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Federal Civilian Employees and the FY2001 Budget

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SUMMARY

Currently, eight of the 13 appropriations bills have been signed and the agencies and programs covered by them are fully funded by FY2001 dollars. The other five, however, have either been vetoed or are pending final legislative action. Unless the continuing funding resolution (P.L. 106-275, as amended) specifies otherwise, agencies and programs pending final action are being supported at the same funding level as they were in FY2000.

The FY2001 budget President Clinton sent to Congress on February 7, 2000, called for a 3.7% increase in pay, effective January 2001, for both civilian and military personnel. The all of the appropriations bills assume a 3.7% pay adjustment. None of the versions of the Treasury and General Government appropriations measure directly address pay raises.

According to a statutorily prescribed formula, the base rate adjustment should be 2.7%, with the locality-based payments averaging over 16%. The President sent no alternative plan forward in August. Therefore, unless Congress legislates differently, the 2.7% rate will stand as the adjustment to basic pay for General Schedule and other related pay systems, including Members of Congress. An alternative plan, or legislative action, is required in order to avoid a locality adjustment in the 16% range. The President has until the end of November to send such a plan forward.

Federal civilian personnel statistics continue to show a downward trend in the number of both on-board personnel and full-time equivalent (FTE) positions. However, while the administration states that it is continuing the implementation of personnel downsizing pursuant to the Federal Workforce Restructuring Act of 1994, the reductions exceed the goals. The administration estimates that there will be a slight overall increase for FY2000. The decreases have been, and continue to be, primarily among civilians employed by the Department of Defense.

The decentralization of personnel management systems will continue to gain significant attention during this cycle. The budget identifies several priority management objectives (PMOs), calling for implementing the new system at the Federal Aviation Administration, for example. Other agencies, such as the Internal Revenue Service, are affected by statutory changes in their personnel systems through the establishment of performance-based organizations, demonstration projects, or statutory modifications.

The Office of Personnel Management has requested an increase in staffing for the first time in several years. These personnel would be responsible for managing the governmentwide buyout authority also requested in the budget.

The employee contributions to premiums under the Federal Employees Health Benefits program for calendar 2000 increased, on average, 9.3%. The rates are increasing for calendar 2001 as well and the open season has just begun.

The 106th Congress has enacted legislation affecting personnel policies, such as establishing long-term care benefits (P.L. 106-265) and changing the limitations on contributions to the Thrift Savings Plan (P.L. 106-361).

MOST RECENT DEVELOPMENTS

Congress adjourned in mid November until December 4, leaving five appropriations bills pending final legislative action. Among those measures is the vetoed Treasury and General Government appropriation. The bill, as vetoed, contained no language related to limitations on the General Schedule January 2001 adjustment. The President did not send an alternative plan in August affecting the basic pay adjustment and has until the end of November to address rates of locality pay adjustments.

P.L. 106-346, the Department of Transportation Appropriation for FY2001, rolls back the increases in retirement contributions for all affected employees except Members of Congress.

BACKGROUND AND ANALYSIS

A fact sheet on how the FY2001 budget would affect federal employees was issued by the Office of Personnel Management (OPM) on February 3, 2000. (Text can be found under "What's New," February 3 at the OPM website: [http://www.opm.gov].) The key points in the budget are described as putting more money in federal employees' pockets through health insurance premium conversion, maintaining an affordable and effective Federal Employees Health Benefits Program, fighting for a retirement roll-back, allowing federal employees to start investing for their future retirement from the first day on the job, giving federal employees a pay raise greater than the recent wage growth in the private sector, reversing a pay delay, ensuring that federal employees have long-term health care insurance, and pursuing governmentwide buyout authority. Some of these objectives require congressional action. The statements and proposals are discussed below.

Once again, the budget proposal focuses on Priority Management Objectives (PMOs), several of which have a direct impact on federal employees. In the 2001 presentation, several PMOs are identified as having been completed and dropped from the list of 24 objectives. In reference to the PMO "Manage the year 2000 (Y2K) computer problem," the administration states that, while it was the single largest technology management challenge in history, it was completed with impressive results, with federal employees being given much of the credit:

> The Federal Government's acknowledged success through the date change was the direct result of the commitment, long hours, and exceptional efforts of Federal employees in every agency. Due largely to the efforts of these employees ... the Federal Government's Y2K efforts were, beyond all expectation, remarkably trouble-free. (*Budget*, p. 293.)

