



Legislative Bulletin.....February 11, 2004

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Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: 0

Year to Date Prior to Today's Bills: 1

Total Cost of Discretionary Authorizations: \$50 million over five years*

Year to Date Prior to Today's Bills: \$9.95 billion over five years

Total Amount of Revenue Reductions: -\$7 million over five years (revenue increase)

Year to Date Prior to Today's Bills: \$317 million over five years

Total Change in Mandatory Spending: -\$0.3 billion over five years*

Year to Date Prior to Today's Bills: \$23 million over five years

Total New State & Local Government Mandates: 2

Year to Date Prior to Today's Bills: 0

Total New Private Sector Mandates: 1

Year to Date Prior to Today's Bills: 4

*No cost estimate is available for H.R. 3783

H.R. 743 — Social Security Protection Act of 2003 (Concur in Senate amendment) (Shaw)

Order of Business: The bill is scheduled for consideration on Wednesday, February 11th, under a closed rule.

The House passed H.R. 743 on April 2, 2003. The Senate passed the bill, with an amendment, on December 9, 2003, by unanimous consent.

Summary: H.R. 743 makes a variety of changes to the Social Security Act intended to protect recipients and program integrity.

Social Security beneficiaries who are unable to manage their own financial affairs use representative payees to safeguard their benefits. Under H.R. 743, the Social Security Administration (SSA) is required to reissue benefits to beneficiaries whose funds were misused by a representative payee. The bill would require SSA to enhance its oversight of representative payees, using onsite review, and require representative payees to be both bonded and licensed (current law requires them to be either bonded or licensed). In addition, the bill would hold representative payees liable in instances where benefits are misused and require them to forfeit their fees.

Other changes to the Social Security program in H.R. 743 include the following:

- Clarifies that civil monetary penalties can be imposed if a beneficiary fails to notify SSA of changes in circumstance that affect eligibility or benefit amount;
- Fully denies benefits to fugitive felons and individuals fleeing prosecution (currently only SSI benefits are denied, not retirement benefits under Title II);
- Allows courts to order restitution to be paid by a representative payee to any individual suffering financial loss and the SSA.
- Requires those who offer Social Security services for a fee to include in solicitations a statement that such services are available from SSA free of charge;
- Imposes a fine of up to \$5000 and imprisonment of up to three years on any individual who “by force or threats of force (including any threatening letter or communication) attempts to intimidate or impede any officer, employee, or contractor of the Social Security Administration;”
- Caps the assessment imposed by SSA on attorney fees paid out of past-due benefits (rather than directly by the beneficiary) at \$75;
- Clarifies that demonstration projects under the Ticket to Work Incentives Improvement Act of 1999 may continue through December 18, 2005 (House bill allowed projects beyond December 17, 2004, if the project began on or before that date); and
- Reinstates reports sunset in the Federal Reports Elimination and Sunset Act of 1995.

Other major provisions added by the Senate amendment:

- Authorizes \$8.5 million for a study by SSA into the use of payments by representative payees.
- Requires a noncitizen to have work authorization at the time a Social Security Number is issued, or at some later time, for benefits to be payable on his/her earnings record.
- Requires state and local pension plan administrators to report to the Internal Revenue Service (IRS) if an individual’s pension is based on employment that was not covered by Social Security. The IRS is authorized to provide such information to SSA for purposes of administering the GPO and the Windfall Elimination Provision.
- Requires state and local governments to provide workers who begin employment in a noncovered position on or after January 1, 2005, with a written notice that explains the possible effects of noncovered employment on Social Security benefits. The written

notice must include a form that must be signed and returned by the individual before beginning employment.

- Extends the authorization for the Benefits Planning, Assistance, and Outreach program and the Protection and Advocacy to Beneficiaries of Social Security Program for five years (authorization is set to expire in 2004).

Government Pension Offset:

Another clarification to current law in H.R. 743 is included in Section 418. This section acts on a GAO study published last year, which is highlighted in President Bush's FY04 budget. It closes the government pension offset (GPO) loophole by changing the requirement for exemption from the GPO from one day to five years of working in a position. Current law has allowed individuals to work only one day in a position that pays into Social Security (after primarily working in a job not covered by Social Security) in order to qualify for benefits. GAO estimated in their report that the loophole has allowed public educators, primarily in Texas, to claim \$96,000 in benefits after paying \$3 in Social Security taxes. (For more information on this issue, [click here](#) to view a report by the Heritage Foundation).

