

Legislative Branch

Eliminate Funding for Special Congressional Subsidies for the ACA's Health Insurance Exchange

RECOMMENDATION

Eliminate funding for special congressional subsidies for health insurance purchased through the Affordable Care Act's (ACA's) health insurance exchange. This proposal saves \$50 million in FY 2018.

RATIONALE

Under Section 1312 (d)(3)(D) of the ACA, Congress voted to end its participation in the Federal Employees Health Benefits Program (FEHBP) and instead required Members and staff to obtain their health coverage through the ACA's health insurance exchange.¹ This change meant that Members and staff would no longer receive the employer contribution toward the cost of their health insurance. However, on August 7, 2013, the Office of Personnel Management (OPM) reversed this change

through a ruling allowing Members of Congress and staff, even though they are no longer enrolled in the FEHBP, to continue to receive the employer contribution for coverage in the exchanges. The Administration took this regulatory action without statutory authority under either the ACA or Title 5 of the U.S. Code, the law that governs the FEHBP.² Congress should restore the original intent of the statute and end this special contribution.

ADDITIONAL READING

- Edmund F. Haislmaier, "Administration Disregards the Law and Gives Special Obamacare Deal to Congress," *The Daily Signal*, August 7, 2013, and Robert E. Moffit, "Congress and Obamacare: A Big Double Standard," *Human Events*, November 11, 2013.
- Robert E. Moffit, Edmund F. Haislmaier, and Joseph A. Morris, "Congress in the Obamacare Trap: No Easy Escape," Heritage Foundation *Backgrounder* No. 2831, August 2, 2013.

CALCULATIONS

Savings are based on calculating the total cost of the government's FEHBP premium contribution for congressional Members and staff, based on the average premium for a 31-year-old (the average age of a congressional staffer) purchasing a gold plan on the DC Small Business Health Options Program (SHOP) marketplace. The average annual premiums are \$3,767 for an individual, and \$9,228 for a family. The average federal contribution, which is 75 percent of the premiums, is \$2,825 for individuals, and \$6,921 for families. These data are compiled from public releases of premium data and age, adjusted according to the designated age curve. For SHOP data, see HealthCare.gov, "January 2017 rates for Health Products to be sold in DC health Link." To calculate the total cost, Heritage analysts multiplied the health insurance subsidy costs by the number of congressional staffers receiving those subsidies. Heritage assumes about 11,400 congressional staff members (in addition to the 535 congressional members), based on 2010 data available at "Vital Statistics on Congress," Brookings Institution, July 11, 2013. Heritage further assumes that 90 percent of Members of Congress and staff members elect employer-provided health insurance, of whom 90 percent are not eligible for exchange subsidies and therefore receive the FEHB-equivalent premium subsidy. Finally, Heritage assumes that 50 percent of employees who receive the subsidy have self-only coverage and 50 percent have family coverage. This results in a FY 2017 estimated cost of \$50.0 million. Although this cost will likely rise with health care costs, Heritage conservatively assumes it holds steady in FY 2018.

Reduce Funding for the U.S. Capitol Police

RECOMMENDATION

Reduce funding for the U.S. Capitol Police (USCP) by 10 percent. This proposal saves \$37.4 million in FY 2018.

RATIONALE

The USCP is a federal law enforcement agency charged with protecting Congress, the Capitol complex, employees, and visitors. With an estimated 2,266 sworn officers and civilian employees, there is one USCP officer or employee for every five staffers or Members of Congress. The force is nearly one-third the size of the entire U.S. Secret Service.

Funding for the USCP should be frozen at current levels, which would save \$34.6 million in FY 2018

compared to the department's FY 2017 request. The Capitol Police force is one of the highest paid federal law enforcement agencies. The USCP minimum starting salary is \$57,598 plus benefits. FBI agents, in comparison, have a starting salary of \$47,158. The high USCP officer base salary does not account for the more than \$35 million in estimated overtime pay allowable for 2017—nearly 10 percent of the USCP operating budget.

ADDITIONAL READING

- Justin Bogie, "Congress Should Look Toward Legislative Branch Appropriations Bill as a Starting Point for Spending Cuts," Heritage Foundation *Issue Brief* No. 4573, June 8, 2016.

CALCULATIONS

Savings are based on the FY 2016 enacted budget authority of \$375 million as found in the Consolidated Appropriations Act, 2016, pp. 421–422. This estimate assumes that the enacted spending level for FY 2016 will hold constant in FY 2017 and decrease at the same rate (–0.32 percent) as discretionary spending growth in FY 2018, according to the CBO's most recent August 2016 baseline spending projections. A 10 percent cut in that funding equals \$37.4 million.

Eliminate Funding for the John Stennis Center

RECOMMENDATION

Eliminate funding for the John Stennis Center. This proposal saves \$0.5 million in FY 2018.

RATIONALE

The John Stennis Center is a legislative program intended as a living tribute to John Stennis's (D-MS) career as a Senator. The Stennis Center aims to attract young people to careers in public service, promote leadership skills, and provide training and development opportunities to Members of Congress, congressional staff, and others in public service.

Given that budget deficits are projected to top \$1 trillion by 2023, Congress needs to focus on spending priorities. There are numerous private entities providing services similar to those of the Stennis Center. The Young Leaders program at The Heritage Foundation is one example. Past budgets and appropriations bills have called for its elimination, and Congress should act to do so now.

ADDITIONAL READING

- Justin Bogie, "Congress Should Look Toward Legislative Branch Appropriations Bill as a Starting Point for Spending Cuts," Heritage Foundation *Issue Brief* No. 4573, June 8, 2016.

CALCULATIONS

Savings are based on eliminating the \$430,000 in funding received by the John Stennis Center in the Consolidated Appropriations Act of 2016.

ENDNOTES

1. Edmund F. Haislmaier, "Administration Disregards the Law and Gives Special Obamacare Deal to Congress," *The Daily Signal*, August 7, 2013, <http://dailysignal.com/2013/08/07/administration-disregards-the-law-and-gives-special-obamacare-deal-to-congress/>, and Robert E. Moffit, "Congress and Obamacare: A Big Double Standard," *Human Events*, November 11, 2013, <http://humanevents.com/2013/11/11/congress-and-obamacare-a-big-double-standard/> (accessed November 17, 2015).
2. Robert E. Moffit, Edmund F. Haislmaier, and Joseph A. Morris, "Congress in the Obamacare Trap: No Easy Escape," Heritage Foundation *Backgrounders* No. 2831, August 2, 2013, <http://www.heritage.org/research/reports/2013/08/congress-in-the-obamacare-trap-no-easy-escape>.