Some of the 24 objectives affect the federal workplace more than others, but most of them have at least a residual effect on the way federal staff will conduct their work. Many of them can be accomplished through administrative changes and reflect either initiatives on the part of the administration or implementation of enacted legislation. For example, management and human resources reforms in the Internal Revenue Service and the Federal Aviation Administration have resulted from recent legislation. The implementation of those reforms remain as PMOs. The alignment of federal human resources to support agency goals and the better management of federal financial portfolios would affect staff. The PMO "Revolutionize

DOD business affairs" is specifically identified as one of the objectives which would benefit from the recently completed agency-by-agency review of functions which could be performed commercially and may be subject to contracting out.

Total personnel costs reflect both direct compensation and personnel benefits. Direct compensation of the civilian federal workforce includes base pay and premium pay, such as overtime and holiday pay. It also covers other cash components, such as geographic pay differentials (locality-based payments and special law enforcement schedules). Incentive awards and other allowances also fall within this category. The costs of benefits, such as the employer's contribution to insurance programs and retirement funds, are calculated as personnel benefits. (Because this brief focuses on federal civilian employee issues, reference to uniformed military personnel issues is made only as it relates to civilian staffing policies.)

Assuming pay increases at a rate of 3.7%, total personnel costs, civilian and military, for FY2001 would be estimated to increase 8.0% over actual costs in FY1999. The funding request to cover civilian personnel costs in FY2001 is $184,373,000,000, a $13.9 billion, or 8.2%, increase over FY1999. The estimated FY2000 costs are $179,025,000,000. Total military personnel costs, both direct compensation and personnel benefits, would increase 7.5% over FY1999 actual costs. Executive branch total civilian personnel costs, excluding the Postal Service, would increase 8.9%. Postal Service personnel costs would increase 8.1%. Legislative branch personnel costs, excluding Members of Congress and officers of the Senate, would increase 12.8%. Those of the judicial branch would increase 23.4%. (For specific breakdowns, see *Analytical Perspectives*, "Federal Employment and Compensation," pp. 257-261, specifically, Table 10-4.)

Federal Pay

The FY2001 budget proposes a 3.7% pay increase for both white-collar civilian and uniformed military personnel. The statement that the 3.7% represents "an increase greater than the recent wage growth in the private sector" is somewhat open to interpretation. (See both the OPM statement on the budget and the text at *Budget*, p. 165.) The "FEPCA" section below discusses in some detail the mechanisms through which annual adjustment rates are determined. Absent congressional action or other administrative determinations by the President, the statutorily-mandated adjustment in federal white collar civilian salaries in January 2001 would be an adjustment in base pay of 2.7% and in locality adjustments averaging 25.69%. Technically, the 3.7% does represent an increase greater than the 2.7% which is based on changes in the private sector wages and salaries element of the Employment Cost Index, but it does not address the locality pay issue.

The budget also supports maintaining pay dates on the regular schedule rather than pushing the last pay day of the fiscal year into the next fiscal year.

January 2000 Adjustment. Public Law 106-58 provides a 4.8% pay adjustment for federal civilian personnel whose pay is under, or linked to, the General Schedule. Under Executive Order 13144 (December 21, 1999), base pay was adjusted by 3.8% with the locality-based adjustments averaging 1%. The rates and pay schedules are available on the Office of Management and Budget website: *www.opm.gov*. Federal Wage System (blue-collar) pay adjustments are again limited under the statute. Federal officials, judges, Members and officers of Congress, and positions on, or linked to, the Executive Schedule received a 3.4% pay increase. The President has administrative responsibility to set the Senior Executive Service pay adjustments. Those were adjusted by 3.8%, unless capped.

Most personnel costs are the result of direct compensation. For FY2000, the President proposed a 4.4% adjustment (base pay combined with locality-based payment). (*Analytical Perspectives*, "Economic Assumptions," Table 1-1, p. 9, and *Budget*, "Improving Performance Through Better Management," p. 45.) The Treasury appropriations bill (P.L. 106-58), assumes a funding level to cover the 4.4% adjustment for three quarters of FY2000. However, it provides a 4.8% average adjustment, with the agencies absorbing the additional costs. Congress, in the appropriations process, will determine whether the agencies will receive full funding at the 4.8% rate for the first quarter of FY2001.

Executive Order 13144, implementing the January 2000 pay adjustments, was issued December 21, 1999, and provides a 3.8% increase in basic pay for the General Schedule, Foreign Service Schedule, and certain schedules for the Veterans Health Administration of the Department of Veterans Affairs. It implemented a decision by the President to increase the basic pay for members of the Senior Executive Service at a rate of 3.8%. The salary tables and memoranda related to the salary adjustments can be found at the Office of Personnel Management website [*www.opm.gov*] in the site index under Office of Compensation Administration and under the January 2000 salary table banner.