Under the Senate-passed version of the H.R. 743, the 60-month requirement would not apply to persons whose last day of government service occurs before July 1, 2004 (the House version provided 90 days before the requirement would take effect). For persons whose last day of government service occurs on or after July 1, 2004 and within 5 years after enactment, previous work within the same retirement system would count toward the 60-month requirement. The bill also places the GPO language in the same section as the dual entitlement rule, which is a GPO-type provision for workers covered by Social Security.

Additional Background: The House voted on H.R. 743 on March 5, 2003, under suspension of the rules. The bill failed to receive the required 2/3-majority vote, failing 249-180 (<http://clerk.house.gov/evs/2003/roll044.xml>). The House again voted on H.R. 743 on April 2, 2003, and passed the bill by a vote of 396-28 (<http://clerk.house.gov/evs/2003/roll102.xml>).

Committee Action: The bill was referred to the Committee on Ways and Means, and reported on March 13, 2003, by a vote of 35-2.

Cost to Taxpayers: CBO estimates that the Senate-amended version of H.R. 743 would reduce direct spending by \$0.3 billion over the 2004-2008 period and by \$0.8 billion over the 2004-2013 period. The bill would increase revenues by \$26 million over the 10-year period.

CBO estimated that the House version of H.R. 743 “would lead to small net costs in 2004 but net savings thereafter—by amounts that grow from \$16 million in 2005 to \$147 million in 2013. In total, CBO estimates that enacting the bill would trim direct spending and boost revenue by a combined \$655 million over the 2004–2013 period.”

Does the Bill Create New Federal Programs or Rules?: The bill makes clarifying and technical changes to the Social Security Act and creates some new federal rules, as described above. H.R. 743 does not create any new federal programs.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: Yes, the bill requires state and local governments to provide workers beginning a new noncovered position with a written notice that explains the possible effects of noncovered employment on Social Security benefits, requires state and local pension plan administrators to report to the IRS if an individual's pension is based on employment that was not covered by Social Security, and requires those who offer Social Security services for a fee to include in solicitations a statement that such services are available from SSA free of charge.

Constitutional Authority: The Ways and Means Committee, in House Report 108-46, cites Article I, Section 8 ("The Congress shall have Power to lay and collect Taxes, Duties, Imposts and Excises"), and the 16th Amendment to the Constitution.

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H.R. 3783—Surface Transportation Extension Act of 2004 (Young of Alaska)

Order of Business: The bill is scheduled to be considered on Wednesday, February 11th, under a motion to suspend the rules and pass the bill.

Summary: H.R. 3783 would extend for four additional months (through June 30, 2004) highway, highway safety, motor carrier safety, transit, and other programs funded out of the Highway Trust Fund, pending enactment of a law reauthorizing the Transportation Equity Act for the 21st Century (112 Stat. 116). Funding levels would be proportionally tied to the appropriations in the Transportation, Treasury, and Independent Agencies Appropriations Act for FY2004.

The provision in the Internal Revenue Code that prohibits the expenditure of funds from the Highway Trust Fund after October 1, 2003 would be amended to allow the Department of Transportation to disburse funds into the summer (July 1, 2004).

Highlights

- H.R. 3783 would provide four months of additional contract authority and four months of additional obligation limitation (\$10.73 billion) for the federal highway program.
- States would be given flexibility to transfer funds among programs during the four-month period, subject to certain limitations.
- \$150 million additional dollars could be drawn from the Highway Trust Fund for administrative expenses of the federal highway program in FY2004.
- Authorization limits for the four-month extension period (February 29, 2004 through June 30, 2004) for other federal highway programs would be set as follows:
 - Indian reservation roads: \$91.7 million

- Public land highways: \$82.0 million
- Park roads and parkways: \$55.0 million
- Refuge roads: \$6.7 million
- National corridor planning and development/ Coordinated border infrastructure programs: \$46.7 million
- Ferry boat and terminal construction: \$12.7 million
- National scenic byways program: \$9.1 million
- Value pricing pilot program: \$3.7 million
- Highway use tax evasion projects: \$1.7 million
- Puerto Rico highway program: \$36.7 million
- Safety grants: \$166,700
- Transportation and community and system preservation pilot program: \$8.4 million
- Transportation infrastructure finance and innovation: \$46.7 million
- Surface transportation research: \$35.0 million
- Technology deployment program: \$18.4 million
- Training and education: \$7.0 million
- Bureau of Transportation Statistics: \$10.4 million
- ITS standards, research, operational tests, and development: \$38.4 million
- ITS deployment: \$41.3 million
- University transportation research: \$9.0 million
- Metropolitan planning: \$80.0 million
- Territories (Guam, Virgin Islands, etc.): \$12.1 million
- Alaska Highway: \$6.3 million
- Operation Lifesaver: \$166,700
- Bridges (discretionary): \$33.3 million
- Interstate maintenance: \$33.3 million
- Recreational trails (administrative costs): \$250,000
- Railway-highway crossing hazard elimination in high-speed rail corridors: \$1.7 million
- Nondiscrimination training: \$3.3 million

