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BY THE COMPTROLLER GENERAL

114031

Report To The Congress

OF THE UNITED STATES

Proposals For Improving The Management Of Federal Travel

Federal employees must travel to effectively manage Government programs. While recognizing this, the Congress has expressed concern about the agencies' ineffective management of travel and the resulting abuses.

Agency officials need to make sure that travel by their employees effectively supports program goals, but is conducted in the least costly manner. This report discusses policies and procedures to budget, monitor, and authorize travel; inequitable travel expense reimbursement practices; and recent attempts to improve travel management.

To further improve travel management GAO recommends

- improved reporting of past travel expenditures and improved budgeting for future travel,
- tighter management control over travel authorization procedures,
- holding managers accountable for failing to follow travel policies, and
- more equitable reimbursements for civilian and uniformed personnel traveling on Government business.



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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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To the President of the Senate and the
Speaker of the House of Representatives

This report discusses policies and procedures for budgeting for and managing travel by Government agencies, recent congressional and executive branch attempts to better manage travel, the inequities of different travel entitlements for civilian and uniformed personnel, and travel management practices in the private sector.

During the course of the review, we also received requests from the Chairman, Subcommittee on the Legislative Branch, Senate Committee on Appropriations; the Chairman, Government Activities and Transportation Subcommittee, House Committee on Government Operations; and Senator William V. Roth, Jr. Their requests were incorporated into our review and are addressed in this report.

We are sending copies of this report to the two chairmen identified above; Senator Roth; the Director, Office of Management and Budget; the Secretaries of Agriculture and Defense; and the Administrator of General Services.

Milton J. Fowler

Acting Comptroller General
of the United States

1. The first part of the document is a list of names and titles, including "The Hon. Mr. Justice" and "The Hon. Mr. Justice".

D I G E S T

For fiscal year 1980, the Government will spend more than \$3 billion on travel. While travel is vital to the effective implementation of agency programs, frequent instances of questionable and costly travel provoke questions on the ways in which travel is managed. (See p. 1.)

This report discusses elements of a good travel management system; current policies and procedures to budget, monitor, and authorize travel in the Federal Government; the equity of different military and civilian travel reimbursement practices; recent travel management initiatives; and the applicability of private sector travel policies and practices to Federal travel management.

GAO reviewed travel in the Departments of Agriculture and Army and also considered the findings of congressional investigative staffs in the Departments of Labor; Health, Education, and Welfare (now Department of Health and Human Services); and the Environmental Protection Agency.

TRAVEL BUDGETS ARE UNRELIABLE

Budgets are essentially based on past levels of travel expenditures. The lack of accurate data on the cost and purposes of travel can make travel budgets unreliable and travel unmanageable.

Despite previous GAO recommendations that agencies develop more accurate data on the cost and purposes of travel, agencies have not taken appropriate action. Thus administration officials often do not know how travel money is being spent. (See p. 5.)

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Agencies' requests for travel funds for fiscal year 1981 are inflated because the President's 1981 budget did not reflect all of the reductions in 1980 travel mandated by the Congress. The timing of the reduction forced the Office of Management and Budget to apportion the reduction among executive branch agencies too late for the agencies to consider the lower fiscal year 1980 spending levels when making their estimates for fiscal year 1981. (See p. 5.)

LOOSE AUTHORIZATION PROCEDURES AND
LAX MANAGEMENT ATTITUDE HINDER
EFFECTIVE TRAVEL MANAGEMENT

Effective management of travel is contingent on agencies' policies and the attitudes of managers implementing those policies. This effective management would include (1) severely limiting the use of general travel authorizations, (2) retaining trip authorization at a management level high enough to be aware of the organization's overall travel priorities and available funds, and (3) holding managers accountable for complying with the Office of Management and Budget's established travel policies. (See p. 16.)

Department of Agriculture employees use general travel authorizations except for specific types of travel, such as foreign and station transfers, requiring written orders. While the Comptroller General has permitted agencies to use such authorizations for routine temporary-duty travel, GAO believes that Agriculture has expanded the definition of routine travel beyond the scope intended by the Comptroller General. Further, Agriculture has delegated trip approval to first-line supervisors, who may

not be aware of the agency's priorities and travel funds availability. (See pp. 18 through 20.)

Recently, the Congress has cited numerous examples of questionable travel practices in the Departments of Labor; and Health, Education, and Welfare; and the Environmental Protection Agency. These questionable practices include unjustified use of first-class accommodations; frequent use of personal leave in conjunction with official travel; "retreats" held for top managers outside the Washington, D.C., area, but attended largely by headquarters personnel; and questionable need for travel by secretaries. (See p. 21.)

Internal auditors at the General Services Administration reported similar abuses of conference travel in an October 1980 report. (See p. 21.)

STATUTES AND REGULATIONS GOVERNING
TRAVEL SHOULD BE MORE EQUITABLE

Different statutes establish travel entitlements for civilian and uniformed personnel, and different authorities write rules for travel. As a result, civilian and uniformed travelers receive different entitlements for similar travel. The differences are most striking for permanent change-of-station moves within the United States, the possessions and territories, and Puerto Rico, where uniformed personnel incur expenses similar to civilian employees but receive different reimbursements. The differences could mean \$4,300 less for uniformed personnel for similar moves of only 600 miles. (See p. 29.)

Differences also occur when the Congress does not simultaneously raise the per diem ceilings for the two groups. Even when the

ceilings are identical, the General Services Administration and the Per Diem, Travel, and Transportation Allowance Committee have often established different per diem entitlements, resulting in different per diem allowances for civilian and uniformed travelers going to the same location. The difference may result in uniformed personnel receiving as much as \$25 a day more than civilian employees. (See pp. 30 and 31.)

RECENT MANAGEMENT AND CONGRESSIONAL INITIATIVES

In September 1978, the President ordered agencies to reduce administrative travel in fiscal year 1979 by 20 percent. Because the Office of Management and Budget did not verify reported savings in travel, and administrative travel itself is only vaguely defined, GAO could not determine whether agencies actually reduced travel expenditures. (See p. 37.)

Because of its concern about travel abuses and in an effort to control costs, the Congress cut the fiscal year 1980 travel and transportation funds requested in the President's budget by \$500 million. This congressional action reduced the fiscal year 1980 travel and transportation budget to \$8 billion (about \$3 billion for travel and \$5 billion for transportation). (See pp. 37 and 38.)

The Interagency Travel Management Improvement Project, under the auspices of the President's Management Improvement Council, was established in 1980 to tackle the travel issue, seeking better means to budget, monitor, and approve travel and developing cost-cutting innovations. Of all the attempts to date, this project offers the best potential for improving travel management. (See pp. 38 and 39.)

RECOMMENDATIONS

The Director, Office of Management and Budget, after consulting with appropriate congressional committees, should revise budget guidelines to

--focus more specifically on the purpose of each kind of travel and require heads of departments and agencies to revise their reporting and budgeting systems accordingly and

--require that agency Inspectors General and internal auditors periodically test the accuracy of travel cost reporting. (See p. 14.)

Also, GAO recommends that the Director bring to the attention of top agency officials the agency managers' lack of compliance with Federal travel policies and direct the top officials to make sure managers follow these policies. (See p. 24.)

The Secretary of Agriculture should

--restrict the use of general travel authorizations to those employees whose work requires frequent routine temporary-duty travel and

--require written authorization for all other travel. (See p. 24.)