January 2001 and FEPCA. Pursuant to the Federal Employee Pay Comparability Act of 1990 (FEPCA), an annual adjustment in the base pay of the General Schedule (5 U.S.C. 5303) and annual locality-based payments for a period of 10 years (beginning in 1994), or until the gap between federal and private salaries is reduced to 5% (5 U.S.C. 5304), are scheduled. The General Schedule base pay adjustment is keyed to the private sector wages and salaries component of the Employment Cost Index (ECI) published quarterly by the Bureau of Labor Statistics. The change in the ECI from the end of the third quarter of one year to the end of the third quarter of the next is the mark for establishing the General Schedule adjustment. That rate of change is further reduced by 0.5. The federal pay adjustment is not intended to match fully the rate at which salaries in the private sector increase. Also, the effective date of the adjustment is 15 months after the close of the index period.

The rate of change in the private sector wages and salaries component of the ECI from September 1998 to September 1999 was 3.2%. A reduction of 0.5 would result in a projected adjustment of 2.7% for the base rate of the General Schedule, effective January 2001. The President has until the end of August to send Congress an alternative pay plan which would alter the General Schedule national basic pay adjustment of 2.7% for January 1, 2001. The rate of adjustment put forward in the budget documents has no standing in law. The President had until the end of August to forward an alternative plan to Congress. Since that deadline has passed and with no legislative language pending that would change it, the rate of basic pay adjustment in January will be 2.7%

Locality-based payments are set at rates determined by surveys conducted by the Bureau of Labor Statistics in selected localities throughout the continental United States. Those localities which prove to be significantly further ahead in terms of salaries paid to target occupations in the private sector are then established as localities for which there will be locality-based payments at rates which reflect the gap. All federal employees who are not in those localities also receive locality-based payments which are lower than, or equal to, the rate in the lowest of the other localities. The Federal Salary Council has found that an average 25.69% pay adjustment would be required in 2001 to bring federal salaries into the appropriate relationship with private sector salaries, as envisioned by the Federal Employees Pay Comparability Act of 1990. (The nine-member Federal Salary Council, with three private sector members known for compensation expertise and six members who represent employee organizations, reviews the wage survey data and makes recommendations (5 U.S.C. 5304(e)(1)). For January 2001, the council recommends locality-based payments ranging from 18.41% in the lowest areas and the "Rest of the United States" to 40.17% in the San Francisco pay area. The average combined increase (base and locality) would be 16.41%.

For both the General Schedule base rates and the locality-based payments, the President is authorized to submit an alternative plan providing rates different from those the indexing and surveying indicate are needed for comparability. That authority has been used frequently in the last several years. As stated above, the President did not forward an alternative plan affecting the basic pay. He has a deadline of November 30 to forward a plan affecting locality-based payment adjustment. It is expected that he will send such a plan and that it will call for an average rate adjustment of 1%. If a plan is not forthcoming, and if Congress did not subsequently act to reduce the rate, the statutory rate going into effect January 2001 would be 16.41%. It is unlikely the higher rate will be allowed to be put in place.

Federal employee representative organizations have made statements related to pay adjustments, most of which address the issue of a strong economy and fairness to the federal employee. (See [http://www.nteu.org]; [http://www.afge.org]; and [http://www.nage.org].)

Federal Wage System. Federal Wage System (FWS, blue collar) pay is supposed to be set according to the prevailing rate for like occupations in each of over 130 wage survey areas throughout the United States (5 U.S.C. 5341, *et seq.*). While the surveys and studies continue, the pay has been continually affected by congressional action limiting the adjustments by the rate of adjustment for the General Schedule. A simplification of the rationale is that most managers are paid at rates on the General Schedule, and limiting the General Schedule provides the possibility that line personnel would be paid more than managers. Low wage areas are not affected by the limit because they can get raises up to the capped rate. High wage areas are obviously affected by the cap. Section 613 of P.L. 106-58 requires the limitation for FY2000. According to the Office of Personnel Management, the maximum rate for the Federal Wage System adjustment during FY2000 will be 4.93%. There is a similar provision in the FY2001 proposals. However, the pay adjustments for FWS are on a rolling basis and some may be scheduled to go into effect at higher rates before the legislation is enacted. It is unclear whether this will become an administrative problem.

