

The National Council of Social Security Management Associations, Inc.
GREYSTONE GROUP WASHINGTON REPORT
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Appropriations

On the appropriations front not much has changed since the last Legislative Report. The first week of the Lame Duck session resulted in very little visible progress. Congress has yet to move any of the FY 2011 spending measures. The federal government is still working under a Continuing Resolution (CR) that set spending at FY 2010 levels. This stopgap spending measure expires December 3, and lawmakers will most likely need to clear another Continuing Resolution as they develop a long-term spending plan. Democrats are expected to continue their efforts during the Lame Duck to pull together an Omnibus, or alternatively, seek to enact a yearlong CR. The current thinking is that Democrats want to avoid clearing a short-term stopgap measure that would last into just the early months of 2011. That approach would give Republicans leverage with their new House majority to seek spending cuts and reduce domestic discretionary spending for Fiscal Year 2011, possibly to Fiscal Year 2008 levels. An Omnibus, however, represents perhaps the last chance for the Democratic majority to stamp their spending priorities into law. The Democrats' push for an Omnibus hit a major hurdle last week when Senate Minority Leader McConnell (R-KY) announced his opposition to a catchall, \$1.1 trillion spending package that Senate appropriators have been assembling.

Last week, NCSSMA President Joe Dirago, Vice President Steve Clifton, and Washington Representative Rachel Emmons met with staff from the Senate Finance Committee and the House Ways and Means Social Security Subcommittee. The purpose of these meetings was to further advocate for the President's FY 2011 Budget Request of \$12.379 billion for SSA's administrative expenses. The meetings also provided the opportunity to discuss the upcoming session of Congress and issues for NCSSMA in FY 2012 and beyond.

Another important activity undertaken recently related to the FY 2011 appropriated funding for SSA was a letter from the SSA Advocacy Group to House and Senate leadership and appropriators. NCSSMA took the lead in drafting and circulating the letter and 39 groups signed on in support. The letter requested that as appropriators work to finalize FY 2011 appropriations levels they retain the full President's Budget Request of \$12.379 billion for SSA's administrative expenses. A copy of the letter was shared earlier this month over NCSSMA's home email network. We continue to be in close contact with the Hill and others organizations to make the case for SSA to receive the full President's Budget Request for FY 2011, whether this is in an Omnibus spending measure or as an anomaly in a Continuing Resolution.

Finally, the SSA Advocacy Group, with NCSSMA taking the lead, also wrote to the Office of Management and Budget regarding FY 2012 funding for SSA's administrative resources. The letter had a total of 41 groups sign on in support and a copy was also shared earlier this month via the NCSSMA home email network.

Federal Pay Debate Rages On, While Other Federal Employee Issues Move Forward

The issue of compensation and benefits for federal employees is one that is incredibly important, but not always “front page” news. Recently that has changed. An ever-climbing federal debt combined with the recession has resulted in the general public becoming increasingly concerned and vocal about federal spending. As a result, federal pay and compensation have been in the spotlight.

Recent articles in the Wall Street Journal, USA Today, and Washington Post, as well as reports from organizations such as the Heritage Foundation have argued that federal workers are compensated at much higher levels than their private sector counterparts. Many reports and articles have stated that during a time when most workers’ pay and benefits have stagnated, federal employee compensation has more than doubled.

According to a USA Today article titled, “Federal workers earn double their private sector counterparts,” federal civilian employees earned an average of \$123,049 in pay and benefits in 2009, while private sector employees earned \$61,051 during that same time period.

It has been one-sided articles like this that have fueled the public sentiment that federal employees are overpaid. This public sentiment, as well as concern over federal spending, has led some Members of Congress that are part of the incoming GOP-controlled House of Representatives to discuss introducing measures that would freeze or cut federal pay, or potentially downsize the federal government. There are no assurances that legislative measures related to reducing federal pay, or downsizing federal employees will become law, but these issues will definitely remain on the front burner for the next session of Congress. The likelihood of no pay raise for Fiscal Year 2011 is growing. NCSSMA will certainly continue to be active in our efforts to educate Members of Congress and their staff about the importance of SSA and its employees to the public at a time when the public is seeking assistance from the agency in record numbers.

