

**The National Council of Social Security Management Associations, Inc.**

**THE WASHINGTON REPORT  
LEGISLATIVE REPORT 04-2002**

April 12, 2002

- **Congressional Overview**

The cherry blossoms have faded and Congress is finishing up its first week of legislative work after returning from its spring break. This week the Senate worked on national energy policy and election reform while the House concentrated on pension plan overhaul. The most newsworthy event of the week was Elton John's appearance before the Senate Health, Education, Labor and Pensions Committee, which pretty much puts the other activities of the week in perspective.

One of the major questions now being asked is how (and whether) Congress will deal with its annual budget resolution. Last month the House passed a Budget Resolution and the Senate Budget Committee approved its version of a Fiscal Year 2003 budget. With a Republican majority in the House and a Democratic majority in the Senate, it is unclear whether the two will be able to agree on federal spending priorities. While the overall amounts in the Senate and House bills are very similar (the Senate Resolution is \$9 billion more), the priorities differ; for example, the Senate Resolution recommends \$500 billion for a prescription drug benefit while the House recommends \$350 billion.

Of particular interest to NCSSMA members and other federal employees is that the \$9 billion difference in the House and Senate budgets has to do with how federal employee pension and health care plans are budgeted. The House wants to implement President Bush's plan to give each agency the discretionary authority to pay for its employee pension and health care costs. The Senate wants to continue treating these benefits as mandatory spending from general revenues and has included the \$9 billion necessary to do so. The Coalition for Effective Change supports the Senate's position and has written to the leadership of the Appropriations Committees expressing its opposition to the President's proposal. NCSSMA took the lead on these letters and copies are attached.

With regard to the federal pay raise, both the House and the Senate have proposed parity between the civil service and the military. The President has recommended a 4.1% increase for the military and a 2.6% increase for civilians. Both the House and the Senate have endorsed the higher 4.1% increase for civil service employees and the military.

Without a Congressional Budget Resolution, the Appropriations Committees (who deal with actual spending) could proceed without any funding ceilings to restrain spending. However, it is expected that the House and Senate will eventually reach some agreement about spending targets albeit not as stringent as the budget caps that were in place until last year (Fiscal Year 2002).

**And, speaking of appropriations, NCSSMA President Tony Pezza has been invited to testify before the House Labor, Health and Human Services Appropriations Subcommittee on May 7, 2002. Tony will be presenting NCSSMA's justification for an increase in the Limitation on Administrative Expenses account for the field offices. Your anecdotal information about how staff shortages and cutbacks in your offices have affected SSA's ability to serve the public would be most helpful.**

- **Anti-Discrimination Legislation Passes Senate Government Affairs Committee**

The Senate Governmental Affairs Committee has approved H.R. 169 – the “Notification and Federal Employee Anti-Discrimination and Retaliation Act of 2001”. Under the legislation the agency where an employee worked would pay legal settlements rather than the government-wide fund currently operated by the Justice Department. The “No FEAR” bill also requires that there be an updating of the most recent class-action discrimination suits brought against agencies. All cases and findings of discrimination (for the past five years) must be posted on the agencies’ websites and reported to Congress.

Also posted will be the number of managers who have been disciplined as a result of findings of discrimination or “Whistleblower Retaliation” in settlements, cases before the EEOC, OSC, or the Courts. The legislation includes a Sense of the Congress resolution that agencies should not use a RIF as a means of funding reimbursements to their settlement funds, and that accountability in enforcing employee rights is not further curtailing employment in the Federal Government.

Several member organizations of the Coalition for Effective Change are also monitoring this legislation quite closely. We will keep you informed if the group will be taking any action regarding the legislation.

- **House Passes the “Digital Tech Corps Act”**

On Wednesday, April 10, the House passed the “Digital Tech Corps Act” (H.R. 3925) by a vote of 219-204 – generally along party lines. The legislation creates an exchange of mid-level IT executives between the public and private sectors.

The legislation, sponsored by Rep. Tom Davis (R-VA), seeks to strengthen the federal government’s understanding and use of information technology. The bill allows private-sector IT experts to work for the federal government and federal employees to work for private companies for 6 to 12 months – with a one-year option. The private sector is responsible for the cost of the digital tech corps. Before passing the bill, the House adopted, by voice vote, an amendment requiring that 20 percent of government workers participating in the exchange go to small businesses. Lawmakers also adopted, by voice vote, language that directs OPM to report on the adequacy of training opportunities and prohibits the charging of costs associated with the tech corps to contracts that companies receive from the government.

An amendment offered by Rep. Henry Waxman (D-CA) was defeated. The amendment would have restricted what government information private-sector workers in the tech corps could access. Rep. Waxman said the bill "blurs the line" between the public and private sectors, which would "invite abuse and conflict of interest." He also criticized the idea of sending taxpayer-funded employees to work for private firms, referring to it as a "new and egregious form of corporate welfare."

Rep. Davis said his bill would go beyond federal requirements for disclosure and lobbying, including a lifetime restriction on disclosure for private-sector employees who participate in the program and severe penalties for any violations. Rep. Davis also noted that federal managers would decide whether to send their employees to work at companies, so they could determine the usefulness of each opportunity.

The legislation was supported by the high-tech industry and opposed by government and private-sector employee organizations.

- **GPO-WEP Legislation Update**

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 289 cosponsors and Sen. Barbara Mikulski's (D-MD) companion bill (S. 611) has 29 cosponsors.
- Rep. Howard "Buck" McKeon's (R-CA) legislation to eliminate the GPO and WEP (H.R. 2638) has 123 cosponsors.
- Senator Diane Feinstein's (D-CA) legislation (S. 1523) to repeal the GPO and WEP currently has 4 cosponsors.
- The Social Security Reform legislation introduced by Rep. E. Clay Shaw (R-FL) currently has 4 cosponsors. This legislation (H.R. 3497) reduces the GPO from a 2/3 offset to a 1/3 offset.
- Rep. Barney Frank's (D-MA) legislation (HR-1073) currently has 219 co-sponsors. The legislation would amend OASDI so that the full windfall penalty would apply only to combined monthly benefits above \$3,000. The legislation would also phase in a reduction and impose a lesser phased-in penalty for amounts between \$2,000 and \$3,000.

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@greystone-group.com](mailto:sarag@greystone-group.com) or [rachele@greystone-group.com](mailto:rachele@greystone-group.com)