

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

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- **Washington Overview**

Capitol Hill is very quiet these days as Congress is in the last two weeks of its summer recess. Most of the politicking is going on in home states and Congressional Districts. Those of you in South Dakota, Missouri, Minnesota, Texas, Mississippi, Indiana, and a few other places where there are competitive races are probably already tiring of the political television spots. Just 74 days until election day and the airwaves will be quiet again...so try to be patient while Democracy works its will.

September and the first couple of weeks of October promise to be extremely busy as Congress tries to pass a Homeland Defense Bill, finish the 13 appropriations bills, tackle the prescription drug benefit issue, and worry about who will hold the balance of power after election day. I am often asked how NCSSMA's issues would fare under Republican or Democratic control of the Congress and, to be honest, there is no pat answer to the question. In many respects, it has more to do with individual Members of Congress who may hold key Committee positions and how they relate to our membership and to our issues. That, again, is why it is so critically important for NCSSMA members to have good working relationships with their Congressional Delegations.

In the past several weeks we have seen the results of NCSSMA's grass roots efforts. It is no accident that several critically important Members of Congress have suddenly discovered the service delivery needs of the SSA offices in their home states and districts – especially with the Special Disability Workload looming. Members of Congress want to know how SSA field offices are serving their constituents, and also of any difficulties that may be in the offing because of increased workloads, retirements, and training needs. As we often say, the SSA field offices provide the face of the Federal government to many citizens, and Members of Congress are always concerned about how their constituents are being served with taxpayers' dollars.

We invite every NCSSMA member to let us know if your travels bring you to DC. It would our privilege to accompany you to Capitol Hill to enlighten your Member of Congress about the needs and issues faced by your office each day!

- **Pay Raise**

Both the House and Senate versions of the FY 2003 Treasury-Postal Appropriations bill (H.R. 5120 and S. 2740) specify a 4.1 percent average raise for civilian federal employees. The Bush administration continues to push for a 2.6 percent average raise. A recent statement of policy

says the administration continues to believe that its figure "is both reasonable and responsible. We urge the Congress to adopt the president's budget policy. The additional cost of this increased pay level is \$1.5 billion over the president's request. This congressional policy would divert critical resources from programs across the government."

The House version of the FY 2003 Treasury-Postal Appropriations bill also contains several provisions that have been a part of the spending bill in years past. These include:

- A general ban on abortion coverage in the FEHBP (except in cases of rape, incest, or if the woman's life is in danger)
- A ban on agencies disclosing employee names and home addresses to unions (except with the individual's consent)
- A ban on "lifestyle"-type training that is not directly related to the performance of official duties
- A requirement that FEHB plans generally cover the major types of prescription contraceptives
- A cap on raises for blue-collar employees in the wage grade system in the upcoming fiscal year at the GS average raise

The House measure also contains several new provisions. These include:

- Agencies are required to submit a report at the time the President's budget is submitted on the use of official time within the agency during the previous fiscal year – OPM recently instructed agencies to compile these figures
- A new training program to encourage managers to support telecommuting by employees. The Report includes language that says that only 4.2 percent of employees telecommute even part of the time and that "manager reluctance is the most frequently cited barrier to telecommuting"
- Language requiring OPM to report on efforts to expand flexible spending accounts for federal employees
- A provision aimed at eliminating what the measure calls unfair in-house advantages in contracting-out cost competitions through use of public resources

- **Human Capital Provisions Become Part of Homeland Security Department Measure**

Key provisions of the revised human capital legislation (S. 2651) introduced by Sen. George V. Voinovich (R-OH) have been added to the Homeland Security Department measure (S. 2452) in the form of an amendment. These provisions include:

- The creation of both a chief human capital officer at each agency and an inter-agency council of the officers to exchange best practices, similar to those that exist for chief financial and chief information officers.
- Increases the limit on total annual compensation from level I of the Executive Schedule (\$166,700) to the vice president's salary (\$192,600).
- Requires human capital planning activities to be included in annual agency performance and management reports mandated by the Government Performance and Results Act (GPRA).

- Authorizes permanent government-wide buyout and early out authorities that would be available for agencies to use to reshape their work forces – and not just for their traditional uses in downsizing.
- Encourages agencies to make greater use of recruitment, retention and relocation allowance payments as recruiting and retention tools
- Reforms the competitive service hiring process by allowing federal agencies to rank applicants in categories while maintaining veterans' preference and merit principles
- Broadens the authority for agencies to conduct "demonstration project" tests of alternative personnel systems.

Also of note, Sen. Daniel K. Akaka (D-HI) has proposed an amendment to Sen. Voinovich's amendment. The key provision in Sen. Akaka's amendment is in regard to compensatory time off for travel:

- "An employee shall receive 1 hour of compensatory time off for each hour spent by the employee in travel status away from the official duty station of the employee, to the extent that the time spent in travel status is not otherwise compensable."

It is important to note that the chances of Sen. Voinovich's human capital measure moving as a standalone piece of legislation late in the session were not great. The fact that these provisions have been attached to the Senate version of the Homeland Security Department do not ensure that they will become law – the House version of the Homeland Security Department bill (H.R. 5005) does not contain similar language. It is not known at this time whether the House will agree in conference to accept the Senate's provisions. The House has had no hearings on the plan – which would be the most comprehensive civil service reforms in more than 20 years. Even without Sen. Voinovich's provisions the Homeland Security Department plan is a very controversial and highly complicated measure – the human capital provisions may still be discarded during a conference in an effort to pare the measure down and increase its chances for passage.

On August 1, the Senate delayed a procedural vote on the Homeland Security Department bill until after the August recess. Under the deal reached on August 1, Senators will vote on a motion to proceed to the measure soon after they return from the four-week recess. It was expected that the Senate would vote on the measure on August 2, but Senate Appropriations Committee Chairman Robert C. Byrd (D-WV) gave a series of speeches urging Senators to slow down the consideration of the bill to ensure that the creation of the new Cabinet-level department is given careful thought.

- **Rumors regarding Blue Cross/Blue Shield withdrawal from FEHBP**

A question came up on a recent Executive Committee conference call regarding the rumors that Blue Cross/Blue Shield might withdraw from the FEHBP. We have been told that this possibility is more likely than it has been in past years – but still very unlikely. It is believed that Congress will grant the "blanket exemption" that Blue Cross/Blue Shield is seeking in regard to the cost accounting standards and they will remain in the FEHBP. We will continue to follow

the issue and keep you updated.

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