- Authorization limits for the four-month extension period (February 29, 2004 through June 30, 2004) for highway safety programs would be set as follows:
 - Seat belt safety incentive grants: \$37.3 million
 - Prevention of intoxicated drivers incentive grants: \$40.0 million
 - Chapter Four highway safety programs: \$54.2 million
 - Highway safety research and development: \$23.7 million
 - Occupant protection incentive grants: \$6.6 million
 - Alcohol-impaired driving countermeasures incentive grants: \$13.1 million
 - National Driver Register: \$1.9 million
 - Motor Carrier Safety Assistance Program: \$118.0 million
 - Information systems and commercial driver's license grants: \$6.7 million
 - Crash causation study: \$331,967

- The bill would extend all currently authorized federal transit programs for four months, from February 29, 2004 through June 30, 2004.

- Authorization limits for sport fishing and boating safety programs for the extension period would be set as follows:
 - National outreach and communications: \$3.3 million
 - Clean Vessel Act funding: \$27.3 million

Additional Background: On September 24, 2003, the House passed (by voice vote) a temporary extension of surface transportation programs until February 29, 2004. The President signed the extension into law (Public Law 108-88) on September 30, 2003. To see the RSC Legislative Bulletin on this previous extension, visit this webpage: <http://johnshadegg.house.gov/rsc/LB92403.pdf>

Committee Action: H.R. 3783 was referred to the Transportation & Infrastructure Committee, the Resources Committee, the Science Committee, and the Ways & Means Committee on February 10, 2004. No committee considered the legislation.

Administration Position: The Administration supports a permanent reauthorization of TEA-21 at a funding level of \$256 billion over six years.

Cost to Taxpayers: A CBO cost estimate for H.R. 3783 is not yet available. CBO estimated that the last **five**-month extension (H.R. 3087) would authorize appropriations of \$610 million in the current fiscal year and would increase contract authority (a mandatory form of budget authority) by \$9.256 billion in the current fiscal year and by \$28.804 billion over the FY2004-FY2008 period.

Does the Bill Create New Federal Programs or Rules?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Constitutional Authority: A committee report citing constitutional authority is unavailable.

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S. 523—Native American Technical Corrections Act of 2003 (Sen. Campbell)

Order of Business: The bill is scheduled for consideration on Wednesday, February 11th, under a motion to suspend the rules and pass the bill.

S. 523 passed the Senate by unanimous consent on July 30, 2003.

Summary: S. 523 makes a variety of technical changes to Indian laws and extends several expiring authorizations. Specifically, the bill:

- Extends the Bosque Redondo Memorial Act from FY200 to FY2004 and extends the authorization for appropriations for the memorial through FY2006 (authorizing \$1 million for FY2004 and \$500,000 for FY2005 and 2006).
- Extends the Navajo-Hopi Land Settlement Act of 1974 through FY2006 (authorization level of \$30 million each year).
- Reauthorizes the Four Corners Interpretive Center Act through FY2008 (authorization level of \$50,000 each year).
- Adds Celilo Indian Village to existing fishing sites authorized to be rehabilitated by the Army Corps of Engineers.
- Authorizes the Barona Band of Mission Indians (CA) to take land into trust to build a water pipeline.
- Authorizes the Secretary of the Interior to conduct several feasibility studies.
- Adds the Saginaw Chippewa Tribal College to the list of eligible institutions under the Equity in Educational Land Grant Status Act of 1994.
- Authorizes the Secretary to take land into trust for the Agua Caliente Band of Cahuilla Indians.
- Authorizes the Secretary to take land into trust for the Pueblo of Santa Clara. The bill specifies that the land may not be used for new commercial development.
- Provides for the distribution of judgment funds awarded to the Quinault Indian Nation.

Committee Action: The Committee on Resources considered S. 523 on October 29, 2003, and favorably reported the bill to the House by unanimous consent without amendment.

Cost to Taxpayers: The Congressional Budget Office estimates that S. 523 would cost \$14 million in 2004 and \$50 million over the 2004-2008 period, subject to appropriations. Although new land would be taken into trust, CBO states that the land currently does not generate significant offsetting receipts (a credit against mandatory spending) and therefore S. 523 would have no significant mandatory spending effects.

Does the Bill Create New Federal Programs or Rules?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Constitutional Authority: The Committee on Resources, in House Report 108-374, cites Article I, Section 8, but does not cite a specific clause.

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