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The 2010 Midterm Elections

Much as the pundits, commentators, and talking heads have been predicting for months, the 2010 midterm elections were defined by the American public's thirst for change. The landslide of Republican wins across the country resulted in the Republicans regaining the majority in the House for the 112th Congress that will convene in January 2011. The Democratic majority in the Senate was maintained, but by a much narrower margin.

As of 10:00 a.m. this morning, the Washington Post was reporting that Republicans will control 239 seats in the House and the Democrats 187, with 9 races still too close to call. Coming into Tuesday's elections Republicans needed 39 seats to gain the majority in the House, a mark that was reached sometime around midnight (Eastern Time). By 5:00 a.m. Wednesday morning the Republicans had picked up at least 60 seats, which wiped out the gains that Democrats made in the 2006 and 2008 elections.

The Republicans seemed to be propelled by voters with general anxiety about the economy and the size of the government, but also because of a significant shift among Independents that had backed President Obama in the 2008 election. Additionally, the Democrats were not able to rally minorities or young voters in the same way they did in the 2008 election. Both groups hit the polls on Tuesday in much smaller numbers than they had just two years ago.

The wave of Republican support affected both veteran lawmakers as well as first-termers. Some of the most notable losses for the Democrats were Representative John Spratt (D-5th-SC), the Chairman of the House Budget Committee; 17-term Chairman of the House Armed Services Committee, Representative Ike Skelton (D-4th-MO); and Representative James Oberstar (D-8th-MN), Chairman of the House Transportation and Infrastructure Committee. Representative Oberstar has served in the House since 1965.

Also of note in the House are the changes that will take place on the Ways and Means Social Security Subcommittee. Not only is the immediate past Chairman of the Subcommittee retiring, Representative John S. Tanner (D-8th-TN), but the current Chairman of the Subcommittee, Representative Earl Pomeroy of North Dakota, was defeated by Rick Berg, a Republican state lawmaker. Chairman Pomeroy will be missed as he has been a longtime supporter of the Social Security Administration. Another change to the Subcommittee will be the retirement of Representative Ginny Brown-Waite (R-5th-FL). There will certainly be additional changes to the Social Security Subcommittee in January as new Members of Congress receive Committee assignments, and current Members of Congress shift.

As for the full Ways and Means Committee, it is anticipated that Representative Dave Camp (R-4th-MI) will become the new chairman when the Republicans take control. Representative Camp is a 20-year veteran of the House and has a reputation for being able to work well with others.

There are other changes that could potentially impact the Social Security Administration, and an obvious one that comes to mind is the incoming Chairman of the House Budget Committee, Representative Paul Ryan (R-1st-WI). Representative Ryan has repeatedly put forward the idea of trying to initiate a proposal to give workers under the age of 55 the option of investing a third of their Social Security taxes in personal retirement accounts. Sources say that the accounts would then be managed by SSA, and there would be guarantees that no one would lose any money.

In the Senate, the latest information is that Democrats will hold 51 seats, the Republicans 46, and the Independents 2 (caucusing with the Democrats). The Alaska Senate race remains undecided at this point. Republicans were able to shave the Democratic majority in the Senate. Republican Representative John Boozman (R-3rd-AR) handily defeated the two-term incumbent Senator Blanche Lincoln (D-AR), in Arkansas. Additionally, with significant wins by candidates such as Marco Rubio (R-FL) in Florida and Rand Paul (R-KY) in Kentucky the Tea Party seemed to be having a significant impact on the evening. It could be days before the Senate race in Alaska between Republican Joe Miller and Democrat Scott McAdams is decided. Incumbent Senator Lisa Murkowski (R-AK) has received over 60,000 write-in votes and may ultimately emerge victorious, despite being defeated by the Tea Party-backed candidate Joe Miller in the Republican primary.

One of the most closely watched races of the evening was that of Senate Majority Leader Harry Reid from Nevada. For months, polling had shown that the Tea Party candidate, Republican Sharron Angle (R), was within percentage points of the most powerful Democrat in the Senate. In the end Majority Leader Reid pulled out a victory by less than forty thousand votes.

The Senate will also be seeing some changes relative to champions of issues important to NCSSMA. Senator George Voinovich (R-OH), who held a seat on the Senate Homeland Security and Governmental Affairs Committee and has been a very active supporter of federal employee issues, is retiring. Senator Voinovich has also been a champion of adequate resources for SSA's administrative budget. He will be replaced by Senator-elect, Rob Portman (R-OH). Senator-elect Portman (R-OH), is a former Congressman from Ohio, and previously held a seat on the House Ways and Means Social Security Subcommittee.

