnhart if it was her professional judgement that this budget would allow her (Commissioner Barnhart) to accomplish these items.

Commissioner Barnhart responded that the budget would allow SSA to address key performance areas, but that backlogs would continue to grow.

Rep. Pelosi asked the Commissioner if SSA had more resources would these workloads get done more quickly.

Commissioner Barnhart stated, “Yes, no question.”

Rep. Patrick Kennedy (D-RI) also asked the Commissioner if she had more money could she work down the backlogs. He commented on the fact that the workload in Rhode Island is overwhelming and that staffing levels are next to nothing. He also stated that he believes too much time and energy are focused on CDRs as opposed to getting people certified for benefits.

Commissioner Barnhart responded that the CDRs are a critically important issue – that SSA has a responsibility for good stewardship and public service – the agency needs to make sure that the right benefits are going to the right people.

Rep. Kennedy commented about the arduous process to make it onto the SSI roles – stated that wouldn’t the dollars be better-spent getting people qualified.

Rep. Ernest Istook (R-OK) referenced a recent Social Security Advisory Board Report that reported the ratio of overpayments as 2 ½ times greater than they were in FY1990. He wanted to know what the Commissioner considered an acceptable level and what was the reason for the increase in overpayments. He also noted that it was the rate of overpayments that had increased – not just the amount.

Commissioner Barnhart said that she would be more than happy to conduct an analysis of the change.

Rep. Istook suggested that perhaps a year-by-year analysis would be helpful.

Rep. Don Sherwood (R-PA) asked about the organization that the Commissioner had inherited – was it “real-time” computing.

Commissioner Barnhart answered that the systems are online – real-time.

Rep. Sherwood asked the Commissioner if when people call in, does SSA try to answer their question at that time.

Commissioner Barnhart responded “yes” – to the extent possible – the calls are then referred to field office personnel.

Rep. Sherwood stated that all Congressional offices get a great deal of casework involving SSA – and when their staffs contact SSA they receive a wonderful response – what is the gap between the general public and the Congressional offices?

Commissioner Barnhart responded that SSA employees make no distinction between calls, and that it is an issue of time delay. She stated that she was confident that the level of work is the same.

- **Frequent Flier Miles**

Due to the frequent flier legislation signed into law the last session of Congress, the Internal Revenue Service (IRS) has issued new rules regarding the personal use of frequent flier miles earned by Federal employees while on travel for business. The IRS has said that frequent flier miles earned while on official travel will not be counted as taxable income when converted to

personal use. Some legal interpretations have held that the miles are just another form of compensation and are therefore not exempt from taxation. IRS officials said that it would be difficult to place a value on the miles and to separate the miles from those taxpayers earned while on personal travel or through credit cards. Because of these difficulties, the IRS has never pursued an enforcement program on frequent flier miles or other travel benefits.

- **Paid Parental Leave Legislation Reintroduced**

Representatives Tom Davis (R-VA), Steny Hoyer (D-MD), and Carolyn Maloney (D-NY) have introduced the “Federal Employees Paid Parental Leave Act of 2002”. The measure would provide federal employees with six weeks of paid leave for the birth or adoption of a child. These Members of Congress sponsored the same legislation (H.R. 4567) two years ago in the 106th Congress.

Currently, federal employees must deplete their annual and sick time to take parental leave. Rep. Hoyer pointed out that the legislation will help address the “human capital” crisis facing the federal government by providing a very desirable benefit. “If a prospective employee sees that the federal government is family friendly, they may choose to work in the public sector over the private sector,” he stated.

Rep. Maloney also stated, “Losing pay for becoming a new parent is not acceptable. Federal employees deserve the right to spend time with their newborn or newly adopted child without financial burden. Private sector companies offer reasonable and fair parental leave policies.”

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