The Secretary of Defense, to make travel reimbursements more equitable, should propose a legislative package to

- provide authority for a househunting trip for uniformed personnel under orders for a move within the conterminous United States,
- provide a temporary lodgings and subsistence allowance, in lieu of basic allowances for quarters and subsistence, when uniformed personnel occupy temporary quarters incident to a move within the United States, its possessions and territories, and Puerto Rico,
- replace the (1) mileage allowance in lieu of transportation and (2) station transfer mileage allowance with a mileage reimbursement plus per diem for uniformed members and their dependents on temporary-duty and change-of-station travel, and
- set maximum per diem rates in title 37 by reference to title 5, U.S. Code. (See p. 34.)

GAO recommends that the Administrator of General Services and the Per Diem, Travel, and Transportation Allowance Committee eliminate the differences in boundaries and maximum rates of the high-rate geographical areas. (See p. 34.)

AGENCY COMMENTS

The Office of Management and Budget did not agree with GAO's recommendation that it revise its budget guidelines to focus more specifically on the purpose of each kind of travel. GAO continues to believe that the congressional appropriations and oversight committees and agency managers could benefit from additional data on the purposes of travel. (See p. 14.)

In the draft report, GAO proposed that the Office of Management and Budget establish

procedures to verify the accuracy of reported travel costs. The Office of Management and Budget suggested that an effective way to insure the accuracy of reported travel costs would be to ask agency Inspectors General and internal auditors to test those cost reporting systems during their work, and GAO revised its recommendation accordingly. (See pp. 14 and 15.)

The Office of Management and Budget said it will continue to direct agencies to comply with travel policy. (See p. 24.)

The Department of Agriculture disagreed with our recommendation concerning the use of general travel authorizations but said it will study certain types of travel to determine if those types could be more effectively controlled by individual trip authorizations. GAO continues to believe that Agriculture should restrict the use of general travel authorizations because the loose authorization procedures which the general authorization permits weaken the Department's ability to effectively manage travel. (See pp. 24 and 25.)

The Department of Defense agreed with GAO's recommendation to propose a legislative package to make travel reimbursements more equitable. (See p. 34.)

The Department of Defense and General Services Administration said they will cooperate to eliminate the differences in boundaries and maximum rates of the high-rate geographical areas. (See p. 34.)

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ABBREVIATIONS

GAO General Accounting Office

GSA General Services Administration

GTA general travel authorization

OMB Office of Management and Budget

ETA Employment and Training Administration
(Department of Labor)

CHAPTER 1

INTRODUCTION

For fiscal year 1980, the Government will spend more than \$3 billion on travel for its civilian and military employees. While there is no doubt that some travel is vital to the effective implementation of agency programs, recent allegations and instances of questionable and costly travel have heightened congressional concerns about the way in which travel is managed. Our review, conducted in selected agencies, addresses the effectiveness of current policies and systems to manage travel and raises the issue of whether more could be done to reduce costs.

TYPES OF TRAVEL AND THEIR IMPLICATIONS FOR MANAGEMENT ACCOUNTABILITY

Travel in the executive branch encompasses a wide spectrum of purposes, depending on the programs involved. Some programs require frequent travel, relying heavily on an employee's ability to travel to the field to implement agency objectives. In other programs, managers can meet their goals without frequent travel. All agencies support some travel for purposes (training, for example) not directly associated with day-to-day program operation. Identifying the purposes for travel and, in turn, assessing the type and mixture of travel necessary to an agency's overall program operation is important because each type has different implications for management accountability.

Types of travel

Agencies generally classify travel as programmatic or administrative. Programmatic travel is defined as that which is essential to implement an agency program; administrative travel is all other travel and includes trips for training, conferences, and staff retreats. From a management standpoint, however, we can further refine this breakdown:

Mandatory programmatic--mission travel which results directly from agency policy and over which managers have little control; for example, travel for permanent change-of-station, as a result of tour rotation policy, in the military. In these cases, levels of travel cannot be changed unless policy is changed. Most travel in inspection agencies, where history has shown that a minimum level is necessary to obtain optimum results, would also fit in this category.

Discretionary programmatic--mission travel which program managers control to carry out an agency's programs; for example, inspections of field offices or programs.

Unforeseen--generally, emergency travel which could not have been foreseen, and over which managers have no control; for example, the travel required of those Government employees involved in the resettlement of Cuban refugees.

Administrative travel--based on management assessment of training and conference needs, as well as benefits gained from speaking engagements and convention attendance.

Management can control and budget for some types of travel more easily than others. Agencies should be able to carefully budget the costs of both mandatory programmatic travel, where the levels are known and costs can be estimated, and administrative travel, where management can set levels and thereby control costs. Managers of inspection programs (mandatory programmatic) should be able to quantify their needs; that is, the number of trips needed and their cost. Managers of agencies whose travel is erratic would generally have to rely on past costs and assessment of current operations in forecasting future travel needs. Managers have the most control over the amount of administrative travel, which could theoretically be reduced to zero without an immediate adverse impact on program results.

It is, however, more difficult to budget for discretionary programmatic travel as the needs and levels are not set and may change due to new management direction or the addition or deletion of programs. By definition, it is virtually impossible to accurately budget for unforeseen travel.

ELEMENTS OF A GOOD TRAVEL MANAGEMENT SYSTEM

Once the various types of travel necessary to support program goals are defined, agency officials must work within a travel management system which will insure that travel effectively supports program goals, but is conducted in the least costly manner. Such a system should contain the following elements:

- Accurate management information systems to report travel trends and purposes.

- Realistic budget requests based on best estimates of travel needs and costs.
- Travel authorization systems which can help managers insure that only necessary travel takes place and in the least costly manner.
- Management committed to the goals of eliminating unnecessary travel and expenditures.
- Initiatives to develop both alternatives to travel and less costly travel.
- Consistent, equitable, and manageable travel regulations.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective is to compare travel management policies and practices of selected Federal agencies with the criteria for a good travel management system established in the section above. Conducting our review primarily in the Departments of Agriculture and the Army, we interviewed responsible officials and reviewed agency policies and records to determine how those agencies budgeted for, authorized, and controlled travel. We worked at the Department of Agriculture's and the Forest Service's headquarters in Washington, D.C., and the Forest Service's Pacific Northwest Region in Portland, Oregon. In the Department of the Army, we worked at Pentagon headquarters; Training and Doctrine Command headquarters, Fort Monroe, Virginia; and its subordinate installations at Fort Belvoir and Fort Lee, Virginia. Agriculture and the Army are the civilian and military departments with the largest travel budgets.

To obtain additional information on travel management in other agencies, we also reviewed

- a report by the Surveys and Investigations Staff, House Committee on Appropriations, on travel management in the Departments of Labor and Health, Education, and Welfare (now Department of Health and Human Services), covering fiscal year 1979;
- a report by the Investigations Staff, Senate Committee on Appropriations, on travel management in the Environmental Protection Agency, covering fiscal years 1976-78;

- a report by the Inspector General, General Services Administration, on travel and conferences during fiscal year 1980;
- hearings before the House Committee on Government Operations, their committee report, and congressional floor discussion concerning legislation enacted in 1980 relating to travel; and
- two 1977 GAO reports 1/ on travel within (1) the Department of Defense and (2) the Departments of Transportation; State; and Health, Education, and Welfare.