Senior Executive Service. Senior Executive Service (SES) salaries are set administratively by the President. They are not required to be linked to any economic measure. Due to SES salary caps, the top two of the six levels are now limited to the $122,400 maximum for basic pay. Locality-based payments are being applied to SES salaries. That brings the new maximum to $130,200. Even with a January 2000 3.4% increase in the salary level used as the cap, in all of the 32 locality wage areas, the top three levels are capped at that maximum and in four of the areas, four of the six salary levels are capped. It is presumed that the President will apply the 2.7% adjustment in base pay and extend locality adjustments to the SES in January 2001.

Administrative Law Judges. Public Law 106-97 (November 12, 1999) alters the pay system for administrative law judges (ALJ). Previously, ALJ salaries were set at specific percentage values related to Level IV of the Executive Schedule. Under the new provisions, the range for ALJ salaries is a minimum of 65% of Level IV, with the maximum equal to Level IV. The President has the authority to set salaries within that range. Under the previous system, ALJ salaries could not be increased unless there was an increase in the Executive Schedule. While the limitation remains on the top salaries, other salaries within the schedule can be adjusted. ALJs have had locality pay administratively extended to them. There are provisions in the vetoed Treasury and General Government appropriations bills to allow agency heads to set the base pay for administrative appeals judges at rates in the same range as the basic pay for the AL-3 in the administrative law judge schedule.

Federal Officials. Unless Congress decides to deny a pay adjustment for federal officials, the appropriations bills are silent on that issue. The annual adjustment, under a mechanism established through the Ethics Reform Act of 1989 (P.L. 101-194), is determined through an ECI-based calculation and goes into effect automatically. The projected pay adjustment for January 2001 is 2.7%. The statutory rate would be 3.0% but the adjustment is limited to the rate of adjustment in basic pay for the General Schedule. The 3.0% rate was determined by the rate of change in the private sector wages and salaries element of the Employment Cost Index from December 1998 to December 1999 (3.5%), reduced by 0.5.

The rate for adjustment of federal officials' salaries is also limited by the rate and effective date of the General Schedule base pay adjustment. If General Schedule base pay in January 2001 is adjusted by the rate determined by the ECI (2.7%), salary adjustments for federal officials will be held to that rate as well. Therefore, even if Congress does not act to deny or change the projected 3.0% rate of adjustment for officials, that rate can be significantly affected by the determination of the General Schedule base pay rate. (If there is no adjustment in General Schedule base pay, there is no effective date, and, therefore, there can be no adjustment in federal officials' salaries — a circumstance that occurred in January 1994.)

None of the appropriations bills for FY2000 contained language denying federal officials the January 2000 3.4% pay increase. Pay increases for federal judges are also determined through that mechanism, but must be authorized each time. The January 2000 judicial salary increase was authorized under the Consolidated Appropriation for FY2000 (P.L. 106-113). The Commerce, State, Justice, and the Judiciary appropriations bill (H.R. 4690) is pending but does contain the authorizing language.

FY2001 would be the fiscal year in which a quadrennial review of salaries is required under the Ethics Reform Act of 1989. However, there appear to be no plans for the appointment of members to the Citizens' Commission on Public Service and Compensation. No FY2001 funds are requested for the commission. Salary levels for federal officials have significance to the rank and file federal employees because, under the various pay systems, the salaries of agency heads and other officials are the caps or limitations on salaries and wages for staff. When officials' salaries have been capped or limited over a period of time, compression in staff salaries has become a serious problem.

The President's salary will increase on January 20, 2001, from $200,000 (since 1969) to $400,000 *per annum*.

U.S. Postal Service. Postal Service wages are subject to collective bargaining and are not addressed by either the President or Congress.

Overtime Proposals. Legislation has been introduced which would raise the current overtime pay limitations. In 1945, the overtime statute provided a certain percentage of pay for work beyond scheduled hours. In 1954, the rate was set at one and one-half the hourly rate for a GS-9. In 1967, Congress established the current policy of one and one-half the minimum hourly rate paid at GS-10 (5 U.S.C. 5542). H.R. 582, the Federal Employees Overtime Pay Act of 1999, has been introduced for the purpose of changing the overtime rate to one and one half the minimum hourly rate paid at GS-15. The Federal Managers Association has expressed support for this measure because it would provide overtime compensation to managers and personnel as they move up the ranks. They have pointed out that managers and supervisors earn less on overtime than they do on straight time and they are usually compensated, for overtime, at a rate less than those whom they supervise. Both H.R. 2696 and S. 1885 would also increase the cap on overtime for federal managers. (See the Federal Managers Association website for position statements on this issue and others related to federal personnel: [http://www.fma.org.])

