

Congress Still Split On Furlough Plans

Budget Negotiations to Resume Tuesday

1/1/96

By Helen Dewar and Stephen Barr
Washington Post Staff Writers

Congressional leaders deadlocked again yesterday over a temporary way to get federal workers back on the job, while budget talks continued inconclusively at the White House. Negotiations to resolve the two intertwined disputes were scheduled to resume Tuesday after a New Year's Day break.

"It's not going to be a happy new year" for the 760,000 workers who have been furloughed or who are working without pay because of the budget dispute, said Senate Majority Leader Robert J. Dole (R-Kan.) after Senate Republicans and Democrats rejected each other's back-to-work proposals.

As the year ended and a new one began with the longest federal shut-down in history entering its 17th day, the senators' proposals were variations on the theme of others that had been offered and rejected earlier in the dispute and appeared

aimed largely at avoiding blame for failure.

At the center of yesterday's partisan scrimmaging was a Dole proposal to declare all federal workers to be "essential," returning them to work but without pay and without new funding authority for their office operations until the overall budget dispute is resolved. "They would be required to sit on their hands and stare at each other day after day after day until we pass something that gives them the right to do something," complained Senate Minority Leader Thomas A. Daschle (D-S.D.). Drivers of government trucks would not be able to buy gas, he added, and long-distance phone calls would be barred because they cost money. "This is a facade. This does not work. This is not what we should be doing."

Daschle then proposed, as he has before, that the government be reopened with full funding while a budget agreement is negotiated. Dole objected.

See BUDGET, A12, Col. 1

BUDGET, From A1

Dole and Daschle also disagreed again over another element of the proposal from House Republicans to restrict time and terms for Senate consideration if a budget agreement is reached. Daschle said he and Dole had neared a compromise but that it was rejected by House Republicans.

"They [House Republicans] think they came up with a cute trick to blame us, and they're sticking with it," said a Senate Democratic aide.

While failing to reopen the nine Cabinet departments and various federal agencies that have been closed since Dec. 16, the Senate did manage the piece of business yesterday. It gave final approval to a bill ensuring the Palestine Liberation Organi-

zation's office in Washington will stay open. Without the legislation, which now goes to President Clinton for signature, the office—opened after the 1993 Israeli-PLO peace agreement—would have been forced to close at midnight.

At the conclusion of yesterday's business, Clinton flew to Hilton Head, S.C., for the annual "Renaissance Weekend," and House Speaker Newt Gingrich (R-Ga.) was bound for home in Georgia, aides said. Dole headed off to campaign for the GOP presidential

nomination in New Hampshire. At a stop in Concord, N.H., Dole predicted the budget impasse could last until Jan. 20, the Associated Press reported.

As Dole struggled to find a way to reopen the government, Sen. Phil Gramm (R-Tex.), one of his main rivals for the GOP nomination, questioned whether anybody misses the government.

"Have you missed the government?" Gramm asked on ABC's "This Week With David Brinkley." "I mean, doesn't it strike you funny that 280,000 government employees are furloughed, large segments of the government are shut down?" he said. "I think this proves beyond the shadow of a doubt that we need to go back and eliminate another 150,000 to 200,000 bureaucratic positions in the federal government."

Yesterday's White House meeting was dominated by discussion of how to trim Medicare spending, one of the knottiest issues between Clinton and the Republicans. But congressional and administration officials said most of the talk was of a technical nature, exploring how various policy options would work. It was not a bargaining session during which either side gave ground.

That discussion is to come on Tuesday or later this week, both sides said.

"I think that the careful, methodical discussions they've had for the last few days so that there's a good understanding on both sides of the details and implications of the issues position the negotiators now to be fairly swift in making decisions should they choose to do so on Tuesday," said Tony Blankely, Gingrich's press secretary.

White House press secretary Michael McCurry said staff members will work today and Tuesday in preparation for a meeting Tuesday evening between Clinton and congressional leaders. The staffs will produce a report highlighting areas of apparent agreement and explaining "the precise areas where there still appear to be differences."

"They are now ready to get to what amounts to the trade-offs," he said.

McCurry said it was not surprising that it would take so many days of talks to get to this point. The negotiations so far dealt "in a great deal of nuance and complexity" over policy options, he said, adding that people are mistaken if they think "they can split the difference and it's simple arithmetic—that's not policymaking."

One of the places where "a fundamental dispute" remains is over the Medicaid program, where Clinton is opposed to giving up the federal guarantee of care to all poor people in favor of a "block grant" approach in which states will have more authority to decide who is covered and what care they receive.

At the end of yesterday's brief Senate session, the outlook for an end to the partial government shutdown was no brighter than it had been before.