We analyzed the Office of Management and Budget's (OMB's) and the General Services Administration's (GSA's) initiatives to improve travel management. At OMB and GSA in Washington, D.C., we interviewed officials responsible for promulgating policies concerning Government travel. We also reviewed records on OMB's monitoring of (1) the administrative travel reduction of fiscal year 1979 and (2) the travel cut ordered by the Congress in fiscal year 1980. We have coordinated our review with the work of the President's Interagency Travel Management Improvement Project.

We also compared the travel entitlements of civilian Federal Government employees and uniformed personnel to see if those two groups are treated equitably.

Because of congressional interest, we obtained information on the controls and policies governing travel in the private sector. A consulting firm that conducts seminars and workshops on travel management for businesses aided our research.

1/"Travel in the Management and Operation of Federal Programs" (FPCD-77-11, Mar. 17, 1977) and "Temporary Duty Travel in the Management and Operation of Department of Defense Programs" (FPCD-77-84, Oct. 28, 1977).

CHAPTER 2

BETTER DATA NEEDED IF TRAVEL

MANAGEMENT IS TO BE IMPROVED

The lack of accurate data on the cost and purposes of travel can make travel budgets unreliable and travel unmanageable. Our study shows that budgets are essentially based on past levels of travel expenditures, the costs of which have been inaccurately and incompletely reported. Furthermore, fiscal year 1981 budget estimates are inflated, and agencies are generally not accounting for the purposes of travel. OMB has not insisted that agencies adopt our previous recommendations to develop more accurate data on the cost and purposes of travel. Thus, when congressional committees ask how travel money is being spent, administration officials must often respond, "I don't know."

Further complicating the problem of the lack of accurate data is the uncertainty about congressional needs for accurate line-item budget estimates. Because of the difficulties in making estimates for line items, such as travel, and the emphasis on developing total program budgets, agency planners spend little effort developing and justifying their travel budgets.

AGENCIES' TRAVEL BUDGETS INFLATED FOR FISCAL YEAR 1981

Agencies' requests for travel funds for fiscal year 1981 are inflated because the President's 1981 budget was not based on the reduced 1980 travel levels, which were mandated by the Congress. Travel budgets are essentially based on prior spending levels adjusted for inflation and program changes. In October 1979 the Congress cut \$500 million from the fiscal year 1980 budget for travel and transportation. OMB, which was charged with the responsibility of apportioning the reduction among executive branch agencies, advised the agencies of their reduced fiscal year 1980 travel ceilings in mid-November 1979. Because budget requests for fiscal year 1981 were due at OMB at that time, agencies could not consider the lower spending levels when making their estimates for fiscal year 1981. Only in those instances where earlier congressional actions reduced fiscal year 1980 travel budgets could agencies base their fiscal year 1981 estimates on lower 1980 expenditures.

Agriculture officials told us that the 1980 reductions were not considered when estimating their fiscal year 1981 travel budget. Defense officials did not agree that their 1981 estimates were inflated but said that they had prepared their 1981 budget on the assumption that the 1980 reduction was a one-time cut.

REPORTED TRAVEL COSTS UNDERSTATED

Travel costs for prior years, as reported in the President's budget to the Congress, are understated, although we cannot estimate by how much. The understated costs result from

- inaccuracies in accounting for travel outlays and
- incomplete accounting for travel costs which are being reported as other expenses.

When agencies report program costs they break them down into object classes, also sometimes called line items. OMB establishes various classifications to allow agencies to record financial transactions by the nature of the service or article purchased, rather than in terms of the purpose or program served. For each program the funds are divided among more than 20 object classes, such as personnel compensation, supplies, and materials and equipment. Object class 21, travel and transportation of persons, includes expenses for per diem, commercial transportation, local travel, lease of GSA cars, and portions of the cost of permanent change-of-station. Each department may further subdivide object classes to obtain more detailed data on the expenditures but are not required to do so.

Because OMB does not prescribe any method for this subdivision, some travel costs are not included in object class 21. As a result, the object class analyses departments submit to both OMB and the Congress on past trends and future projections are understated.

Improper accounting of contracted travel services

Some agencies are recording travel costs in object classes which are under less scrutiny than travel. For example, the House Appropriations Committee's Surveys and Investigations Staff, in a February 1980 report on travel

in the Departments of Labor and Health, Education, and Welfare, found many instances of incorrect charges, including:

- One Labor Department agency authorized approximately \$200,000 in purchase orders and contracts to pay costs of employees attending various conferences throughout the nation. In one instance, \$14,710 was charged to object class 25, other services, to pay for lodging and meals at a conference for 22 participants for 10 nights.
- The Department of Health, Education, and Welfare contracted with a hotel in the Washington, D.C., area for training facilities. Two contracts of \$226,100 and \$202,125 for conference room facilities, lodging, and subsistence were included in object class 25. It is appropriate to charge rental of facilities to object class 25, but lodging and subsistence should be charged to object class 21.

Agriculture's Office of Operations and Finance is within the jurisdiction of the Assistant Secretary for Administration, who is responsible for managing travel throughout the Department. We found 6 instances where this Office contracted for lodging and subsistence for employees at staff retreats and training sessions, at a cost of nearly \$22,000 during the first 6 months of fiscal year 1980, and charged it to object class 25. After we brought this to the Assistant Secretary's attention, she issued a memo to all Department of Agriculture agencies emphasizing that such travel costs secured through contract are to be accounted for in object class 21.

Hidden and indirect costs not reported

Travel costs in all agencies are further understated because OMB has designated certain travel-related costs to be charged to object classes other than 21. As a result

- costs for fuel and the purchase and maintenance of Government vehicles used for travel are charged to supplies and equipment categories and are not separately identifiable; however, mileage costs for operating privately owned vehicles and costs of leased vehicles are included in object class 21 and

--travel of Federal contractors in the implementation of their contracts is included under object class 25, but, once again, not readily identifiable from the full cost of the contract.

Unfortunately, there is no way to estimate to what extent travel costs are charged to other object classes. We recognize, however, that OMB could never design an object classification to fit everyone's needs. If, for instance, contractors' travel had to be accounted for separately from the total cost of the contract, one could logically argue for doing the same for their personnel costs, supplies, and other items. Our purpose is not, therefore, to revise object classifications but, rather, to highlight the fact that Government travel costs are higher than they seem at first glance.

Contradictory data systems
further cloud the picture of
the true level of travel
expenditures

We have repeatedly reported on redundant, contradictory, and erroneous data collection systems within departments, and the need to obtain accurate and consistent data. Travel data was inaccurately reported in one of the two departments we reviewed and in both departments congressional investigators had reviewed.

We found a discrepancy of over \$14 million between Agriculture's accounting system data on expenditures for object class 21 in fiscal year 1979 and their expense data for that year as reported to OMB. Further analysis showed that the accounting system failed to pick up more than \$11 million of Forest Service travel expenses alone.

The most discouraging aspect of this problem is that Agriculture officials used their accounting data to show that their initiatives had reduced travel expenses by \$14 million below what was estimated for that year when, in fact, they exceeded their estimate in the President's budget by \$7 million. Based on this erroneous data, they believed that their management was effective in controlling costs.

The House Surveys and Investigations Staff also found discrepancies in the two agencies it examined. For example, the Department of Labor's Employment and Training Administration (ETA) reported no travel costs for fiscal year 1978 in

the appendix to the fiscal year 1980 President's budget, but it reported about \$1.4 million to the Secretary of the Treasury in its Report on Obligations. The Comptroller's office, ETA, informed the investigative staff that the budget appendix was wrong and that ETA actually had spent \$1.4 million on travel.

