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Washington Report

News from the Halls of Congress

House and Senate Agrees on FY 10 DHS Funding Bill; Vote on Final Bill Scheduled for Next Week

House and Senate conferees on Wednesday agreed to a fiscal 2010 homeland security appropriations measure that would provide \$42.8 billion in discretionary spending, after rejecting Republican attempts to reverse administration policy on military detainees at Guantánamo Bay.

The proposed spending is 6.6 percent higher than the money appropriated for fiscal 2009. The bill would provide \$10.1 billion for customs and border protection, including \$800 million for southwest border security fencing, infrastructure and technology and \$72.6 million for southwest border counter-drug initiatives. It would provide \$5.4 billion for immigration and customs enforcement, including \$1.5 billion for identifying and removing from the United States criminal aliens once an immigration judge has ordered them deported.

The approval came nearly a week after a disagreement about how to handle the movement of any Guantánamo detainees to U.S. soil — as well as some other, undisclosed disputes — stalled the conference. The bill has yet to be scheduled for the House floor.

Much of the bill drew bipartisan support.

In addition, the bill would provide:

- \$7.7 billion for the Transportation Security Administration.
- \$8.8 billion in discretionary Coast Guard funding.
- \$1.5 billion for the U.S. Secret Service.
- \$10.1 Billion for Customs and Border Patrol
- \$5.437 Billion for Immigration and Customs Enforcement
- \$282 million for the Federal Law Enforcement Training Center

A copy of the Congressional press release is attached for review.

News from the Department of Justice and Department of Homeland Security

Holder, Napolitano and Mueller Call for Federal and Local Cooperation to Fight Terrorism

U.S. Attorney Eric Holder, FBI Director Robert Mueller, and Homeland Security Secretary Janet Napolitano on Monday stressed the importance of cooperation between federal and local law enforcement agencies to stop terrorism.

They say the recent arrest of an imam in New York, and the arrest of Najibullah Zazi and his father in Colorado, illustrate the point.

The three top federal law enforcement officials spoke to thousands of chiefs of police gathered for the International Association of Chiefs of Police. Mueller said many threats continue to come from the tribal areas of Pakistan and Afghanistan, Algeria, Somalia and Yemen.

Napolitano said information that beauty supplies can be used to make bombs is being shared between law enforcement through 72 so-called "fusion centers" across the country, which collect and share information about potential terrorist activity.

Later after touring an exhibit in downtown Denver meant to educate the public about terrorism and learn ways to prevent it, Napolitano said the public can also help by reporting suspicious behavior to police.

That behavior can include people taking pictures of surveillance cameras at secure buildings or stockpiling items such as fertilizer or stolen uniforms.

Federal Employee News

Pay-for-Performance Program to be Phased Out by 2012

Federal employees and their unions achieved long awaited success on Wednesday as lawmakers delivered one of the biggest items on their agenda, repealing a controversial pay-for-performance program.

The repeal of the National Security Personnel System came as part of a compromise House and Senate members announced in their negotiations over the Defense Department authorization bill. The Defense Department will maintain more performance management and hiring flexibility than other federal agencies, but it must halt NSPS by the start of

2012 and it cannot enact a new pay-for-performance system without submitting detailed proposals to Congress for approval.

Roughly 30 percent of the Defense Department's civilian employees now fall under NSPS jurisdiction, according to the Pentagon. But many employees, federal unions, outside experts and lawmakers of both parties have long argued that the program is ineffective, confusing and detrimental to employee morale.

"The system didn't work," said Rep. Stephen F. Lynch (D-Mass.), one of the lead House negotiators advocating for repeal. The new arrangement will ensure that Congress maintains a voice in how the Pentagon measures employee performance, he said.

Moving forward, the Pentagon has three options, said Robert Tobias, director of the Institute for the Study of Public Policy Implementation at American University. He was part of a task force that recommended NSPS reforms earlier this year.

Berry, the OPM director, has said he prefers a single, government-wide pay system, but acknowledges that creating such a plan could be difficult. His office would not comment on the NSPS decision Wednesday.

The compromise announced Wednesday includes several other important changes for current and retired federal employees.

Members of the Civil Service Retirement System will be able to work part-time toward the end of their career without jeopardizing their pensions. Also, in a big change for members of the Federal Employees Retirement System, workers will have sick leave credited to them when they retire. That provision will be phased in over the next four years.

Agencies will also be able to hire back federal retirees under certain conditions and these workers will be able to receive a new salary while keeping their pension.

Summary of DoD Authorization Conference Bill Language Regarding FERS

The following is a summary of key points regarding the Federal Employee Retirement System (FERS) as addressed in the Department of Defense Authorization bill that came out of the conference committee:

- Provide federal employees enrolled under the Federal Employee Retirement System (FERS) credit for their unused sick leave upon retirement, similarly as their Civil Service Retirement System (CSRS) counterparts do. This benefit will be phased in. FERS retirees would have 50 percent of their unused sick leave time added to their time of service in calculating their retirement annuity through FY13. In FY14 and beyond, FERS retirees would have all their unused sick leave added to their service time.

- Allow former federal employees under the Federal Employee Retirement System who withdrew their contributions to the retirement trust fund, thereby waiving retirement credit for those years of service, to redeposit their earlier contributions, plus interest, upon reemployment with the federal government.
- Allow employees under the Civil Service Retirement System to take their highest salary, including their deemed full-time salary for years of part-time work, to be used in computing benefits derived from a pre-1986 salary.

Summary of DoD Authorization Conference Bill Language Regarding the Phase Out of NSPS

The following is a summary of key points regarding the phase out of the National Security Personnel System (NSPS) as addressed in the Department of Defense Authorization bill that came out of the conference committee:

- Repeals the authority for the National Security Personnel System (NSPS). Employees enrolled under the flawed system must be moved back to existing pay systems by January 1, 2012. Furthermore, any "personnel flexibilities" the Secretary of Defense might choose to ask for would require a proactive act of Congress to be authorized. The Secretary would also have to provide draft regulations of the flexibilities being proposed.
- Requires the transition of NSPS employees to previously existing civilian personnel systems.
- Provides DOD with new personnel flexibilities in the areas of hiring, assigning personnel, and appraising employee performance that would extend across the entire DOD civilian workforce. The Secretary of Defense would be afforded an opportunity to propose additional personnel flexibilities, if he determines that such flexibilities would be in the best interest of DOD.