The National Council of Social Security Management Associations, Inc.
GREYSTONE GROUP WASHINGTON REPORT
Legislative Report 3-2012
April 5, 2012

As spring brings warmer weather to Washington, debate in Congress heats up on a Fiscal Year (FY) 2013 Budget Resolution, the annual appropriations measures, as well as numerous other bills that could impact federal employees. Congress is currently out of session, as Members are back in their respective states and districts, until April 16, when both the House and Senate will reconvene.

Below is a brief overview of the lead up to the current recess, as well as what is expected to transpire once Members of Congress return to Washington.

FY 2013 Budget Resolution

Last Thursday, by a vote of 228-191, the House of Representatives passed an FY 2013 Budget Resolution. The resolution, which was largely constructed by House Budget Chairman, Paul Ryan (R-WI-1st), would cut $5 trillion more than President Obama's budget request, reduce spending in 2013 and 2014 compared to 2012, and revive Chairman Ryan's proposal from last year's resolution, to turn Medicare into a health insurance supplement program for anyone younger than 55.

Additionally, the Ryan budget plan contains a number of provisions that would impact federal employees. The plan would extend the pay freeze for civilian workers through 2015, reduce the size of government by 10 percent through attrition, and require federal employees to contribute more money to their retirement benefits. Overall, it is estimated that the provisions would result in about $368 billion in cuts for the federal workforce over the next 10 years.

The House-passed budget would limit overall FY 2013 discretionary spending to $1.028 trillion, which is $19 billion below the spending cap set in the Budget Control Act of 2011 (P. L. 112-25).

In general, the Ryan budget resolution makes a clear contrast between Republicans who are looking to reduce the deficit simply by cuts to federal spending, and Democrats who would like to use both cuts and revenue increases to reduce the deficit.

In a speech earlier this week, President Obama called the House budget resolution a "Trojan horse." "Disguised as a deficit reduction plan, it's really an attempt to impose a radical vision on our country," the President stated, as he addressed reporters and editors at a newspaper industry luncheon on Tuesday.

The Federal-Postal Coalition, which NCSSMA is a member of, sent a letter to House lawmakers early last week opposing Chairman Ryan's budget plan. Please check the NCSSMA website for a copy of this correspondence.

The House budget resolution now awaits action in the Senate, where it is likely to fail. Even though the House budget plan is likely to fail in the Senate, the unfortunate reality is that we will probably see portions of the blueprint laid out by the proposal, especially as it pertains to the federal workforce, resurface later in the year during the appropriations process.

As for the Senate, Majority Leader Harry Reid (D-NV) has said that the body will most likely not take up a budget resolution this year, yet behind closed doors Senators in both parties still continue to work on some kind of long-term budget proposal. Additionally, Senator Kent Conrad (D-ND), Chairman of the Senate Budget Committee, has continued to state that he does plan on marking up a spending plan, but he has not set a timetable for said plan.

Also of note, numerous budget alternatives have been proposed by members of both the House and Senate in an effort to find an alternative deficit reduction plan. Much of the impetus behind a number of these plans is the philosophy by a handful of legislators that if you are truly going to address the federal debt Congress has to "go big" in the cuts they propose. At this point; the Ranking Member of the House Budget Committee, Representative Chris Van Hollen Jr. (D-MD-8th); House Republican Study Committee Chairman Jim Jordan (R-OH-4th); and Representative Jim Cooper (D-TN-5th) in partnership with Representative Steven LaTourette (R-OH-14th) have all proposed plans that have been unable to get any real traction.

FY 2013 Appropriations

On the appropriations front, both the House and the Senate are expected to start marking up their FY 2013 spending bills when Congress returns from their two-week district work period on April 16. The House will be working from the $1.028 trillion overall discretionary spending level for FY 2013, which was set in the House-passed budget resolution, and the Senate will be working from the $1.047 trillion level set in the Budget Control Act of 2011 (P.L. 112-25). This difference in the top-line spending number will make it very difficult for appropriators to pass any of the annual appropriations bills before the end of the fiscal year. The most likely scenario is that Congress will have to come back after the November elections to finish its appropriations work. In the meantime, majority staffs on the House subcommittees have already starting working on their bills, even though allocations are not yet available. As always, we anticipate that the Labor-HHS appropriations bill, which includes SSA's administrative funding, will see action later in the legislative process rather than sooner.

There has also continued to be pushback on the looming appropriations cuts to Defense, as members of the House and Senate alike have proposed alternative savings packages to replace the sequester. Ten GOP senators signed on to a bill, S. 2065, the Down Payment to Protect National Security Act of 2012, which would replace the Defense cuts with savings from an extension of the federal employee pay freeze as well as a reduction in the federal workforce through attrition.

Federal Employee Bills

Last week, the President signed a 90-day extension of the highway bill, which was set to expire Saturday and would have resulted in the stoppage of numerous construction projects across the country and a shutdown of the Federal Highway Administration. The House and Senate have been unable to resolve their differences related to the amount to spend on the bill, which has kept them from reaching a long-term agreement. The most recent short-term extension signed by the President was the ninth continuance of the multiyear transportation bill.

You may be asking how the highway bill affects NCSSMA members. A handful of House and Senate members have either proposed amendments or seriously discussed using an extension of the federal employee pay freeze and changes to federal employee retirement provisions to offset portions of a long-term highway bill extension package. One example of this was an amendment to the Senate version of the highway bill, proposed by Senator Pat Roberts (R-KS), which would have used an extension of the current federal employee pay freeze through 2013, to pay for the energy and tax portions of the highway bill. The current federal employee pay freeze is set to expire on December 31, 2012, and was originally enacted for deficit reduction purposes. The Federal-Postal Coalition sent a letter to the Senate on March 12, 2012, in opposition to the amendment, which ultimately failed by a vote of 41-57. A victory on the federal employee front!

Because the House and the Senate have been unable to reach a long-term compromise, the final fate of the federal employee provisions in the highway bill remain up in the air. It is anticipated that when Congress returns from the current recess that the House will try to repackage and pass an altered long-term extension of the highway bill, but it is unclear if the new package will compromise enough on spending for the Senate to be able to move it. We will keep you updated on the movement of this bill, and we will continue our efforts to discourage lawmakers from advancing an extension of the federal employee pay freeze or any other negative federal workforce provisions as offsets for portions of the bill.

Finally, on March 22, the Senate, by a vote of 96-3, passed the Stop Trading on Congressional Knowledge (STOCK) Act, S. 2038. The legislation, which had already been approved by the House, was signed by the President yesterday. The new law bans Members of Congress, the President, and some federal workers from gaining financially from information not available to the public. It also denies the President, Vice President, and state and local government officials from receiving federal retirement benefits if convicted of certain felonies, and directs the President to make publically available financial disclosure forms of Executive Branch employees, starting in 2012 and continuing each year after. Some feel this law will place an extra burden on federal employees to report and make their financial disclosures publically available, even though there are currently sufficient reporting requirements in place. The Government Managers Coalition, which NCSSMA is an active member of, wrote to Congress voicing opposition to the legislation.

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