www.few.org

455 Massachusetts Ave. NW, P.O. Box 306
Washington, DC 20001
Phone: 202/898-0994
Fax: 202/898-1535

This information may be provided to FEW membership via government email

FEW Washington Update
October 15-31, 2019

In Remembrance
Elijah Cummings (1951-2019)

Domestic Violence Awareness Month
National Work and Family Month

A Special Report

Appropriations Watch
(Federal Government Budget Expires November 21, 2019)

The National Defense Authorization Act (NDAA)
House and Senate negotiators are having trouble coming to terms on this year's Defense authorization bill, so the chairman of the Senate Armed Services Committee is preparing a "Plan B." Sen. James Inhofe (R-Okla.) said he plans to introduce what he calls a "skinny" Defense policy bill next week. It would leave out the more contentious issues being debated between the Republican-controlled Senate and the Democratic-controlled House, such as the president's proposed border wall. The bill would mostly authorize routine matters that need to be handled by the end of this year, including special pay authorities for military members. Inhofe said he's still hopeful lawmakers can reach an agreement on a full NDAA by the end of this year but wants to be ready in case they don't.

The Senate

Despite giving themselves seven extra weeks, lawmakers say it would take a "miracle" to avoid a Thanksgiving shutdown through normal appropriations.

The Senate this week easily advanced a package of appropriations measures to fund the departments of Transportation, Housing and Urban Development, Agriculture, Interior, Commerce, Justice and other agencies. Under a budget agreement signed by President Trump earlier this year, most agencies will receive a funding boost once full-year spending levels are set. The Senate is scheduled to resume consideration of that bill on Monday, October 28, 2019.

The Senate will also take up a Democratic resolution that would repeal an IRS and Treasury Department rule that blocked states from creating workarounds to the 2017 tax law's limit on state and local tax (SALT) deductions.

Lawmakers have indicated the two chambers have yet to agree to allocations for each of the 12 annual spending bills.

Senate joins House in providing no funding for OPM-GSA merger

The administration's plan to merge most of the Office of Personnel Management with the General Services Administration looks like it will take another major hit. The Senate joined the House in including no funding for the consolidation in its consolidated appropriations bill for fiscal 2020.

In a letter to the Senate Appropriations Committee, Russ Vought, the acting director of the Office of Management and Budget, made the case once again for the merger.

"The administration continues to stress the need for structural and organizational change at OPM. The status quo is unsustainable, and inaction would maintain an organizational construct that is ill-equipped to meet the needs of today's modern workforce," Vought wrote. "The administration is pursuing this needed structural reform to better align resources with mission and create long-term stability, sustainability, and increased operational excellence."

The Senate didn't entirely reject the merger in its version of the Financial Services and General Government funding bill. It wrote in the report in September that while it will not allocate the administration's request, it seems willing to go along with the authorizers. "Should authorizing legislation be enacted that transfers these functions to GSA, the committee stands ready to provide sufficient resources to GSA to facilitate an orderly transition," the committee's report stated. But without the funding–$50 million requested in fiscal 2020—the major pieces to the consolidation will not be possible.

While it rejected funding for the OPM-GSA merger, the Senate offered a mixed response to the White House's other plans for reorganizing certain agencies.

For instance, the upper chamber allocated $25 million for the Agriculture Research agency relocation, which would move the Economic Research Service and the National Institute for Food and Agriculture to Kansas City. However, the Senate will block Customs and Border Protection from moving its Trusted Traveler Vetting operations—located in Vermont—to the National Targeting Center (NTC) in Virginia.

Another personnel change request the Senate isn't agreeing to as well. The administration asked for an extension to 2025 of the Title 42 hiring authority at the Environmental Protection Agency. The authority allows EPA to hire up to 50 world-renowned scientists and engineers at competitive, market-based salaries. The current authority expires at the end of fiscal 2020. The 2020 budget requested the authority be extended through fiscal 2025.

IT Modernization Zeroed Out

On the technology front the Senate is zeroing out the Technology Modernization Fund. The House approved $35 million, which is $115 million below the administration's request. On the other hand, the administration was pleased the Interior Department would receive the $12.5 million it requested to implement the NewPay technology modernization program.

Additionally, the Indian Service's electronic health record (EHR) modernization effort also would receive $22 million less than the $25 million request. The Senate also fully funds the administration's request of $22 million for the National Archives and Records Administration's electronic records archive program. It also gives the IRS its full request of $11.4 billion to accelerate the business systems modernization program and improve how the IRS interacts with taxpayers and tax professionals.

Senate Bills to Watch

On Wednesday, Sens. Josh Hawley (R-Mo.) and Marsha Blackburn (R-Tenn.) introduced a bill that would move 10 federal agencies to as many states. "Helping Infrastructure Restore the Economy Act" (S. 2672), which would move 90% of the positions in 10 Cabinet-level departments out of D.C. This includes the agencies' headquarters and permanent duty stations. The bill would continue a trend of agencies moving some of their offices outside the Beltway, the senators said.

The Agriculture Department is already relocating two research offices to Kansas City, and the Interior Department's Bureau of Land Management is moving about 250 Washington-based employees out west, including 27 who will serve at the agency's new headquarters in Grand Junction, Colorado. According to data from the Office of Personnel Management, 85 percent of federal employees are already located outside the D.C. metro area. But there is a push by certain lawmakers to further move agencies outside of D.C., arguing that they should move closer to their stakeholders.

