

# White House unveils budget proposal

**T**he Trump administration's first full budget request for Fiscal Year 2018 was released on May 23. As expected, it calls for massive federal spending reductions.

While this budget proposal is non-binding and was immediately declared “dead on arrival” by many on Capitol Hill, NALC members should not rest easy. The budget proposal provides Congress with a menu of options for achieving savings and slashing services, many directly targeting active and retired letter carriers.

For active federal and postal employees covered by the Federal Employees Retirement System (FERS), the budget proposal calls for gradually equalizing employee and agency contributions for pension benefits. This would cut letter carriers' pay and raise pension contributions by 1 percent of pay per year for up to six years, costing active carriers up to \$3,600 annually after six years.

For retired letter carriers, the budget proposal calls for completely eliminating cost-of-living adjustments (COLAs) for current and future annuitants under FERS and for reducing the COLAs of Civil Service Retirement System (CSRS) retirees by one-half of 1 percent (0.5 percent) each year.

The budget proposal also calls for reducing CSRS and FERS pension benefits for new retirees by basing annuities on workers' highest average pay over five years (high-5) instead of over three years (high-3), and for eliminating the annuity supplement that covers the gap for workers who retire under FERS before they qualify for Social Security benefits at age 62.

With regard to the U.S. Postal Service, the budget calls for \$46 billion in vaguely defined cuts and revenue



changes, suggesting higher postage rates, elimination of Saturday delivery and reduced door delivery.

## The process going forward

Congress can address some, all or none of the administration's proposals. Typically, the House and Senate start with having their respective budget committees write their own budget resolutions, to provide a framework for the allocation of the committees' spending authority for the fiscal year.

Once those resolutions pass, each chamber's appropriations committees and their subcommittees mark up the spending bills—meaning the subcommittees determine how funding is distributed among various programs.

Following a mark-up, the House and Senate typically vote on their respective appropriations bills separately and then meet to reconcile any

differences between the bills before presenting a final, identical version of each bill to be voted on one last time in each chamber.

Then, after gaining approval by both the House and Senate, each of the 12 appropriations bills is sent to the president and is either signed into law or vetoed and returned to Congress for further consideration.

In recent years, however, the process has not usually worked this way—and little in Washington has been predictable lately. With representatives on Capitol Hill struggling to adapt to an “unconventional” Trump administration, it is unlikely that tradition and process will prevail. And in mid-June, the House Budget Committee was preparing a budget resolution to be voted on by the full House at the end of the month that called for all 12 appropriations bills to be rolled into a single, or “omnibus,” bill.

# The typical budget process

President releases  
FY2018 budget request  
(completed May 23)



Congress receives  
request  
(dead on arrival)

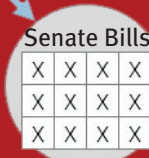
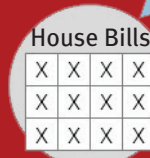


(Republicans and  
Democrats disagree  
with the plan)

Appropriations  
subcommittees  
draft bills

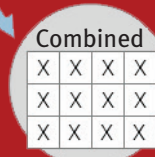


House's 12  
appropriations  
bills



Senate's 12  
appropriations  
bills

Congress combines  
and passes the  
12 bills



Unfinished  
appropriations bills  
combined into  
omnibus bill



(If delayed, Congress  
will pass another  
continuing resolution)

This omnibus budget resolution for Fiscal Year 2018 is expected to include so-called “reconciliation instructions” that would mandate each of the 12 committees that authorize funding to identify budget savings, typically by eliminating programs or reducing services or funding levels.

When it comes to USPS (and all federal employees), jurisdiction lies with the House Oversight and Government Reform Committee. The majority of this committee’s work is focused on government agency operations, so it would have little choice but to look at the staffing and the health and retirement benefits of the agencies under its purview to find enough money to adhere to reconciliation instructions.

It sounds complicated, but the bottom line is simple: Letter carrier jobs and benefits are vulnerable.

## Action needed

NALC members should be aware that any of the White House’s budget proposals to cut letter carrier pay and benefits can be brought up as options for savings at any point, even outside of the budget and appropriations process.

For instance, when Congress debates raising the debt ceiling (the legislative limit on the amount of national debt that can be issued by the Treasury), members of Congress often demand spending cuts as a condition of voting in favor of debt-ceiling raises.

Of course, NALC will vigorously oppose any attacks on letter carriers’ earned benefits, pay and workplace rights in the months ahead. Visit the “Budget Battle 2017” page at [nalc.org](http://nalc.org) to learn how you can help in this effort. The page will provide directions and guidance for members to help them communicate with their elected representatives in Washington. **PR**

## Key points on the FY 2018 budget/appropriations process

- Neither the House nor the Senate has written a budget resolution to address President Trump’s request, so the subcommittees do not have a mark-up framework.
- Republicans on the House Appropriations Committee may attempt to sidestep the traditional 12-bill process from the start, in favor of an omnibus bill.
- Congress has a limited number of legislative days with both chambers in session before the FY 2018 appropriations deadline on Sept. 30.