Also of note, the chairs of the National Commission on Fiscal Responsibility and Reform released a draft report recently that included recommendations to downsize the federal payroll by 10 percent during the next decade. The proposal would eliminate roughly 200,000 jobs and save an estimated \$13.2 billion. Rasmussen polled 1,000 likely voters as to whether they would support such a plan, and 66% responded that they would, 22% opposed it, and 12% were unsure. These cuts to the federal workforce are included as part of the Commission’s overall draft plan to reduce the federal deficit. Final recommendations from the commission are expected on December 1, 2010.

As we know, many of the articles and studies being circulated comparing federal employee compensation and benefits with the private sector are not really comparing apples to apples. In general the federal workforce is made up of employees who have attained a higher level of education than their private sector counterparts and many positions require individuals with very specific and technical knowledge. NCSSMA and many other federal employee organizations and unions have been weighing in on this with Members of Congress and their staff. We will continue to do so.

Telework Bill

On Thursday, November 18, the House passed a bill by a vote of 254-152 that would boost telework at federal agencies. The Telework Enhancement Act, H.R. 1722, has been sent to the President's desk to be signed into law. We expect the President will sign the bill. The bill requires federal agencies to determine which employees are eligible to work outside the office, to establish policies allowing them to do so and to inform them of the option. The bill also requires federal agencies to designate an official to oversee their telework program and to incorporate the alternative work plan in continuity of operations planning for natural disasters and other emergencies.

Republicans largely opposed the bill stating that it is just another costly fringe benefit that civil servants will receive. Republicans have also stated that they believe the bill just further adds to the already troublesome layers of bureaucracy in the federal government. Proponents of the bill argued that it is a common-sense measure that in the long-run would save money by cutting overhead expenses, and reducing energy consumption.

Supporters have also argued that telework could play an instrumental role in keeping the government running in times of natural disaster, or emergency. The telework bill received a huge boost this past winter, as much of DC was covered in record levels of snow, which caused many federal employees to not be able to get into work, shutting down portions of the federal government. This caused Congress to reexamine the role that telework might be able to play in helping to keep the federal government working.

Lew Confirmed

Late on Thursday, November 18, the Senate finally confirmed Jack Lew as the director of the Office of Management and Budget. The nomination had been sitting in limbo as Senator Mary Landrieu (D-LA) had placed a hold on it back in September. Senator Landrieu's hold was a protest against the White House's moratorium on deep-water drilling. She expressed that she felt the moratorium was further worsening the economic impact of the BP oil spill.

Following discussions between Senator Landrieu and Senate Majority Leader Harry Reid (D-NV) on Thursday, Senator Landrieu in a floor speech expressed her comfort with the progress that has been made in talks with the White House. Senator Landrieu added that the Interior Secretary, Ken Salazar, committed to visit Louisiana, which he did on Monday, November 22, to meet with the oil and gas industry and express his support.

Locality Pay

Last week, the Federal Salary Council recommended that six metropolitan areas should be considered for locality pay in 2012. According to the Council, federal employees in Albany, NY; Albuquerque, NM; Bakersfield, CA; Harrisburg, PA; Portland, ME; and Charlotte, NC, could receive locality pay unique to their region. Additionally, it appears that Lansing, MI will be added to the Detroit area pay. At this time, the exact definition of the areas included in these regions is not available, but it should be posted soon at the following link:
<http://www.opm.gov/oca/fsc/>.

The Council also recommended that workers in Alaska and Hawaii should be granted separate locality pay, and determined that no area should receive less than the “rest of the US” rate.

For the process of adding adjacent locations to existing locality pay areas, the Council decided to consider only the level of commuting, rather than the number of employees covered by the General Schedule (GS) system.

The Council is made up of federal policy experts and union leaders and they use information from the Bureau of Labor Statistics to make recommendations on locality pay areas and rates. The proposals that the Council is putting forward now will affect 2012.

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