

The National Council of Social Security Management Associations, Inc.

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• **Appropriations Update**

Despite objections raised by House Appropriations Committee ranking member David Obey (D-WI) and other Democrats, the House passed the FY04 Omnibus Appropriations bill today. Late last week, Rep. Obey circulated a letter to House Democrats in order to highlight provisions in the Omnibus that he found objectionable, including the recent removal of Senate language that would have blocked the Labor Department from implementing changes to overtime rules. At present, the Omnibus includes the following spending bills:

- Agriculture
- Commerce, Justice, and State
- District of Columbia
- Foreign Operations
- Labor/HHS/Education
- Transportation/Treasury
- Veterans Affairs, HUD, and Independent Agencies

Although the House passed the Omnibus measure today, the Senate may not vote on the bill until late January. When the Senate convenes tomorrow, Senate Majority Leader Bill Frist (R-TN) is expected to try and pass the Omnibus through a unanimous consent agreement; however, Senator Robert Byrd (D-WV), the Senate Appropriations Committee ranking member, has expressed that he will object to a unanimous consent request because he believes that the lengthy and controversial Omnibus bill should not be approved without ample debate and a recorded vote. Senator John McCain (R-AZ) has also voiced opposition to passing the Omnibus bill via a unanimous consent agreement because it includes a number of discretionary spending measures.

We are continuing to closely monitor progress on the combined spending measure. As we mentioned above, the legislation contains both the Labor/HHS/Education and Transportation/Treasury spending measures. The Labor/HHS/Education bill contains the Limitation on Administrative Expenses (LAE) Account. The conference agreement provides \$8,361,800,000 for the LAE Account. This amount is the number that was recommended by the House – it is \$168,200,000 less than the \$8,530,000,000 that was proposed by the President and the Senate.

The Transportation/Treasury bill includes the provision recommending a 4.1 pay raise for civilian federal employees. It was hoped that this bill will be passed as a stand-alone piece of legislation, but the measure was caught up in the federal government outsourcing debate and it eventually had to be rolled into the Omnibus measure. We are expecting a similar scenario as

what occurred last year to arise – the pay raise will be enacted and adjustments retroactive to January 1, 2004 will be necessary.

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