NO ACCURATE ACCOUNT
OF PURPOSE OF TRAVEL
EXPENDITURES

The executive branch does not have data on the purposes of travel identified in object class 21 in terms of how the money was spent (per diem, mileage, etc.) or why (conference, grant inspections, etc.).

Recent congressional deliberations over a bill to raise per diem rates demonstrated the effects of this lack of data as Members voiced strong concern over the lack of information needed to assess the economic implications of an increase. A Member of the Government Activities and Transportation Subcommittee, House Committee on Government Operations, stated before the full House of Representatives:

"During our deliberations of H.R. 7072, we discovered that there is a general lack of information on Government travel expenditures. We were told time and time again during the hearings that our questions cannot be answered because no records on Government travel information are kept centrally. In other words, no one in the Government is aware of how much money is spent on travel, how many trips are taken or to where."

As a result, the subcommittee included in the bill a requirement that GSA sample agencies with more than \$5 million of travel expenditures to obtain information for fiscal years 1979 through 1981 on the purposes, average cost, and duration of the trips, and to identify inefficient travel practices.

In our two previous reports on travel ^{1/} we recommended that OMB issue new guidelines which focus more specifically on each purpose of travel and that OMB require uniform reporting of travel according to its new guidelines. Although OMB agreed to study these matters further, it has not acted on the recommendations.

IMPEDIMENTS EXIST BUT AGENCIES
CAN IMPROVE FORECASTS OF
TRAVEL REQUIREMENTS

As we discussed in chapter 1, agencies should be able to budget, to a relatively high degree of accuracy, requirements for both mandatory programmatic and administrative travel. To a lesser degree, departments can budget for discretionary programmatic travel. We believe that there are some factors beyond agency control which inhibit accurate line-item budgeting, with the primary deterrent being the conflicting signals from OMB and the Congress on the importance of such an approach. At the same time, internal, yet correctable, deficiencies exacerbate the difficulties in formulating accurate travel forecasts.

Impossible to budget for unforeseen travel

The inability of agencies to budget for unforeseen travel affects the accuracy of their travel estimates. In some cases, unforeseen travel expenditures are so large that they must be handled through supplemental appropriations. The Federal Emergency Management Agency estimates, for example, that the Cuban refugee resettlement program will cost an additional \$225 million to pay for travel and other costs of responding to the emergency. Because agencies cannot accurately budget for unforeseen travel, these one-time expenditures need to be separately identified so they can be eliminated from the base used for future travel estimates.

1/"Travel in the Management and Operation of Federal Programs" (FPCD-77-11, Mar. 17, 1977) and "Temporary Duty Travel in the Management and Operation of Department of Defense Programs" (FPCD-77-84, Oct. 28, 1977).

Emphasis on program budgeting
at expense of line items

Presently, the biggest obstacle to line-item budget formulation is the emphasis placed on developing program budget estimates. OMB encourages agencies to use analysis of past unit costs to formulate total program budgets without regard to the elements which make up those costs. After program budgets are established, agencies break them down into line items (or elements) which estimate the nature of the costs to be incurred.

Most agencies in Agriculture based their travel budgets on past spending levels. For example, Forest Service budget officials said that after formulating total program requirements, they develop line-item estimates for travel by projecting past expenditures onto the new program requirements. We found no evidence that object classes were analyzed before the Forest Service sent its budget to the Department. Another Agriculture agency told us that this was also an accurate assessment of its budget procedures.

A few Agriculture agencies, however, made greater efforts to determine their needs. For example, the Office of Economic Opportunity detailed its travel patterns including the number of field complaint investigation trips each employee typically makes, average costs of trips, number of conferences attended, and other travel components. In our opinion, this presents sufficient support for a travel budget request and allows higher level management to evaluate the necessity of trips.

The Army, while using past spending levels as a starting point, has a more sophisticated process for developing its travel budget. Within the Army's Training and Doctrine Command, managers subject their travel budget requests to close scrutiny. The starting point in budget development is past and current spending; however, the command's travel budget is not simply an extrapolation of spending trends.

Each March, the Training and Doctrine Command headquarters prepares budget guidance for its subordinate units. Installations and units within the command's headquarters use this budget guidance to develop their budget proposals for the upcoming fiscal year. Generally, the command's budget guidance is based on the prior and current years' spending; however, subordinate units may adjust the figures for known or anticipated changes.

During our review, we visited several units within the Training Command's headquarters, Fort Belvoir, and Fort Lee and found that these organizations closely reviewed travel when developing their travel budgets. One of the head-quarter's units and one installation used committees composed of representatives from major activities. These committees review all aspects of the proposed budget, including travel. The representatives bring their activity's budget request to committee meetings. The committees review the requests, may ask for justification for any item, and recommend a total budget to the commanding officer. During the process, the committee may review lists of planned trips.

Once the unit or installation's budget is approved, these committees periodically meet throughout the year to scrutinize the budget. They recommend where cuts should be taken and where additional resources should be used. This review may include questioning the need for specific trips. These committees also meet during the year to review reports on actual travel spending compared to the budget projections. As a result of these reviews, the committees may recommend adjustments in travel, including shifting travel funds from one activity to another.

Agencies can improve the accuracy of line-item budget requests under current policy

Agencies are capable of improving travel estimates even in light of the impediments mentioned above. We believe that with good data and sound methodology, program managers can better estimate their future travel needs.

Although we support program budgeting, we believe it does not necessarily require total abrogation of the need to analyze individual line items. OMB--a staunch proponent of program budgeting--thought it possible to do aggregate line-item analysis. In its May 25, 1979, Circular A-11 entitled "Preparation and Submission of Budget Estimates" for fiscal year 1981, OMB stated that:

"In accordance with administration policy, program related travel will be held to the previous year's level, however, reductions from the previous year's level will be required for administrative travel."

The Army's permanent change-of-station budget, based on both actual needs and estimated costs, is an example of what can be done if agencies have good data. Budget estimates are developed by multiplying the projected move requirements for military accessions, separations, training, and unit rotation by the previous year's average cost per move, adjusted for known rate increases. Move requirements are based on historical data, projected gains and losses, and overseas strengths. The Army's methodology, therefore, meets our criteria for budget requests based on needs assessment and cost analysis.

We believe this kind of methodology can be used by other agencies, especially for mandatory programmatic travel. With accurate data on the volume of program travel, other departments can begin to effectively formulate valid travel budgets.

CONCLUSIONS

Accurate data on past travel is essential for (1) budget formulation, (2) the development of effective policy and procedures, and (3) executive and congressional oversight. Our findings confirm the validity of our previous recommendations to OMB to improve data accuracy. These recommendations have been largely ignored, and as a result, unreliable budget estimates continue.

We want to add a word of caution, also mentioned in our 1977 reports, about imposing unrealistic limitations on the use of program funds for one particular purpose, such as travel. Program managers will comply with arbitrary limits because they have to; however, they are also responsible for meeting their program objectives and may thus use other methods that require less travel but are also less satisfactory. For example, they may make greater use of routine reports to measure military unit readiness rather than send military teams to perform onsite readiness inspections; the former method may be less effective and efficient from the program standpoint. In the long run this could cost more, and it might not give managers the same insights and firsthand experience that can make them better informed and more effective in carrying out their responsibilities. We would prefer to have OMB, other Government agencies, and the Congress focus on desirable program levels through the executive and legislative budget processes. This is better than their focusing on one program aspect, such as travel, completely out of the context of program objectives.