A bill reintroduced by Senator Rand Paul (R-Ky.), Bonuses for Cost-Cutters Act (S. 2618), would give federal employees bonuses for flagging agency programs with more money than they can spend. The Bonuses for Cost-Cutters Act would allow agency inspectors general to award up to $10,000, for reporting surplus or unneeded agency funds. IG offices can already award bonuses to employees who spot agency fraud, waste, or abuse. A version of this bill passed the House in 2017 but hasn't made it out of committee in this session of Congress.

The House

Representatives Ask Appropriators to Block Funding for USDA Move
Thirty-two Majority House lawmakers have signed a letter asking House and Senate appropriators to withhold funds in the 2020 budget that could be used to move the U.S. Department of Agriculture's two research agencies out of the capital region.

"With only a fraction of reassigned employees opting to relocate, we are extremely concerned that moving forward with this relocation will increasingly jeopardize ERS and NIFA's ability to continue their critical work as well as cause irreparable harm to the federal scientific workforce," the lawmakers wrote, using abbreviations for the Economic Research Service and the National Institute of Food and Agriculture.

The USDA announced in June it would relocate the two agencies to Kansas City, Mo. The department's Office of Inspector General has questioned the legality of the decision.

The move has already had negative effects as employees leave the agencies. ERS was forced to delay or quash research after losing nearly 80 percent of its staff as employees fled rather than relocated.

The House did not include funding for the move in the USDA spending bill, but the Senate version passed Tuesday did.

In Other News
Whistleblower Protection Reviewed
A scathing review of the Veterans Affairs department's new whistleblower protection and accountability office said the office's leadership failed to meet many of the missions Congress gave it, partly because they misinterpreted or misunderstood the law. Among a host of other problems, the Inspector General at VA said the office put whistleblowers in danger by referring their cases back to the VA offices they were complaining about and failing to protect their identities.

Bill to Prevent a Government Shutdown
A nonpartisan, non-profit organization, has started to push-back against a Congressional Budget Office estimate that the bill to prevent future government

shutdowns would cost more than $12 trillion over 10 years. The Committee for a Responsible Federal Budget, said the Prevent Government Shutdowns Act would have little fiscal impact and would potentially save money. The bill, sponsored by Senators James Lankford (R-Okla.) and Maggie Hassan (D-N.H.), would automatically implement a continuing resolution if Congress failed to pass appropriations bills **by Oct. 1**.

The Prevent Government Shutdowns Act (PGSA) would establish an automatic continuing resolution (auto-CR) to prevent shutdowns and would put into place incentives to encourage Congress to enact its own CR or appropriations bill. Its fiscal effect would be minimal, as the legislation itself is not intended to take effect on a permanent basis. Rather, it is intended to serve as a bridge while policymakers agree to appropriations levels.

Due to scorekeeping technicalities, the Congressional Budget Office (CBO) has estimated the PGSA will cost $12.6 trillion over a decade. This score does not, however, reflect the actual fiscal impact of the bill. The PGSA would have little fiscal impact in reality, and it would even save money on paper.

The PGSA ends the risk of government shutdown by establishing an auto-CR if funding lapses (read more in our Q&A on government shutdowns). This backstop generally extends spending at the prior year's levels with no inflation adjustments or anomalies until lawmakers reach an agreement on new spending bills.

CBO estimated earlier this year that the PGSA would increase mandatory budget authority by $1.4 trillion per year, resulting in $12.6 trillion more spending over the next decade. Missing from CBO's estimate is that scored increases in mandatory spending would be offset by reductions in discretionary spending that aren't counted in the score.

The reason for the massive scored increase in mandatory spending is that the PGSA -- by allowing appropriations to continue automatically without congressional action -- essentially turns discretionary spending into mandatory spending by automatically extending appropriations. This reclassification leads to a $12.6 trillion increase in the mandatory side of the budget (which CBO scores) but would also result in a huge reduction in discretionary spending (which CBO has not yet estimated). We estimate these savings would be roughly $14 trillion, so the net impact would be $1.5 trillion in savings, not $12.6 trillion in costs. These estimates could differ modestly based on start year, but under no circumstances would a permanent auto-CR add to deficits.

Of course, the only way the PGSA would actually save $1.5 trillion is if Congress completely abdicated its role to pass appropriations bills for a full decade. This is an unlikely scenario in any circumstance. The PGSA only goes into effect when funding lapses. In the last 30 years, according to Congressional Research Service (CRS) data, there have been an average of about three days of funding lapses per year.

In fact, the PGSA is designed to bolster, not replace, the appropriations process, and includes a number of provisions to encourage the timely passage of appropriations.

These include restrictions on staff and member travel, Congressional pay, and votes unrelated to appropriations. The PGSA would also ban House or Senate adjournment for longer than 23 hours during a government shutdown and would require a daily quorum call to keep Members in town.

Overall, PGSA is likely to have little fiscal impact. As under current law, it will be up to policymakers to decide how much to appropriate each year. The difference is that they would no longer face the risk of a government shutdown.

This difference is important, however. Government shutdowns disrupt a range of government services, lead to the furlough of hundreds of thousands of federal employees and contractors, reduce economic activity, hurt consumer confidence and lead the government to waste money on activities that don't occur.

While reasonable people can disagree on the best approach to preventing government shutdowns, the goal of ending shutdowns is broadly shared. The solution will only have a modest impact on our fiscal situation, the direction of which is unclear. The PGSA will not cost $12.6 trillion, or much of anything, over the next decade.

Note: Sources used for this publication include, The Hill, Roll Call, Committee for Responsible Budget, Federal New Network and GovExec