Also of note was the fact that Republicans secured a stronghold in the governors' mansions across the nation. As of this morning, the Washington Post was reporting that Republicans had won 29 states, with 17 held by Democrats, one by an Independent, and three still undecided. It is also important to note the significant gains made by Republicans at the state legislature level. This is key in a year like 2010, because of the fact that these governors and legislatures will play a significant role in the process of redistricting following the 2010 Census.

It was reported that President Obama called Representative John A. Boehner (R-8th-OH), the soon to be Speaker of the House, and current Senate Minority Leader Senator Mitch McConnell (R-KY) once it was clear that the House had fallen to the GOP. According to a Washington Post article titled, "*2010 election results show Republicans winning the House, not the Senate,*" the President said that he is looking forward to working with Republicans, "to find common ground, move the country forward and get things done for the American people."

All in all the 2010 midterm elections were a long, ugly, and a costly affair. Total spending by everyone involved reached nearly \$4 billion, much of it coming from unaffiliated groups that were, due to recent changes, not required to disclose their donors. The price tag for this election was the highest ever for a midterm election.

But in the end one thing seems to be clear, and that is that the American public wants change. They appear to be driven by the general lack of economic opportunities that many still seem to be facing, weariness of the ever growing federal deficit, and the increasing size of government.

Appropriations Agenda

On the appropriations front, the House and Senate still have a lot of work ahead of them to finish up the FY 2011 spending bills. To this point none of the FY 2011 spending bills have made their way from the Hill to the President's desk.

Senate Democrats and Republicans are hopeful that the FY 2011 spending bills can be moved in a large omnibus package sometime during the lame-duck session. Staff have been working on a catch-all spending measure that would cap discretionary spending for FY 2011 at \$1.108 trillion. If that figure holds true, the bill would slightly reduce the Democrats' original planned spending level. This plan has already met with strong resistance from Rep. Jerry Lewis (R-41st-CA), the top Republican on the House Appropriations Committee.

Congress will need to either pass the omnibus during the lame-duck session, or implement another continuing resolution (CR), as the current CR that the government is working under is set to expire on Friday, December 3, 2010. Currently the Senate and House are scheduled to be in session the week of November 15, then recessing for the week of Thanksgiving, and reconvening the week of November 29. We are anticipating that Congress will remain in session well into December.

We have continued our efforts to ensure adequate funding for SSA's administrative expenses, both in FY 2011 and FY 2012. Please check your home email for copies of recent correspondence from the SSA Advocacy Group to Members of Congress and OMB related to funding for the agency.

Congressional Agenda Moving Forward

With the change in the majority in the House of Representatives we will obviously see shifts in both priorities and policy. As reported in a GovernmentExecutive.com article by Emily Long on November 3 titled, "*Republican victory sets stage for new agenda,*" Republicans have pledged to reduce the size of government, streamline spending, and freeze hiring for all nonsecurity-related federal positions.

During the current session of Congress, some Republican lawmakers have introduced legislation that would furlough federal civilian workers for up to two weeks in 2011, as well as cap the federal workforce through attrition.

It is quite likely that the next Congress may result in a challenging environment when it comes to federal employee legislation. If the Republican agenda next year is anything similar to their agenda this year, federal employees will probably face an uphill battle on many fronts.

The incoming Chairman of the House Oversight and Government Reform Committee, Republican Darrell Issa (R-49th-CA), stated in the above mentioned November 3 article in GovernmentExecutive.com that, "The American people have sent a clear and direct message to Washington that they want less spending, limited government and more accountability." Representative Issa went on to add in the article, "The mandate is clear: Advance an agenda that will create real jobs, not government jobs, but real jobs to get our economy moving again. Reduce the footprint of government in our lives, get government to live within its means and make government more transparent and accountable."

Some Retired Feds Could See a One-Time Bonus

Currently there is legislation that is pending before Congress that would provide some federal retirees with an additional \$250 retirement payment. The 2010 Seniors Protection Act, H.R. 5987, which was sponsored by Representative Earl Pomeroy (D-At Large-ND) was introduced this past summer. The bill would provide a one-time \$250 payment to Social Security recipients, including retirees under the Federal Employees Retirement System, veterans and disability recipients, if there is no cost-of-living adjustment in 2011. In its current form, the legislation does not extend this benefit to retired federal workers, such as Civil Service Retirement System enrollees who are not eligible for Social Security. NCSSMA, along with other federal employee groups, has recommended that the legislation be expanded to extend this coverage. The bill currently has 127 cosponsors. It was announced by SSA on October 15, 2010 that there will be no COLA in 2011. This was after Congress had adjourned for the election season, so we may yet see action in this arena when they return.

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