RECOMMENDATIONS

We recommend that the Director, OMB, after consulting with appropriate congressional committees, revise budget guidelines to

- focus more specifically on the purpose of each kind of travel and require heads of departments and agencies to revise their reporting and budgeting systems accordingly and
- require that agency Inspectors General and internal auditors periodically test the accuracy of travel costs reporting.

AGENCY COMMENTS AND OUR EVALUATION

In commenting on a draft of this report, OMB agreed with our findings but disagreed with our recommendations to OMB. In its comments, OMB said that since it does not routinely examine budgets based on the purpose of travel, it has no reason to require information at that level of detail. Also, OMB said it does not prescribe for agencies the budget justification data required by their cognizant appropriations subcommittees.

We continue to believe that OMB should revise its budget guidelines to focus more specifically on each purpose of travel. This information will be useful not only for the appropriations committees when determining the proper funding level, but also for the various oversight committees when reviewing agency programs. In this regard, we note that the House Committee on Government Operations was frustrated in its attempts to obtain data on the frequency and purpose of travel (see p. 9). As a result, the Committee added a requirement to recent legislation requiring GSA to collect data from some agencies for fiscal years 1979 through 1981. Furthermore, agency managers need data on how travel money is being spent if they are to manage this resource effectively. Adopting our recommendations will help make this data available at all times.

In our draft, we proposed that OMB establish procedures to verify the accuracy of reported travel costs. OMB suggested that an effective way to insure the accuracy of these costs would be to ask the Inspectors General and internal

auditors to include tests of travel cost reporting as part of their audit plans. We agree and have revised our recommendation accordingly.

OMB's written comments are in appendix I.

CHAPTER 3

LOOSE AUTHORIZATION PROCEDURES AND LAX MANAGEMENT ATTITUDE HINDER EFFECTIVE TRAVEL MANAGEMENT

Effective management and control of travel is contingent on stringent policies governing trip authorizations and on the concerned attitudes of managers implementing those policies. Agriculture, which uses verbal travel authorizations rather than written travel orders and delegates trip approval to low-level employees, has less control over its travel programs than does the Army. OMB has prescribed numerous policies which agencies have adopted to reduce or control travel costs, but our findings and those of congressional investigators indicate that top agency officials have often permitted their managers to ignore them.

We believe that the failure of top officials to require managers to follow policy demonstrates a lack of commitment to the goal of eliminating unnecessary travel. Effective management and control of travel programs would include (1) severely limiting the use of informal travel authorizations, (2) retaining trip approval at a management level high enough to be aware of the organization's overall travel priorities and available funds, and (3) holding managers accountable for compliance with established travel policies.

AUTHORIZATION PROCEDURES VARY FROM LOOSE TO STRICT CONTROL

GSA, under the authority of an Executive order and title 5, United States Code, developed Federal travel regulations for all civilian personnel in the conterminous United States. Regarding authority for travel, the regulations state:

"Except as otherwise provided by law, all travel shall be either authorized or approved by the head of the agency or by an official to whom such authority has been delegated. Ordinarily, an authorization shall be issued prior to the incurrence of the expenses. The authorization shall be as specific as possible in the circumstances as to the travel to be performed."

The regulations do not cover the procedures to authorize individual trips. As a result, basically three distinct systems developed:

- General travel authorizations (GTAs)--where travel for all employees is authorized in a department's travel regulations and only verbal trip approval is required for most trips.
- Blanket travel authorizations--written authorizations for individual travelers often for a specific time period and/or location and purpose.
- Individual trip approval--written orders for each trip.

Travel authorization procedures vary among agencies from the strict control of written orders for most trips to the loose control of using GTAs for most employees' travel. Some agencies use a combination of individual and blanket travel orders.

The Army's Training and Doctrine Command headquarters issues blanket orders only to its flight crews, highest level officials, and Commanding Generals of posts and their aides. All Department of Agriculture employees, on the other hand, travel on GTAs except for specified types of travel--for example, foreign and station transfers--where written orders are required. Overall most Agriculture travel is conducted without the guidance of specific and written orders.

GTAs should be the exception not the rule

The Comptroller General has approved the use of GTAs in certain instances where travel is so continuous and routine that preparing written orders for each trip would be a needless expense. Specifically, he stated:

"General orders may be issued under certain circumstances. In those cases where the duties of an employee require repeated and frequent travel and the exercise of individual discretion, use of general travel orders has been permitted. * * *
Such a blanket order should be confined by its terms to the area in which the persons covered thereby perform frequent travel,

such as the district to which assigned or, if justified, to any place in the continental United States."

In subsequent decisions on the use of GTAs in specific agencies, we reiterated the need to confine general orders only to employees whose duties required continuous and routine temporary-duty travel and to exclude infrequent travel or trips for training and conferences. Thus, general orders are to be the exception rather than the rule, with written orders the primary means of authorizing travel.

Agriculture should severely limit the use of GTAs

With few exceptions, Agriculture's GTA authorizes all its employees whose work requires them to perform routine temporary-duty travel to travel within the conterminous United States without written orders. Agriculture officials cited, as their authority for using the GTA rather than individual trip orders, a December 28, 1971, Comptroller General decision to the Secretary of Transportation allowing that Department to proceed with plans to adopt GTAs. The system proposed by Transportation and approved by our Office applied GTAs for the performance of frequent routine temporary-duty travel, covered only employees in a particular organization (such as a Federal Aviation Administration region), and specifically identified attendance at training schools or meetings of organizations and professional societies as nonroutine travel.

Transportation's GTA covers relatively small groups of employees, performing similar duties, within a limited geographic area. In contrast, Agriculture's GTA covers travel throughout the conterminous United States, all employees, and all types of travel except station transfers, foreign travel, trips requiring actual or special subsistence, travel by privately owned airplane, and attendance at meetings where a special per diem rate is authorized.

Agriculture's travel regulations also require that each of its agencies maintain effective, systematic, and positive control over travel expenditures. The regulations say that essential elements of such control include

--critical examination of all proposed travel to determine its necessity,

--establishment of criteria for determining the effectiveness of travel performed, and

--proper authorization and approval of all travel.

We did not, however, discover systems in place to implement these directives. Rather, we found varying procedures among Agriculture's agencies, all leaning toward informal and low-level review prior to travel. The Forest Service, for example, has delegated travel approval authority to first-line supervisors who may not be sufficiently knowledgeable to determine the relationship between a given trip and agency goals. At one Forest Service ranger station we visited, a GS-9 verbally approves her own and her subordinates' travel without further consultation with higher level management at her station.

Approving travel orders verbally can result in misunderstandings between the traveler and the authorizing official on entitlements concerning mode of travel and per diem allowances. While written orders clearly delineate reimbursable expenses, GTAs do not. A recent claim submitted to our Office highlighted this problem. An employee of Agriculture's Soil Conservation Service, traveling under a GTA, drove his own vehicle to a 6-week training course. Because of weather conditions, he missed the first 23 hours of the course. Upon his return he was told that using his car was not advantageous to the Government, even though the situation met a regulation concerning use of a privately owned vehicle. The Soil Conservation Service charged this employee annual leave for the difference between the training he missed and the hours he would have missed had he used public transportation.