H.R. 4871 (Section 641,Treasury and General Government FY2001 appropriations bill), as passed the House, would provide that overtime pay for a firefighter for hours in a regular tour of duty would be included in any computation of pay under 5 U.S.C. 8114 related to compensation for work injuries.

Federal Retirement

The FY2001 budget proposed, and P.L. 106-346 enacted, the repeal of higher retirement contributions which were required of federal employees under the Balanced Budget Act of 1997. Employee contribution rates would be restored to pre-1999 levels of 7% for those covered by the Civil Service Retirement System and 8% for those covered by the Federal Employees Retirement System. It is estimated that employees would save $262 annually on average. The budget documents project that this action would lower employee contributions by an estimated $1.2 billion from FY2001-FY2003. The only group exempted from the rollback is Members of Congress.

A retirement-related legislative issue receiving House action in the 106th Congress is the correction to help federal employees whose retirement benefits were reduced because their agencies inadvertently placed them in the wrong retirement system. H.R. 416, the Federal Retirement Coverage Corrections Act, passed the House March 23, 1999. The bill has been referred to the Senate Committee on Governmental Affairs Subcommittee on International Security. According to the Congressional Budget Office, the provisions of H.R. 416 would cost agencies $346 million over five years. S. 772, introduced April 13, 1999, would provide for correction to the current practices in the computation of annuitants who had part-time service.

The administration, through the budget, voiced support for a House-passed measure which would modify policy relating to the Thrift Savings Plan (TSP). P.L. 106-361 allows certain funds to be rolled over into the TSP account, and would provide that new employees could enroll in the plan at the time of commencing service, eliminating the waiting period now in effect. The proposed Federal Thrift Savings Plan Enhancement Act (H.R. 483, 106th Congress) has as its purpose the elimination of percentage limitations on employee contributions to the Thrift Savings Plan. Federal employees would be able to invest up to $10,000, the current allowable maximum contribution to 401(k) accounts under tax law. Presently, employees enrolled in the Federal Employees Retirement System (FERS) may contribute up to 10% and those in the Civil Service Retirement System (CSRS) may invest up to 5%.

Federal Employee Health Benefits Program

The FY2001 budget proposes a major change which would have the potential of substantial savings for federal employees participating in the Federal Employee Health Benefits Program (FEHBP). The budget states that "the President will enable Federal employees to pay their annual health insurance premiums out of pre-tax income, a benefit already available to most employees in the private sector and State and municipal Governments." (*Budget*, p. 165.) The OPM fact sheet on the budget explains that:

> Premium conversion reduces an employee's taxable income by the amount of her or his health insurance premium, resulting in tax savings. In addition to increasing take home pay, this improves the federal government's competitive position as an employer.

It is estimated that federal employees would save $434 per year on average on their federal income taxes. If put into effect, this proposal would provide some relief to federal employees who had their program premiums increase by an average of 9.3% for calendar 2000.

The Treasury and General Government appropriations measures would require carriers to provide coverage of contraceptives. The bills also provide exceptions on religious grounds.

The Office of Personnel Management, in their fact sheet on the budget, states that OPM "will pursue legislation that would allow the agency to control the growth of FEHBP premiums by leveraging the purchasing power of the federal government. If enacted, federal employees, annuitants, and their families would have access to a comprehensive dental insurance benefit." The fact sheet goes on to state that, as of January 2001, "health care benefits for mental health and substance abuse will be provided on the same basis as other medical benefits in the FEHBP."

Several bills have been introduced for the purpose of establishing long-term care insurance availability to federal employees, retirees, and their families. P.L. 106-265 is designed to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees. Some legislation, as introduced (H.R. 110 and S. 57) would require that OPM design a benefits package and then negotiate benefit provision with the carriers. Two other bills (H.R. 602 and S. 36) would require that OPM make information available to eligible recipients about plans and facilitate the enrollment. However, OPM would not be involved in the negotiations as to benefits provided by the plans. The FY2001 budget makes a commitment to work with the Congress in providing a long-term care benefit "with benefits expected to be 15 to 20 percent lower than available individual rates." (OPM fact sheet.)

Office of Personnel Management

The FY2001 budget proposes several program changes which would affect both function and staff within the Office of Personnel Management (OPM). For example, the budget calls for the establishment of governmentwide buyout authority. If enacted, the oversight of that activity would fall to OPM. There is a request for six full-time equivalent additional staff to manage those responsibilities.

