

**The National Council of Social Security Management Associations, Inc.**  
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**Fiscal Year (FY) 2016 Concurrent Budget Resolution**

On Tuesday, May 5, the Senate adopted the FY 2016 Concurrent Budget Resolution (S. Con. Res. 11). The 51-48 vote wraps up weeks of work by Republican leadership in both the House and Senate. The House passed the resolution late last week by a vote of 226-197, with 14 Republicans joining every Democrat in opposition. The agreement includes both good news and bad for Federal employees and their agencies.

With adoption by both chambers, the FY 2016 Concurrent Budget Resolution provides limits on taxes and spending that are enforceable by House and Senate rules. It is important to note that the budget is not a bill, and does not go to President Obama for signature.

Let's start with the good news. The compromise version does not mandate cuts to federal employee retirement benefits, nor does it require agencies to downsize through attrition. The original House-backed version called for a 10 percent reduction in the Federal workforce through attrition; higher contributions by Federal employees to their pensions, in essence a pay cut; required less generous premium calculations for retirees in the Federal Employees Health Benefit Program; and finally, limited the rate of return on the Thrift Savings Plan's government securities (G) fund. As negotiated, and now passed by both the House and Senate, the compromise assumes Congress will save \$9.188 billion in FY 2016 and \$194 billion over 10 years from cuts to Federal employees and retirees in the future but does not mandate the reductions, nor does it list specifics on how that goal will be accomplished.

On the bad news front. The resolution does nothing to address sequestration. The agreement sticks to the FY 2016 budget ceiling of \$1.017 billion that was established by the Budget Control Act of 2011. The spending caps for FY 2016 limit defense spending to \$523 billion, and funding for non-defense domestic initiatives to \$493.5 billion. Appropriators will use these top-line numbers to develop the 12 bills funding the government in FY 2016. President Obama has vowed to veto any measures that keep the current caps for domestic spending. Given this, key Republicans have already acknowledged that it will not be an easy task getting spending measures across the finish line to the president's desk. Chatter that a spending deal similar to the Ryan-Murray compromise of 2013 may emerge is definitely starting to pick up steam. From the Social Security Administration (SSA) budget perspective this is welcome news, as the sequester resulted in a nearly \$400 million reduction in funding for the agency in FY 2013. The president's veto threat has also generated discussion of a new government shutdown fight in September if some sort of compromise is not reached. House Appropriations Committee Chairman Hal Rogers (R-KY) has expressed hope for a Ryan-Murray type of agreement and Speaker John Boehner (R-OH) has indicated he's open to a bipartisan agreement.

Returning to the good news front, the compromise agreement should be viewed as somewhat of a victory as Federal employees and their supporters will not have to defend against a reconciliation process. The compromise budget opted for the Senate approach that reserves budget reconciliation just to partially repeal or make changes to the Affordable Care Act, rather than the House Budget Committee’s preference to use the process to make cuts to a wide range of mandatory spending programs. NCSSMA was a co-signor of Federal-Postal Coalition (FPC) letters to both members of the House of Representatives and members of the Conference Committee regarding provisions targeting Federal and Postal employees and retirees. We’ll continue to work with the FPC and the Government Managers Coalition (GMC) to educate and engage Members of Congress regarding Federal employee issues and SSA’s budget challenges.

**FY 2016 Appropriations**

With work on the FY 2016 Concurrent Budget Resolution completed, increased focus shifts to the appropriations process. NCSSMA has been hard at work on the appropriations front in support of the President’s FY 2016 Budget Request of \$12.513 billion for SSA’s Limitation on Administrative Expenses (LAE) account, an increase of \$707 million or 6% over the FY 2015 enacted level of \$11.806 billion.

Beginning in February with meetings with key committee staff, followed by over 60 meetings for our March 18 Capitol Hill day, we have been communicating regularly with Members of Congress and staff regarding the need for adequate and sustained funding for SSA’s administrative needs. The chart below illustrates recent funding levels for SSA, including the FY 2013 post-sequestration enacted level. NCSSMA has submitted [Outside Witness Testimony](#) to the Senate Labor-HHS-Education Appropriations Subcommittee and a [Statement for the Record](#) to the House Labor-HHS-Education Appropriations Subcommittee – both in support of \$12.513 billion for SSA’s FY 2016 administrative funding and providing information regarding the challenges facing SSA’s field offices and teleservice centers. These documents are available on the NCSSMA SharePoint site. Please check your home email in the near future for additional information related to SSA’s FY 2016 appropriation.

<b>FY 2016—SSA Budget Forecast (Dollars in Millions)</b>					
	<b>FY 2012 Enacted</b>	<b>FY 2013 Enacted</b>	<b>FY 2014 Enacted</b>	<b>FY 2015 Enacted</b>	<b>FY 2016 President's Budget</b>
<b>SSA’s LAE Funding</b>	\$11,446	\$11,046	\$11,697	\$11,806	\$12,513

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