While the Comptroller General upheld Agriculture's action, he nevertheless voiced concern over the Department's use of GTAs:

"We have, in the past, approved the use of general travel orders for routine and repetitive travel. In fact, paragraph one of USDA regulation 7 AR 549 states that the purpose of the USDA General Travel Authorization is to 'provide general travel authority to all employees of the Department whose work requires them to perform routine temporary duty travel within the conterminous United States.' While we will not question the use of the

General Travel Authorization, the instant case illustrates the difficulties which may result from the use of less formal and specific travel authorizations. Here although no travel order was required a prior determination regarding use of POV was recommended in the regulations. This was not done even though Mr. [name deleted] was to travel to a 6-week training course over 1,000 miles from his duty station. This does not necessarily seem to be an instance of routine travel. We suggest that USDA reexamine its use of the General Travel Authorization to insure that necessary determinations are made before travel is performed so that employees will be aware of the travel benefits and limitations in each particular situation."
(B-195331, July 22, 1980)

MANAGERS NOT REQUIRED
TO FOLLOW TRAVEL POLICIES

A greater commitment by top agency officials is needed if travel is to be better managed and costs are to be controlled. OMB has prescribed a number of policies for the effective management of travel programs; however, agency managers have not always complied with them. The Congress has expressed its concern about travel abuses on numerous occasions, and our findings confirm that questionable travel practices continue because policies are not followed. Top agency officials are not insuring that managers comply with these policies.

OMB has established policies which, if properly implemented, should be effective in controlling and reducing travel costs. Some of these policies follow:

- First-class travel accommodations are prohibited unless approved by agency heads, their deputies, or a designee approved by OMB.
- Attendance at conferences should be limited to meetings where there is a direct benefit to achieving agency mission objectives.

--The number of participants from an agency at conferences should be limited to the minimum required to relate the information obtained from the meeting to the achievement of the agency's mission (with the suggestion that a single individual attend and be responsible for summarizing and reporting the results to other staff members).

--Agencies will authorize only that amount of travel necessary to accomplish the purposes of the Government effectively and, in each case, at minimum cost.

An October 1980 internal audit report on travel for conferences, within the General Services Administration, found abuses. GSA's auditors found that senior GSA officials

--authorized a conference in San Antonio, Texas, where 45 of 86 participants were from the Washington, D.C., area,

--authorized 2 conferences in Colorado Springs, Colorado, where 14 of 37 participants at the first conference and 47 of 72 participants at the second conference were from the Washington, D.C., area, and

--knowingly accepted or arranged luxury hotel accommodations for themselves at little or no personal cost.

The Congress has cited numerous examples of travel abuse which were based on studies of the Departments of Labor; Health, Education and Welfare; and the Environmental Protection Agency. These studies became the basis for the fiscal year 1980 reduction of \$500 million in travel and transportation. Among the questionable travel practices cited were

--unjustified use of first-class accommodations,

--frequent use of personal leave in conjunction with official travel,

--retreats for top management outside the Washington area although most attendees were from headquarters, and

--questionable need for travel by secretaries.

Agencies' travel practices
do not comply with OMB's policies

In our March 1977 report on travel management in the Departments of Transportation; State; and Health, Education, and Welfare; we stated that 15 percent of the trips we examined did not comply with OMB's policies. The major areas of noncompliance involved failing to (1) keep to a minimum the number of employees traveling for a single purpose, (2) use more efficient alternatives to travel, and (3) limit attendance at conferences, meetings, and seminars.

Our current study shows that many managers still are ignoring agencies' policies. For example, Agriculture's managers are not limiting attendance at external conferences (those sponsored by outside organizations) to the minimum required to meet agency mission objectives and are not holding internal meetings (those sponsored by the department) at the least costly location.

While the Congress and OMB have been attempting to control travel expenditures, Agriculture's Forest Service has increased, by more than 50 percent, the number of external national conferences its employees can attend. In July 1977, the Forest Service approved attendance at 50 national conferences, which increased to 77 national conferences by January 1980. Even though OMB and Forest Service policies suggest that attendance be held to a single individual when possible, large numbers were authorized to participate, as shown in the following schedule of selected conferences.

<u>Sponsoring organization</u>	<u>Number authorized to participate</u>
Association of Government Accountants	76
American Society of Training and Development	64
Forest Products Research Society	111
Entomological Society of America	79
National Audubon Society	59

We did not determine the actual number of attendees because this information was not readily available.

Agencies may authorize employees to receive higher than normal per diem entitlements if they can demonstrate a need for the higher per diem. In a limited review of 11 trips relating to training sessions, conferences, and workshops during the first half of fiscal year 1980, we found that in

each instance Agriculture officials had authorized a higher than normal per diem rate. In nine instances the need for the higher per diem was not demonstrated and should not have been approved. In one case, a rate of \$43 per day was justified, but the agency approved a rate of \$50 per day for a 3-day conference.

Agriculture regulations are silent on the subject of internally sponsored meetings. It is not surprising, therefore, that some components within the department are not holding such meetings at the most economical locations. For example, we found that

- the Office of Operations and Finance regularly scheduled management meetings and training sessions which were primarily attended by headquarters employees at Gettysburg, Pennsylvania; Williamsburg, Virginia; and other sites outside the Washington area and
- the Assistant Secretary for Administration approved the convening of a management council conference attended by 40 Agriculture managers--all but one of whom were located in Washington, D.C.--at Frederick, Maryland.

After we pointed out to Agriculture officials that the above practices conflict with OMB's "least cost" policy, the Assistant Secretary for Administration issued a memorandum on April 8, 1980, to heads of department agencies instructing them "* * * to discontinue the use of conference sites outside the Washington metropolitan area for Washington-based personnel * * *" and to hold meetings for field-based personnel in "* * * locations which will hold overall costs to minimum levels."

Still, after this memorandum was issued, one Agriculture office scheduled a meeting at Charleston, South Carolina, which was to be attended by more Washington-based (14) than field-based (13) personnel. Officials from that office said that although they could have changed the meeting site, they elected not to do so as the conference was for the benefit of field-based personnel. Charleston is not one of the 13 regional offices, most of which are located in the mid-West and West, so this site did not meet the low-cost criteria established in the Assistant Secretary's memorandum.

CONCLUSIONS

To effectively manage and control travel costs, strict authorization procedures should be used, and managers must be committed to eliminating waste and abuse. Agency-wide use of GTAs coupled with trip approval by first-line supervisors does not afford agency management much opportunity to scrutinize the need for travel. Our findings in this report, in our 1977 reports, and in those of the congressional investigators indicate widespread noncompliance with OMB's travel policies.

RECOMMENDATIONS

We recommend that the Secretary of Agriculture

--restrict the use of general travel authorizations to those employees whose work requires frequent routine temporary-duty travel and

--require written authorization for all other travel.

We recommend also that the Director, OMB, bring to the attention of top agency officials the agency managers' lack of compliance with Federal travel policies and direct the top officials to make sure that managers follow these policies.

AGENCY COMMENTS AND OUR EVALUATION

OMB said that it will continue to direct agencies to discontinue practices that are inefficient or do not comply with travel policy. OMB noted that its most recent directive was a September 19, 1980, memorandum to the heads of executive departments and agencies. This memorandum is included with OMB's written comments in appendix I.

The Department of Agriculture disagreed with our recommendations to the Secretary; however, the Department said it will study certain types of travel (including meetings and conferences) to determine if these types could be more effectively controlled by individual trip authorizations.