The proposed Federal Cyber Service Program would enable OPM to work with agencies in recruiting, developing, and retaining skilled information security professionals. The Retirement Systems Modernization project is a long-term project which would be designed to overhaul the civil service retirement fund and deliver services to federal annuitants. There are several other initiatives focusing on human resources management. These would include a workforce planning model, expansion of OPM oversight of merit system principles, and simplified hiring and assessment policies. Work continues on the redesign of the compensation system, both for the purpose of improving the salary rate setting process and the development of a total compensation system for white-collar staff.

Agency-Specific Personnel Management Systems

The number of Office of Personnel Management employees has been reduced by half since 1993. Agencies are becoming increasingly responsible for the management of their human resources functions. Several agencies have asked Congress to authorize either permanent changes in their systems or demonstration projects through which they could experiment with different management innovations. One of the agency-specific priority management objectives advanced by the administration is for the Federal Aviation Administration to implement the FAA management reforms, including linking pay scales to market rates and implementing a system which ties pay to the achievement of individual and agency performance targets. (*Budget*, "Improving performance through better management," p. 300.)

The director of the Federal Bureau of Investigation may conduct demonstration projects for much the same purpose. Legislation reforming the Internal Revenue Service (P.L. 105-206) may significantly change the character of personnel management in that agency. Currently under study by the Department of Defense is a proposal to allow that department, the largest employer of federal civilian personnel, to manage all of the human resources functions for staff in-house. (See "Personnel Freedom," *Government Executive*, March 1999, pp. 43-48.)

Downsizing

The overall estimates for federal civilian employment levels project a small increase over FY2000. The budget projects that the full-time equivalent (FTE) staffing level at the end of FY2001 will be 18.2% below the FTE level at the end of FY1993. The Federal Workforce Reduction Act of 1994 (P.L. 103-226) set out targeted staffing levels using FY1993 as the base year. (See *Analytical Perspectives*, "Federal Employment and Compensation," p. 257.) (FTEs are determined by dividing the total number of agency workhours within a fiscal year by 2087, which is the number of hours in a federal workyear. FTEs represent a statistical computation including all time worked and are used for budgetary and staffing projections. The computation bears minimal relation to the number of actual personnel because it includes hours worked on full-time, part-time, and intermittent schedules. It also includes hours worked by all personnel regardless of their length of service. On-board personnel counts are limited to the number of personnel employed as of a given date.)

The Department of Commerce has grown to meet the needs of the 2000 census. The Department of Justice has also had some increase in size, largely due to support for the fight against crime and drugs. The FY2001 budget proposal includes a 2,000 position Internal Revenue Service staffing increase. This would be in support of an initiative entitled, Staffing Tax Administration for Balance and Equity (STABLE). The IRS argues that it needs the flexibility to place staff in law enforcement and revenue functions as needed in order to meet the challenges of the reform legislation enacted in the 105th Congress.

The administration is once again requesting that Congress grant permanent authority to the Office of Personnel Management to allow agencies to offer employees voluntary separating incentive payments (buyouts) worth up to $25,000 to resign or retire. Reductions-in-force have been found to be costly and disruptive. The Department of Defense is the only agency which has ongoing buyout authority. The administration is seeking to have the authority on a governmentwide basis.

Public Law 106-58, the FY2000 appropriation for Treasury, Postal Service, Executive Office of the President, and General Government contains two buyout provisions. Section 411 authorizes the Administrator of General Services to offer voluntary separation incentives in order to provide the necessary flexibility to carry out the closing of the Federal Supply Service distribution centers, forward supply points, and associated programs. Section 651 authorizes voluntary early retirement for federal employees. In December 1999, the Office of Personnel Management's Workforce Restructuring Office released a list of federal agencies currently having buyout authority. Those agencies (and the authority expiration dates) are: Defense (9/30/01), NASA (9/30/01), Agriculture (9/30/00), Energy (12/31/03), Nuclear Regulatory Commission (12/31/00), Architect of the Capitol (10/21/01), Government Printing Office (9/30/01), Bonneville Power Administration (Indefinite), Internal Revenue Service (1/1/03), Inspector General for Tax Administration (1/1/03), Financial Management Service, Chicago—IRS (1/31/00), General Services Administration (4/30/01), and Veterans Affairs (9/30/00). Downsizing can also be achieved through early retirement. OPM has approved early retirement authority for NASA, HUD, Defense, OPM, VA, National Gallery of Art, D.C. Government, Small Business Administration, Federal Housing Finance Board, Federal Maritime Commission, Administrative Office of the U.S. Courts, GSA, Energy, Treasury, Agriculture, Interior, and Transportation. With the exception of some offices in the Department of Energy, the authority expires September 30, 2000.

