

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

On Tuesday, March 26, the Senate Finance Committee met in Executive Session. The Committee favorably reported the nomination of Andrew M. Saul to be Commissioner of Social Security for the term expiring January 19, 2025. The roll call vote was approved by a vote of 28-0, and Saul's nomination has now been placed on the Senate calendar.

The NCSSMA Executive Committee discussed this issue with Senate Finance Committee staff when we were on the Hill in March. We will continue to communicate with the Hill on this nomination, and that of David Black to be Deputy Commissioner, and provide updates.

Fiscal Year (FY) 2020 Appropriations Update

The week of March 18, the White House released the remaining volumes of its [FY 2020 budget request](#), including the Appendix, Analytical Perspectives, and Major Savings & Reforms documents. The Social Security Administration (SSA) also updated its [budget information page](#) to include the [Justification of Estimates for Appropriations Committees](#), [Budget Overview](#), and additional technical materials supporting the agency's budget request.

The FY 2020 President's budget request for SSA's Limitation on Administrative Expenses (LAE) account is \$12.773 billion. For comparison purposes, the FY 2019 funding level is \$12.877 billion, and the FY 2018 level was \$12.873 billion.

Per the FY 2020 SSA Justification of Estimates for Appropriations Committees, the FY 2020 President's budget lays out how SSA will continue to improve its service, stewardship, and modernization efforts. This includes:

- Continuing to decrease the number of people waiting for a hearing decision by significantly reducing the average wait for a hearing decision in FYs 2019 and 2020, and by eliminating the hearings backlog in FY 2021.
- Making measurable progress on the agency's IT modernization efforts, including implementing new customer support tools, retiring old "green screens" that SSA employees use to process benefit applications and replacing them with web-based screens, generating notices to the agency's online message center, and modernizing SSA's business processes.
- Continuing to build upon efforts to detect and deter improper payments to ensure taxpayer resources are spent properly.
- Enhancing the security of SSA's systems while efficiently managing the agency.

The Appendix includes the following Commissioner's Budget:

COMMISSIONER'S BUDGET

As directed by Section 104 of Public Law 103–296, the Social Security Independence and Program Improvements Act of 1994, the Commissioner of Social Security shall prepare an annual budget for SSA, which shall be submitted by the President to the Congress without revision, together with the President's request for SSA. The Commissioner's budget includes \$13,484 million for total administrative discretionary resources in 2020. This represents \$13,270 million for SSA administrative expenses, \$106 million in research, and \$108 million for the Office of the Inspector General.

NCSSMA's FY 2020 recommendation for SSA's administrative expenses was at least \$640 million above FY 2019 enacted. We transmitted this recommendation to the Office of Management & Budget (OMB) last fall and again to Congress during the Executive Committee's meetings in March.

FY 2020 President's Budget Request - Federal Employee Issues

The White House is again proposing cuts to federal retirement and leave as well as a pay freeze for civilian federal employees as part of its FY 2020 budget.

Some of the workforce cuts have appeared in past budget requests; including the pay freeze. In addition, federal employees under the Federal Employee Retirement System (FERS) would contribute more to their annuity benefits "so that employees and their employing agency pay an equal share of the employee's annuity cost." The change would be phased in at a 1% increase each year.

In addition, cost of living adjustments (COLA) would be reduced or eliminated for existing and future federal retirees, and the Special Retirement Supplement would be eliminated for federal employees who retire before their Social Security eligibility age.

A change would be made from a high-3 to a high-5 for annuity calculations, which the budget says is "a common private sector practice." The budget request also seeks to modify returns on the G fund, available through the Thrift Savings Plan (TSP). The G Fund interest rate would be modified so that it would be based on a short-term Treasury bill rate rather than the current medium term rate.

One proposal in the FY 2020 budget request that is new is to create a defined contribution benefit program for term employees through the TSP instead of the current defined benefit annuity. The budget request indicates this is being done because the existing annuity benefit offers little value to these employees since they rarely are in the positions long enough to realize the annuity.

The White House is also proposing to combine vacation time and sick leave into a single category, and to reduce the overall paid time off available to civilian federal employees. This is also described as a move to better resemble private sector practices and one that

would “grant employees maximum flexibility.” While the move would reduce the total number of leave days, the budget request indicates that a new short-term disability insurance policy would be introduced as an additional benefit to protect employees.

If you are interested in further details regarding the Trump Administration’s federal workforce proposals, the following links may be of interest:

[Major Savings and Reforms](#)

[Analytical Perspectives: 7. Strengthening the Federal Workforce](#)

One extremely important premise to keep in mind when reviewing any Presidential budget request: The request and accompanying proposals are “recommendations” or “suggestions” and it is the Constitutional responsibility of Congress to make spending decisions. As is always the case, for the budget request proposals to become a reality, Congress must first pass them. Something that is highly unlikely on many of the proposals outlined above, especially with a Democratic majority in the House. We anticipate providing ongoing reports and updates on the President’s FY 2020 budget request as the 116th Congress continues.

FY 2020 Budget Resolution

On March 22, Senate Budget Committee Chairman Mike Enzi (R-WY) [released](#) a draft FY 2020 budget resolution. The proposal includes a nine percent cut to non-defense discretionary spending, and caps defense spending at levels established in the Budget Control Act of 2011 (BCA), but includes a mechanism to adjust these levels if a budget caps deal can be reached for FY 2020.

The resolution also seeks to increase revenues by \$176 billion over the next five years, in part by raising federal employees’ contributions to their retirement pensions. As outlined earlier in this report, President Trump has proposed a similar reform in his FY 2020 budget request, suggesting federal employees gradually contribute more toward the benefit until they account for half of the cost. House Republicans have pushed for a similar change for many years. Through their measure, Senate Republicans would also instruct the Homeland Security and Governmental Affairs Committee (HSGAC) to reduce the deficit by \$15 billion. Although HSGAC is not required to tap federal benefits, such proposals typically result in changes to FERS.

Senate Budget Committee Democrats tried unsuccessfully to roll back the proposals in the resolution that could affect federal employee benefits. Senator Patty Murray (D-WA) also pushed for a measure calling for a roughly equal increase in defense and non-defense discretionary spending. Sen. Murray’s measure was unsuccessful as well. The Senate Budget Committee advanced the budget resolution along party lines, 11-9, on Thursday, March 28.

The Senate’s budget resolution does not address the question of discretionary spending levels, however, and the House Budget Chairman John Yarmuth (D-KY) has not yet

decided if he will produce his own resolution. If he decides to do one, he said he hopes to mark up the resolution and take it to the House floor a week later, as the House Appropriations Committee wants to begin marking up its FY 2020 bills soon after the next Congressional recess, which begins the week of April 15 and runs through April 28.

NCSSMA Twitter Account

Reminder: NCSSMA has a Twitter account and we encourage you to join in and follow us! You can view and follow our page on your **home computer** at <http://twitter.com/NCSSMAORG> or your **personal mobile device** at <https://mobile.twitter.com/NCSSMAORG>.

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