We continue to believe that Agriculture should restrict the use of general travel authorizations. We recognize that use of GTAs in certain circumstances is cost effective; however, we believe that the loose authorization procedures for infrequent or administrative

travel which the GTA permits weaken the Department's ability to effectively manage travel overall. We believe that a sound travel management program would insure that travel is necessary and properly authorized before the travel occurs and before the Government or traveler is obligated to pay for it.

The Department of Agriculture's written comments are in appendix IV.

CHAPTER 4

STATUTES AND REGULATIONS GOVERNING

TRAVEL SHOULD BE MORE EQUITABLE

Different statutes establish travel entitlements and designate the regulatory authorities for uniformed and civilian personnel. As a result, these personnel have different entitlements for similar travel.

For permanent change-of-station travel within the United States, its possessions and territories, and Puerto Rico, uniformed personnel bear a larger portion of the costs than civilians. Civilian travelers receive a mileage allowance for using private vehicles that more nearly reflects actual operating expenses, but mileage allowances for uniformed personnel do not adequately reimburse members for their costs. Also, civilian and uniformed travelers may receive different per diem allowances for identical travel.

Title 5 of the United States Code authorizes the President to issue regulations governing relocation expenses for civilian employees; the President has delegated part of this authority to GSA. Title 5 authorizes GSA to prescribe regulations governing temporary-duty travel of civilian employees. Title 37 of the United States Code empowers the Secretaries of the uniformed services to establish regulations governing travel of uniformed personnel. The Secretaries created the Per Diem, Travel, and Transportation Allowance Committee which issues regulations covering uniformed personnel.

The statutes governing travel produce inequitable entitlements between civilian and uniformed personnel. A more equitable system of entitlements would include giving additional allowances for uniformed members making a change-of-station move, replacing the current uniformed mileage allowances with a mileage reimbursement to cover operating costs of private vehicles, and simultaneously changing per diem rates for civilian and uniformed personnel. GSA and the Department of Defense's Per Diem Committee should also eliminate the differences in the rates and boundaries of high-rate areas.

CIVILIAN AND UNIFORMED TRAVEL
ENTITLEMENTS ARE INEQUITABLE

Permanent change-of-station travel

When a Government employee moves from one station to another station--called permanent change-of-station travel--the Government pays some of the moving costs. There are substantial differences between the entitlements for civilian and uniformed personnel.

The statutes permit mileage and per diem allowances for civilian employees when performing station transfer travel. For use of a privately owned vehicle, GSA has established a mileage allowance ranging from 8 cents to 15 cents a mile, depending on the number of persons in the vehicle. In addition, the employee and accompanying family members may receive a per diem allowance depending on the ages of dependents.

The uniformed member, however, gets a mileage allowance established by the Secretaries of the services. As of December 1, 1980, this allowance is 18.5 cents a mile for use of a private vehicle. Depending on age, dependents may receive an allowance of up to 7 cents a mile. This allowance is supposed to cover operating expenses of the vehicle plus per diem for the member. Dependents are not entitled to any per diem.

Civilian employees receive a miscellaneous expense allowance to pay for such items as adjusting drapes and carpets, obtaining new vehicle registration and driver's licenses, and installing appliances. An employee with dependents will automatically receive \$200 for miscellaneous expenses and may receive more with receipts for additional costs. This expense allowance is limited to 2 weeks of the employee's pay, up to a \$1,602 maximum.

Uniformed personnel receive a dislocation allowance to pay for some costs of relocating. This dislocation allowance is equal to 1 month's basic allowance for quarters. The quarters allowance is paid to uniformed members to secure housing when Government-supplied housing is not available. Depending on the uniformed member's rank and dependents, quarters allowances range from \$103 to \$535 a month. Beginning in October 1980, uniformed personnel may receive higher quarters allowances if they are in high-cost areas.

Civilian employees may receive an allowance for up to 30 days' temporary lodging and subsistence when relocating within the United States, its possessions and territories, and Puerto Rico. This is to allow the employee and dependents to live in temporary quarters between the time the family vacates its residence and the time they move into new quarters at the new duty station. The time used to travel from the old to the new duty station is not included in the 30 days. The employee's agency may authorize an additional 30 days' temporary lodging and subsistence allowance (up to 60 days in all) for employees transferring to or from Alaska, Hawaii, the possessions and territories, and Puerto Rico. Uniformed personnel receive no comparable allowance.

A civilian employee's agency may allow a househunting trip within the conterminous United States, and the Government will pay transportation and per diem for the employee and spouse. If a househunting trip is authorized, the agency may reduce the temporary lodging and subsistence allowance by an equal number of days. Uniformed personnel are not allowed a househunting trip.

Military members in particular frequently complain about the financial hardships caused by transfers. For example, a Navy chaplain recently transferred across country to an east coast base said the move was an economic disaster and his family had to eat peanut butter and jelly sandwiches to make ends meet. While members accept periodic reassignment as part of their military service, they should not be financially burdened because of those moves.

To illustrate the difference in station transfer travel entitlements, we have developed a hypothetical move. This move includes four families, each consisting of a husband, wife, and two children. Since some entitlements vary according to dependents' ages and employees' ranks or grades, the four families illustrate those variances. Two families contain children who are at least 2 years old but less than 12 years old; in one family, the employee is a civilian (GS-7), in the other, a military enlisted member (E-6). The other two families' children are 12 years old but less than 21 years old; in one family there is a civilian employee (GS-15), the other family includes a military officer (O-6).

The entitlements for these four families, each moving 600 miles, follow.

	With children aged 2-12		With children aged 12-21	
	Civilian	Military	Civilian	Military
	<u>GS-7</u>	<u>E-6</u>	<u>GS-15</u>	<u>O-6</u>
Mileage + per diem (note a)	\$296	\$195	\$334	\$237
Miscellaneous expenses	\$200-\$760	None	\$200-\$1,602	None
Dislocation allowance	None	\$255	None	\$469
Temporary lodging and subsistence	up to \$2,438	None	up to \$2,438	None
Househunting trip (note b)	<u>up to \$645</u>	<u>None</u>	<u>up to \$645</u>	<u>None</u>
Total	<u>up to \$4,139</u>	<u>\$450</u>	<u>up to \$5,019</u>	<u>706</u>

a/For civilian employees, dependents under 12 years of age are entitled to one-half of the employee's per diem rate; dependents 12 and older are entitled to three-quarters of the employee's per diem rate. For uniformed personnel, dependents between 2 and 12 years of age are entitled to 3.5 cents a mile; dependents 12 and older are entitled to 7 cents a mile.

b/If a househunting trip is allowed, temporary lodging and subsistence may be reduced by the time allowed for this trip.

We have not included shipment of household goods in this example because it is difficult to estimate the value of that benefit. A civilian employee without dependents may ship up to 7,500 pounds of household goods at Government expense; with dependents, the limit is 11,000 pounds. Depending upon rank, uniformed personnel may ship 225 to 13,500 pounds of household goods.

Although not strictly a travel entitlement, civilian employees also receive reimbursement for real estate or lease-breaking expenses in connection with station transfer travel. This one entitlement may be the highest cost item involved in a family's move. Civilian employees may be reimbursed up to \$8,000 on the sale of a residence and up to \$4,000 on the purchase of a residence. Uniformed personnel are not entitled to reimbursement for real estate expenses.

Temporary-duty travel

The Government pays for transportation for both uniformed and civilian personnel on temporary-duty trips. If the traveler goes by common carrier or Government transportation, the Government purchases the ticket or supplies the Government vehicle. If the traveler uses a private vehicle when authorized or approved as advantageous to the Government, the Government pays a mileage allowance, but does not pay the same rate for civilian and uniformed travelers.