LEGISLATION

H.R. 110 (Cummings)

To provide for the establishment of a program under which long-term care insurance is made available to federal employees and annuitants. Introduced January 6, 1999. Referred to Committee on Government Reform.

H.R. 142 (Gekas)

To prevent government shutdowns. Introduced January 6, 1999. Referred to the House Committee on Appropriations.

H.R. 206 (Morella)

To provide for greater access to child care services for federal employees. Introduced January 6, 1999. Referred to the Committee on Government Reform. Reported (H. Rept. 106-169) June 7.

H.R. 208 (Morella)

To allow for the contribution of certain rollover distributions to accounts in the Thrift Savings Plan, to eliminate certain waiting-period requirements for participating in the Thrift Savings Plan. Introduced January 6, 1999. Referred to the Committee on Government Reform. Reported, amended, April 13 (H. Rept. 106-87). Passed the House, April 20 (voice vote). Referred to the Senate Committee on Governmental Affairs. Reported with amendments (H. Rept. 106-343) July 13, 2000. Passed Senate with amendments, July 21, 2000. Under a suspension of House rules, the Senate amendments were agreed to (Roll. No. 520: 382-0). P.L. 106-361 was signed by the President, October 27, 2000.

H.R. 416 (Scarborough)

Federal Retirement Coverage Corrections Act; a bill to provide for the rectification of certain retirement coverage errors affecting federal employees, and for other purposes. Introduced January 9, 1999. Referred to Committees on Government Reform and on Ways and Means. Reported February 23 by Committee on Government Reform (H. Rept. 106-29, Part I) and March 5 by Committee on Ways and Means (H. Rept. 106-29, Part II). Passed the House, amended, March 23 (voice vote). Referred to the Senate Committee on Governmental Affairs, Subcommittee on International Security, Proliferation, and Federal Services.

H.R. 457 (Cummings)

To increase the amount of leave time available to a federal employee in connection with serving as an organ donor. Introduced February 2, 1999. Referred to Committee on Government Reform. Reported (H. Rept. 106-174) June 8. Passed the House, by voice vote, July 26. Referred to Senate Committee on Governmental Affairs. Ordered to be reported, favorably without amendment (S. Rept. 106-143), August 3. Passed the Senate by Unanimous Consent, September 8. Signed by the President, P.L. 106-56, September 24, 1999.

H.R. 483 (Morella)

To make percentage limitations on individual contributions to the Thrift Savings Plan more consistent with the dollar amount limitation on elective deferrals. Introduced February 2, 1999. Referred to Committee on Government Reform.

H.R. 582 (Davis)

To provide for more equitable policies relating to overtime pay for federal employees. Introduced February 4, 1999. Referred to Committee on Government Reform.

H.R. 602 (Scarborough)

To provide for the establishment of a program under which long-term care insurance may be obtained by federal employees and annuitants. Introduced February 4, 1999. Referred to Committee on Government Reform.

H.R. 915 (Gekas)

To authorize a cost of living adjustment in the pay of administrative law judges. Introduced March 2, 1999. Referred to the Committee on the Judiciary; discharged June 10; referred to the Committee on Government Reform. Reported (H. Rept. 106-387) October 18. Passed the House, amended, by voice vote, October 25. Referred in the Senate to the Committee on Governmental Affairs. Reported to Senate November 4, without written report. Passed the Senate, without amendment, November 8. Public Law 106-97 approved November 12, 1999.

H.R. 1770 (Cummings)

To revise the overtime limitation provisions for federal employees. Introduced May 12, 1999. Referred to the Committee on Government Reform.

H.R. 2490 (Kolbe)

To make appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 30, 2000. House Committee on Appropriations reported an original measure July 13, 1999, H. Rept. 106-231. Passed the House July 15, 210-209 (roll call # 305). Passed the Senate July 19, amended, in lieu of S. 1282 (which had passed the Senate July 1 by voice vote), amended. Conference report filed September 14, H. Rept. 106-319. House agreed to conference report September 14. Senate agreed to conference report September 16, 54-38 (record vote no. 277). P.L. 106-58 approved September 29.

