

The National Council of Social Security Management Associations, Inc.

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• **Senate Passes Labor, Health and Human Services, and Education Appropriations Bill**

Just hours after blocking the Department of Labor's proposed overtime rules, the Senate passed its version of the Labor, Health and Human Services, and Education Appropriations bill. As you will recall, Senate report language provided for the full Limitation on Administration Expenses (LAE) budget request amount of \$8,530,000,000. The House bill specified only \$8,361,800,000 for the LAE, which is \$168,200,000 less than what the Senate has provided. Because the versions are not the same, conferees will convene later this session to hammer out the differences between the two bills. The House, which passed its version of the spending bill on July 10, 2003, has not appointed conferees as of September 11, 2003. The Senate has appointed the following Senators to the conference committee:

Senator Arlen Specter (R-PA)	Senator Tom Harkin (D-IA)
Senator Thad Cochran (R-MS)	Senator Ernest Hollings (D-SC)
Senator Judd Gregg (R-NH)	Senator Daniel K. Inouye (D-HI)
Senator Larry Craig (R-ID)	Senator Harry Reid (D-NV)
Senator Kay Bailey Hutchison (R-TX)	Senator Herbert Kohl (D-WI)
Senator Ted Stevens (R-AK)	Senator Patty Murray (D-WA)
Senator Mike DeWine (R-OH)	Senator Mary Landrieu (D-LA)
Senator Richard Shelby (R-AL)	Senator Robert Byrd (D-WV)
Senator Pete Domenici (R-NM)	

In addition to providing the full budget request amount for the LAE, the Senate version also recommends an appropriation of \$21,658,000 to the Social Security Trust Funds to reimburse the old age and survivors and disability insurance trust funds (OASDI) for special payments to certain uninsured persons, costs incurred administering pension reform activities, and the value of the interest for benefit checks issued but not negotiated. The measure also recommends an appropriation of \$26,410,000,000 for Supplemental Security Income – these funds are used to pay benefits under the SSI Program and are in addition to the \$11,080,000,000 appropriated last year as an advance for the first quarter of FY 2004. Both the House and the Senate have included “not less than” \$1,800,000 within the LAE account for the Social Security Advisory Board for FY 2004.

• **House Passes 4.1% Pay Raise for Civilian Federal Employees**

On September 9, the House passed the Transportation, Treasury, and Independent Agencies Appropriations bill with a vote of 381-39. The bill (H.R. 2989) includes a 4.1 percent pay raise in 2004 for civilian and wage grade federal employees.

Two weeks ago, the Bush administration restated its plans to hold pay raises for civilian federal employees to 2.0 percent for next year and to allow the use of a \$500 million Human Capital Performance Fund by managers to give some employees larger raises based on their performance. The House approved the creation of the Human Capital Performance Fund earlier this year as part of the Defense Reauthorization bill. There is no provision regarding the establishment of the fund in the Senate's version of the Defense Reauthorization bill, therefore it will be an item to be negotiated when the conferees meet later this year.

The Senate Appropriations Committee approved the 4.1 percent increase on September 4.

- **House Passes Davis Legislation to Correct Pension Shortfalls for Injured Federal Employees**

Legislation introduced by Rep. Jo Ann Davis (R-VA) to help ease the financial burden placed on federal employees who are injured on the job has been passed by the full House. The bill (H.R. 978) seeks to change the way a federal employee's benefits are calculated during a disability by increasing the FERS benefit to cover any shortfall. This would be accomplished by increasing the usual FERS Defined Benefit of 1 percent of an employee's pay to 2 percent for the duration of the disability. "This will keep the accrual of an employee's retirement benefits in line with what they would have been had the individual not be injured," said Congresswoman Jo Ann Davis, Chair of the House Government Reform Subcommittee on Civil Service.

Under current regulations, a federal employee receiving disability compensation from the Department of Labor's Office of Workers' Compensation Programs may not contribute to either Social Security or the Thrift Savings Plan – thereby reducing their retirement benefits from those sources.

Similar legislation (S. 481) authored by Sen. George Allen (R-VA) has been passed by the Senate and referred to the House Committee on Government Reform.

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