

The National Council of Social Security Management Associations, Inc.

**THE WASHINGTON REPORT
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- **Washington Overview**

July is a busy month on Capitol Hill with both the House and the Senate attempting to make progress on appropriations bills, homeland security legislation, corporate oversight hearings, and debating the Medicare prescription drug benefit. The House is scheduled to recess on July 29 and the Senate on August 5; both institutions will reconvene after Labor Day.

NCSSMA is working closely with advocates in Congress to ensure that the SSA field offices will be adequately staffed to address the Special Disability Workload (SDW). The Senate Budget Committee, under the Chairmanship of Sen. Kent Conrad, organized a Congressional staff briefing in June to discuss how the field offices will be affected by the SDW. NCSSMA is now working with the Senate Budget Committee and the Finance Committee to convince appropriators that additional staff is needed in the field offices to handle the additional workload. Congressman Earl Pomeroy, a member of the House Ways and Means Social Security Subcommittee, has written to SSA about field office staffing concerns, and is an outspoken supporter of maintaining a strong and viable field office network.

The month of August, during the Congressional recess, is a crucial time to let your Members of Congress know about the workload crisis resulting from the SDW. Check the NCSSMA website in the near future for a draft letter and guidelines that you could use as a model for contacting your Congressional Delegation.

Homeland security issues have become the focus of attention of many of the federal employee groups as the Congress debates a reorganization of federal agencies that is beyond what most folks in the nation's capitol have ever before witnessed. Now that the reality has set in of what the reorganization will mean in terms of legislative jurisdiction and departmental realignment, the momentum has definitely slowed. It will be interesting to see if Congress actually meets its deadline of September 11, 2002, to authorize the new homeland security department – especially when you consider there are only about 14 legislative days left before September 11.

The number of political fundraisers and the heightened political rhetoric are definite signs that Election Day is getting closer. Just this week House Democratic Leader Richard Gephardt predicted that the Democrats could gain 40 seats in the House. His comments were predicated on the assumption that Republicans would be blamed for the corporate scandals that have rocked the country in the past several weeks. Clearly, the Republicans do not agree with his assessment and polls would indicate that Rep. Gephardt is being very optimistic. It was interesting this week, though, to see the accounting reform legislation, once on a slow legislative track, quickly passed by the Senate.

- **OPM Issues Memorandum Regarding Union Activities**

OPM has ordered federal agencies to submit reports documenting the amount of time spent by employees on union activities such as grievances and negotiating contracts. OPM Director Kay Coles James has told agencies to report by October 31 “on the number of hours of official time used by employees to perform representational activities” during FY 2002.

OPM officials have stated that it is not known how much money the government spends on official time – the most recent figure was \$48 million for the first six months in 1998. During that period of time, OPM reported that 24,000 federal workers used 2.2 million hours of official time for union activities.

Kay Coles James has also stated that after this year, OPM may ask for more than just the total hours of official time to make sure that official time is being used appropriately. Additionally, Representative Dan Miller (R-FL) has introduced legislation (H.R. 4907) that would require detailed reporting of union activities.

- **Pay Raise**

The House Appropriations Committee has approved language submitted by Rep. Steny Hoyer (D-MD) that would mandate a 4.1 percent pay increase for civilian federal workers in FY 2003. Rep. Hoyer and Rep. Frank Wolf (R-VA) inserted the pay raise parity language in the FY 2003 House Treasury-Postal Appropriations bill last month and it was approved by a subcommittee vote.

The Senate Treasury Postal Appropriations subcommittee has also approved a measure assuming a 4.1 percent raise. On the Senate side, it is expected that Sens. Ted Stevens (R-Alaska), John Warner (R-VA), Barbara Mikulski (D-MD), Paul Sarbanes (D-MD) and Joseph Lieberman (D-CT) will support the higher pay raise for civilian federal workers.

The measures now advance to a vote by the full House and a vote by the Senate Appropriations Committee.

Both the Senate (S. 2514) and the House (H.R. 4546) have passed their versions of the FY 2003 Defense Department authorization bill that set next January’s raise for the military at 4.1 percent. Supporters of the 4.1 percent raise for civilian federal employees continue to argue that parity between the two raises should be maintained, as it has been during most years in the last two decades.

The Bush Administration’s budget calls for a 2.6 percent pay increase for civilian federal workers and a 4.1 percent pay increase for military personnel.

- **Three-Year Probationary Periods**

The Office of Personnel Management (OPM) is expected to issue new regulations in December that will allow federal agencies to use three-year probationary periods to evaluate certain new employees. The rule will also establish one year as the minimum probationary period. The new system will allow agencies to use a competitive service probationary period of up to three years for jobs where the performance of duties cannot be properly evaluated during a one-year period.

- **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 295 cosponsors and Sen. Barbara Mikulski's (D-MD) companion bill (S. 611) has 34 cosponsors.
- Rep. Howard "Buck" McKeon's (R-CA) legislation to eliminate the GPO and WEP (H.R. 2638) has 165 cosponsors.
- Senator Diane Feinstein's (D-CA) legislation (S. 1523) to repeal the GPO and WEP currently has 11 cosponsors.
- The Social Security Reform legislation introduced by Rep. E. Clay Shaw (R-FL) currently has 5 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 230 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.

- **Sen. Voinovich Introduces Federal Personnel Reform Legislation**

Sen. George V. Voinovich (R-OH) has introduced legislation, "The Federal Workforce Management Improvement Act," (S. 2651) that updates two earlier pieces (S. 1603 and S. 1639) of human capital management legislation. Cosponsors of the legislation are Sen. Thad Cochran (R-MS) and Sen. Fred Thompson (R-TN). Key elements of the legislation are:

- Mandates that the head of each agency designate a Chief Human Capital Officer
- Creates a Chief Human Capital Officers Council – to be chaired by the director of OPM
 - Council would meet periodically regarding the human capital activities of agencies
 - Council would be required to meet at least once a year with federal employee unions
- Authorizes federal agencies to use voluntary separation incentives (or buyouts) of up to \$25,000 for "workshop reshaping purposes"
- Agencies would be able to offer voluntary early retirements
- Gives federal managers more discretion in choosing among top-rated candidates when making hiring decisions
 - Ability to use a "category ranking" system instead of limiting candidates to the "rule of three" system

- Legislation seeks to reassure veterans' organizations that veterans' preferences will not be downgraded in the proposed hiring changes
 - Except for scientific and engineering preferences at the GS-9 grade level or higher, disabled veterans who meet basic qualifications would be entered in the superior category
- Agencies could hire directly – without regard to veterans' preferences or the “rule of three”
- New flexibilities for agencies in the use of recruitment, relocation, and retention bonuses
- Reforms the federal leave accrual policy to reflect the prior professional experience of mid-career hires by offering credit for an equivalent number of years they would have in government
 - Example – a new mid-career hire with 10 years of outside experience would receive the same amount of leave credit as federal employees with 10 years of federal government service

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