H.R. 2696 (Davis)

To amend title 5, United States Code, to provide for more equitable policies relating to overtime pay for federal employees and the accumulation and use of credit hours. Introduced August 4, 1999. Referred to the Committee on Government Reform.

H.R. 3147 (Davis)

To amend title 5, United States Code, to alleviate the pay-compression problem affecting members of the Senior Executive Service and other senior-level federal employees. Introduced October 26, 1999. Referred to the Committee on Government Reform.

H.R. 4040 (Scarborough, et al)

To amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees, and for other purposes. Introduced March 21, 2000. Referred to the Committee on Government Reform. Ordered reported, by voice vote, March 22, 2000. Referred to House Armed Services Committee March 21, 2000. Reported, amended May 8, 2000 (H.Rept. 106-610, Part I). Passed the House, amended, by voice vote, May 9, 2000. Referred to the Senate Subcommittee on International Security, Proliferation and Federal Services. Senate Committee on Governmental Affairs discharged by Unanimous Consent July 25, 2000. Senate struck all after the Enacting Clause and substituted the language of S. 2420 amended. and passed in lieu of S 2420 with an amendment and an amendment to the Title by Unanimous Consent July 25, 2000. Message on Senate action sent to the House, July 26, 2000. House agreed with amendments to the Senate amendment and Senate agreed to the House amendments to the Senate amendments to the bill, July 27, 2000. P.L. 106-265 was signed by the President September 19, 2000.

H.R. 4871 (Kolbe)
To make appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 20, 2001, and for other purposes (commonly referred to as Treasury and General Government appropriations). Introduced July 18, 2000 as a clean bill out of House Committee on Appropriations, accompanied by H. Rept. 106-756. Passed the House July 20, 2000. Senate invoked cloture July 26 (Rollcall No. 227: 97-0) and proceeded to consideration. (See S. 2900 and H.R. 4895.)

H.R. 4895 (Kolbe)
To make appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 20, 2001, and for other purposes. Introduced July 26 as a clean bill. Appended as Division B to the Legislative Branch Appropriations conference report (H.R. 4516, H. Rept. 106-796). Rule was adopted in the House (H. Res. 565). President vetoed H.R. 4516 on October 30, 2000.

S. 36 (Grassley)
To provide for the establishment of a program under which long-term care insurance may be obtained by federal employees and annuitants. Introduced January 19, 1999. Referred to Committee on Governmental Affairs.

S. 57 (Mikulski)
To provide for the establishment of a program under which long-term care insurance is made available to federal employees and annuitants. Introduced January 19, 1999. Referred to Committee on Governmental Affairs.

S. 558 (Thompson)
To prevent the shutdown of the government at the beginning of a fiscal year if a new budget is not yet enacted. Introduced March 8, 1999. Referred to the Committee on Governmental Affairs. Reported (H. Rept. 106-15) March 16. (Similar bill: H.R. 853.)

S. 772 (Robb)
To clarify the computations of certain civil service retirement system annuities based on part-time service. Introduced April 13, 1999. Referred to the Committee on Governmental Affairs.

S. 1885 (Robb, *et al*.)
To amend title 5, United States Code, to provide for more equitable policies relating to overtime pay for federal employees, limitations on premium pay, and the accumulation and use

of credit hours. Introduced November 9, 1999. Referred to the Committee on Governmental Affairs.

S. 2306 (Thompson, *et. al.*)

To establish a Commission on Government Restructuring and Reform to recommend changes that would make agencies more responsive to the public, reduce the cost of administering government programs and restructure Cabinet and sub-Cabinet agencies. Introduced March 28, 2000. Referred to Committee on Governmental Affairs Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia. Hearings held May 4, 2000.

S. 2420 (Grassley, *et al*)

To amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees, and for other purposes. Referred to the Committee on Governmental Affairs April 13, 2000. Referred to Subcommittee on International Security, Proliferation and Federal Services May 1, 2000. Hearings held May 16, 2000. Reported with an amendment in the nature of a substitute (S. Rept. 105-344) July 14, 2000. Laid before the Senate by unanimous consent and committee substitute agreed to July 25, 2000. Provisions incorporated into H.R. 4040 as an amendment and H.R. 4040 passed the Senate July 25, 2000.

S. 2900 (Campbell)

To make appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies for the fiscal year ending September 20, 2001, and for other purposes. Clean bill reported to the Senate by the Senate Committee on Appropriations, without written report, July 20, 2000. Written report filed October 12, 2000 (H. Rept. 106-500).

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