As he has done before, Dole expressed optimism that the impasse will be broken this week. "We haven't given up. We're going to come back here again Tuesday and hopefully by then we'll have an agreement," he said. By Tuesday, "we may pass whatever it takes on the Senate side," Dole added, without explaining precisely what he meant.

If the House Republicans' plan to reopen the government without funding it eventually passes, virtually every office of the government now closed would have to reexamine its activities upon reopening and figure out how to do its work without incurring any legal obligations to spend money.

Federal union leaders have privately opposed the GOP plan to redesignate the 280,000 workers on furlough as excepted or emergency employees and bring them back to

work. The unions have told the White House that the Republican bill would not ease employee hardships and might create new ones. For example, furloughed employees who have collected unemployment compensation would have to return those payments, the unions said.

The unions filed lawsuits during the November shutdown, challenging the 19th century Anti-Deficiency Act, which restricts government activities when there is a lapse in appropriations. The treasury union plans to file new arguments Tuesday in federal court here.

In addition to the 280,000 furloughed workers, about 480,000 more have been kept at work in affected agencies to provide emergency or critical services. The government incurs an obligation to pay them after proper spending authority has been enacted. Both groups of employees will get paid for a five-day period they worked before the Dec. 16 shutdown started. Those checks, about half of the pay that workers would normally get, will be issued on Tuesday and Wednesday.

"It's hitting our pocketbooks really bad, really bad," said Clarence Gillis, who began his federal career 36 years ago.

Gillis and his wife are Census Bureau employees here and were placed on furlough. They have three children, and Gillis said both planned to file for unemployment compensation.

"We have cut back during the holidays. We're watching our food bills. I want money to pay my bills," he said.

Although the shutdown's effects have been mitigated by the holiday season, activities have been halted or slowed at nine Cabinet departments and numerous agencies. For example:

- On Tuesday, the Environmental Protection Agency will have to stop Superfund cleanups at all but its most hazardous toxic waste sites. If the shutdown drags too far into the week, engineering companies, which have about 10,000 employees working at Superfund sites, would have to start layoffs, EPA said.

- The Interior Department calculated that the shutdown has cost local communities near national parks about \$14.2 million a day in lost tourism revenue. The government has lost about \$86,000 each day in park entrance fees, Interior said.

- Thirty-two states have depleted federal trade readjustment assistance funds to pay unemployment benefits to workers who have lost their jobs because of imports, the Labor Department said.

■ If the shutdown continues into the week, administration officials said about 600,000 elderly Americans may lose Meals on Wheels, transportation and personal care services. About 24,000 contractors handling Medicare claims will not be paid and federal funding for Medicaid will be limited.

■ Federal prisons pay their bills at the first of each month, so suppliers will not be paid when they submit their bills.

■ The Securities and Exchange Commission has kept its doors open by using carry-over funds from the last fiscal year. That money runs out the week of Jan. 7, limiting the services the SEC can provide companies. The SEC, however, would continue to enforce laws and oversee Wall Street.

■ State Department officials in some nations were beginning to worry about the security of their homes and embassies, since foreign nationals expect to be paid and might refuse to keep working if the budget impasse drags on much longer.

At a Capitol news conference yesterday arranged by House Democrats, several furloughed federal workers criticized Republicans for placing them on the verge of personal financial disasters by prolonging the government shutdown.

Marzy Bedford-Billinghurst, who works for the Labor Department, said her latest paycheck, half its normal size, will not cover the mortgage payment on her house. She said she also will not have enough money in

her paycheck to make the tuition payment for her children's day care.

"I just resent being a pawn in a debate which has absolutely nothing to do with the job I do . . . for the American public," said Bedford-Billinghurst, a Cheverly mother of two who was one of a dozen federal workers who spoke at the news conference.

Dennis K. Austin, a computer specialist at the Justice Department who lives in Sterling, said the budget gridlock has blocked his family's efforts to buy a new home. "I'm very angry and upset," he said. "People who can spend millions of dollars on election campaigns have a lot of nerve saying no one is getting hurt."

Another worker, Gary Schonman, an attorney at the Federal Communications Commission, could barely control his anger. His voice shook as he said that his paycheck would not cover the mortgage on his Bethesda house and that he will have to dip into savings to pay it.

Schonman added: "It is shameful for this Congress and president to put federal employees in this position."

Staff writers John F. Harris and Toni Locy contributed to this report.

FOR MORE INFORMATION 

To stay updated throughout the day on the latest news about the budget battle, see Digital Ink, The Post's on-line service. To learn about Digital Ink, call 202-334-4740.