

**The National Council of Social Security Management Associations, Inc.**  
**GREYSTONE GROUP WASHINGTON REPORT**  
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**Congress Ushers in Spring with a Full Legislative Agenda**

Congress welcomed the arrival of warm spring weather to Washington, DC with a full legislative agenda. Before leaving town for the Easter recess, the House and Senate were busy on many fronts including: health care reform, student loan legislation, reauthorization of the Federal Aviation Administration (FAA), and hearings on different aspects of the President's FY 2011 Budget Request. Discussions began anew as well on comprehensive immigration legislation, energy and trade bills, and the proposed overhaul of the nation's financial system. With the signature by President Obama of both the Patient Protection and Affordable Care Act (P.L. 111-148) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), Congress will turn its attention to the FY 2011 Budget Resolution and the appropriations process when they return next week.

At this point, health care reform has dominated the agenda for most of the Second Session of the 111<sup>th</sup> Congress. With the enactment of the two pieces of legislation listed above, one chapter of the health care reform story has come to an end, but the issue will certainly continue to be in the news as implementation of new provisions and programs begins. With the increasing number of states joining a lawsuit against the legislation we will continue to see the issue topping the headlines.

The new health care bill contains a number of provisions that will affect health insurance coverage for federal employees and their families who are enrolled in the Federal Employees Health Benefits Plan (FEHBP). Of note, the new law will create an excise tax targeting high value health insurance plans, generating funds which will be used to pay for many other reforms in the bill. Additionally, the bill also includes caps on the amount of pre-tax dollars federal employees can put into their flexible spending accounts. Another provision which goes into effect on January 1, 2011 requires FEHBP insurance providers to extend their coverage of dependents up to the age of 26.

Also of note, the legislation sets up state-based health exchanges for the uninsured. These exchanges will be administered by the Office of Personnel Management (OPM). During the debate, this was one provision that many paid close attention to, with the concern this mandate might affect the ability of OPM to carry out its core mission. As the process of establishing and administering these exchanges moves forward we will keep you updated on the impact it has, or may have, on OPM.

As we look ahead for the rest of the Congressional session, immigration has once again appeared on the radar screen and seems likely to garner some debate time. Senator Charles Schumer (D-NY) and Senator Lindsey Graham (R-SC) have proven to be the major players in the latest discussions related to the introduction of an immigration bill.

It is starting to sound more and more likely that the two senators may introduce an immigration bill sometime in the coming weeks.

Reports have stated the bill will revolve around the following four pillars:

- 1) Requiring biometric Social Security cards to ensure that illegal workers cannot get jobs;
- 2) Fulfilling and strengthening commitments on border security and interior enforcement;
- 3) Creating a process for admitting temporary workers; and
- 4) Implementing a tough but fair path to legalization for those already here.

We will continue to watch this bill closely, and work with our contacts on the Hill to gauge the impact of any proposed provisions on SSA, especially regarding the possible mandating of biometric Social Security cards.

Even though the issues mentioned above, as well as a number of others, have or will be consuming much of the time of lawmakers, Members of Congress have by no means forgotten about the federal workforce. The House has been particularly proactive in introducing and trying to move forward a number of bills that would affect federal employees.

The House Oversight and Government Reform Subcommittee on Federal Workforce, Postal Service, and the District of Columbia has approved a number of bills related to the federal workforce. The following is a brief list and description of the recent bills that the Subcommittee approved by voice vote on March 24, 2010.

First, HR 1722, the Telework Improvements Act of 2009 was introduced by Representative John Sarbanes (D-3<sup>rd</sup>-MD) on March 25, 2009. The bill would direct federal agencies to take steps to allow for greater use of teleworking among federal employees. If you would like to take a more detailed look at the bill, you can do so by following the link below:

<http://www.govtrack.us/congress/bill.xpd?bill=h111-1722>

Second, HR 4489, the FEHBP Prescription Drug Integrity, Transparency, and Cost Savings Act, was introduced by the Chairman of the Subcommittee, Stephen Lynch (D-9<sup>th</sup>-MA) on January 21, 2010. This bill would allow OPM to have greater oversight authority over prescription drug benefits for federal employees. For more details on the bill, you can view it by following the link below:

<http://www.govtrack.us/congress/bill.xpd?bill=h111-4489>

Third, HR 4865, the Federal Employees and Uniformed Services Retirement Equity Act of 2010 was introduced by Chairman Stephen Lynch (D-9<sup>th</sup>-MA) on March 22, 2010. This bill would allow federal employees and members of the armed forces to deposit unused annual or vacation leave into their Thrift Savings Plan retirement accounts. If

you would like to take a more detailed look at this bill, you can do so by following the link below:

<http://www.govtrack.us/congress/bill.xpd?bill=h111-4865>

Those are not the only bills Congress is currently considering that could potentially affect federal employees. HR 4735, which was introduced on March 3, 2010, by the Ranking Member of the House Oversight and Government Reform Subcommittee on Federal Workforce, Postal Service, and the District of Columbia, Jason Chaffetz (R-3<sup>rd</sup>-UT), would allow for the firing of federal employees who face “seriously delinquent tax debt.” According to the Internal Revenue Service (IRS), federal employees, federal retirees, active duty military, and retired military owed a cumulative \$3.0 billion in back taxes in 2008. The largest percentage of this amount was owed by former members of the military, who owed approximately \$1.3 billion. In 2008, according to the IRS, 97,000 federal employees owed \$962 million in unpaid taxes. Additionally, currently some 700 congressional staffers owe back taxes, but would not be subject to the Chaffetz bill. In a GovExec March 17, 2010 article, entitled, “Lawmakers, employee groups clash over tax bill,” Representative Gerry Connolly (D-11<sup>th</sup>-VA) stated, “there is no existing problem that HR 4735 would address.” Adding, “Taxpayers are already protected from [federal employees] failure to pay taxes. In fact [the bill] could expose the federal government to larger tax liabilities, since it would be harder for the IRS to recover back taxes from unemployed individuals than federal employees.” As this issue continues to evolve, and develop in Congress we will keep you updated.

As mentioned earlier, the Senate and House will be taking up their respective Budget Resolutions in the coming weeks. As always, NCSSMA has been proactive in working with both the Senate and House Budget Committees in support of a strong administrative funding level for SSA. On March 8, 2010, NCSSMA submitted letters to both the Chairman of the Senate Budget Committee, Senator Kent Conrad (D-ND), and the Chairman of the House Budget Committee, Representative John Spratt, Jr. (D-5<sup>th</sup>-SC), in support of the President’s overall FY 2011 Budget Request for the Social Security Administration of \$12.528 billion. Attached are the letters we provided:



NCSSMA Chairman  
Conrad Budget Letter



NCSSMA Chairman  
Spratt Budget Letter

We will keep you updated regarding action on the FY 2011 Budget Resolution and provisions related to SSA.

Also of note, on March 12, OPM Director John Berry released OPM’s six-year (2010-2015) strategic plan. The plan focused on a number of fundamentals the Director believes will help to make the federal government a model employer, and successful for years to come. Of those initiatives, restructuring the federal hiring process topped Director Berry’s list of initiatives that OPM will tackle – focusing on increasing diversity,

improving veterans' preference objectives, and giving agencies the tools they need to help identify well qualified job candidates.

If you would like to view the OPM plan in its entirety, you can do so by following the link below:

<http://www.opm.gov/strategicplan>

### **NCSSMA Capitol Hill Day 2010**

Members of the NCSSMA Executive Committee and other NCSSMA members utilized annual leave to make the rounds on Capitol Hill on Wednesday, March 17, 2010. It was a jam-packed day with over 60 meetings with Members of Congress and their staff. The day included a very productive session with the new Chairman of the House Social Security Subcommittee, Representative Earl Pomeroy (D-At Large-ND), and discussions with key Committee staff from the Senate Finance Committee and the House Social Security Subcommittee. We provided information regarding SSA's appropriated funding needs, the current challenges facing Field Offices and Teleservice Centers, as well as insight and NCSSMA's perspective on other legislation currently being considered by Congress that may affect SSA and our members. All in all it was a very busy day!

In closing, it's been a busy year already and we have more exciting and important activities on the horizon for NCSSMA. Please stay tuned and look for more news next week!

Greystone Group LLC  
418 C Street, NE  
Washington, DC 20002  
202-547-8530/FAX 202-547-8532  
Contact: Rachel Emmons or Aaron Hunter  
E-mail: [rachele@greystone-group.com](mailto:rachele@greystone-group.com) or [aaronh@greystone-group.com](mailto:aaronh@greystone-group.com)