For civilian temporary-duty travel, GSA establishes a mileage rate, and tolls, parking, and similar expenses are reimbursed separately. To compute the automobile mileage rate, GSA uses a Department of Transportation study of operating costs in the Baltimore, Maryland, area and adjusts the data for inflation. The mileage rate includes vehicle depreciation, gasoline, oil, maintenance, insurance, and State and Federal taxes. GSA establishes the rate under a ceiling set by statute. The statutory ceiling is 25 cents, and the current maximum rate is 22.5 cents a mile for automobiles.

When using a private vehicle for travel outside the limits of one's designated post of duty, the uniformed traveler--as driver or passenger--receives a mileage allowance in lieu of transportation. This allowance represents the cost for furnishing Government transportation, not actual vehicle operating expenses. As of December 1, 1980, the mileage allowance in lieu of transportation is 7 cents a mile. For local travel within the limits of the permanent or temporary-duty station, uniformed personnel and civilian employees are equally reimbursed for actual vehicle operating expenses.

The statutes allow a regular per diem of up to \$50 and another rate of up to \$75 a day for travel to high-cost areas or for travel under special circumstances. These rates were established by the Career Compensation Act of 1949 for uniformed personnel and the Travel Expense Act of 1949 for civilian employees. Although the Congress has increased the maximums from time to time to keep up with rising costs, uniformed personnel have often suffered because the uniformed allowance trailed the civilian allowance, by 12 months on one occasion, as shown on the following page.

<u>Effective date</u>		<u>Per diem rate</u>	<u>Special or high rate</u>
<u>Civilian</u>	<u>Uniformed</u>		
July 1949	October 1949	\$ 9	None
July 1955	March 1955	12	a/ \$25
August 1961	June 1962	16	30
November 1969	December 1969	25	40
May 1975	May 1976	35	50
September 1980	October 1980	50	75

a/Uniformed travelers did not receive high-rate entitlements until June 1962.

Under the statutes, GSA establishes per diem rates to pay for lodging, meals, and related expenses for employees traveling within the continental United States. The Defense Per Diem Committee establishes per diem rates for uniformed personnel worldwide and for civilian employees traveling to Alaska, Hawaii, the territories and possessions, and Puerto Rico. The Department of State establishes per diem rates for civilian employees traveling to foreign countries.

GSA and the Defense Per Diem Committee each designate areas as high-rate areas, and travelers to those areas receive actual expenses up to the maximum rate if they document and itemize their expenses. When designating high-rate areas, GSA and the Committee define the boundaries of the areas and prescribe a maximum reimbursement between \$50 and \$75 a day.

GSA and the Committee share much information in designating and prescribing maximum rates; however, they have separate authority. They can and do establish the same areas with different rates. Thus, uniformed and civilian travelers going to the same areas may be reimbursed differently.

Generally, the Per Diem Committee is quicker to establish areas and rates than is GSA. As of October 1980, the Committee had designated 122 high-rate cities and counties; GSA, 104. Four cities designated as high-rate areas by GSA are included within two counties designated by the Committee.

Uniformed and civilian travelers are authorized different maximum allowances in 23 areas. Twenty areas have been designated high rate solely by the Committee, and the maximum allowances average \$10 more than the regular per diem rate, with the largest difference being \$25. The Committee and GSA codesignated three high-rate areas, but the Committee's per diem rate is \$1 higher in each.

In addition, many jointly designated high-rate areas have different boundaries. For GSA's purposes, the high-rate area generally is a city. In June 1980, the Per Diem Committee designated counties as high-rate areas. Thus, in the 99 areas where the rates were the same in October 1980, the boundaries of 36 of them were different because GSA had designated the city as the high-rate area and the Committee had designated the county and the city.

CHANGES NEEDED TO MAKE
ENTITLEMENTS MORE EQUITABLE

The Congress could make travel entitlements for civilian and uniformed personnel more equitable by amending the statutes to bring uniformed entitlements more in line with civilian entitlements. Other changes to keep entitlements equitable could be made administratively by GSA and the Per Diem Committee.

Our station transfer travel example shows that civilian employees are eligible for more entitlements than are uniformed personnel. The major difference in entitlements is that civilian employees are eligible for a househunting trip and temporary lodging and subsistence while uniformed personnel are not.

When relocating, uniformed and civilian personnel face similar problems finding adequate housing, and both should receive the benefit of a househunting trip when necessary. Of course, if uniformed personnel are to reside in Government quarters at the new duty station, they should not receive this benefit; civilian employees are not allowed such a trip if Government quarters are assigned to the employee.

While waiting to occupy permanent quarters, uniformed personnel are entitled to quarters allowance and basic allowance for subsistence. The maximum basic quarters and subsistence allowances for personnel, with dependents, who are not in high-cost areas range from \$9.90 to \$20.60 a day, depending on rank. Based on actual travel costs reported to the Per Diem Committee of \$50 a day or higher, those amounts are not adequate to obtain temporary lodging and meals. A temporary quarters and subsistence allowance similar to that provided civilian employees would better compensate uniformed personnel for temporary living expenses. That allowance should be paid in lieu of the quarters and subsistence allowances while uniformed personnel and their families occupy temporary quarters.

The mileage allowance in lieu of transportation and the station transfer mileage allowance should be eliminated. Uniformed personnel using private vehicles for temporary-duty or station transfer travel should receive an allowance that reflects the costs of operating the vehicle, and the driver and passengers should receive a per diem allowance. Because the civilian driver is reimbursed the costs of operating the private vehicle and the driver and passengers are paid per diem, the civilian allowances more fairly reimburse the traveler's actual costs.

Maximum per diem rates are set by the Congress; however, the ceilings for civilian and uniformed personnel are in different titles of the United States Code. Thus, the Congress must amend two laws whenever it wishes to change the ceilings. Historically, the per diem rate for uniformed personnel has lagged behind the rate for civilian employees. The Congress could eliminate this inequity by setting the per diem rates for uniformed personnel by reference to the rates established for civilian employees.

Within ceilings set by statute, GSA and the Per Diem Committee establish and set rates for high-rate areas. Although the two organizations cooperate and share information when doing this, many differences exist. As a result, uniformed and civilian travelers are eligible for different per diem--as much as \$25 a day additional for uniformed personnel--for travel to the same areas. GSA and the Committee should work together to make the high-rate areas and rates the same.

For the longer run, the feasibility and desirability of designating only one organization to establish areas and rates for per diem and other allowances may warrant further study by OMB or the Congress.

CONCLUSIONS

Different travel entitlements for civilian and uniformed travelers are inequitable. The different entitlements stem from two sections of law, and from the fact that two organizations have independent authority to establish per diem and mileage rates. The different entitlements result in unequal reimbursements for travelers who may go to the same places for the same purposes, solely because one employee is a civilian and the other is a member of one of the uniformed services. The differences are most pronounced in the area of permanent change-of-station moves within the United States, its possessions and territories,

and Puerto Rico, where uniformed personnel incur expenses similar to those of civilian employees, but receive up to \$4,300 less in reimbursement for those costs. Inadequate reimbursement places an unfair financial hardship on uniformed personnel and their families.

RECOMMENDATIONS

We recommend that the Secretary of Defense propose a legislative package to

- provide authority for a househunting trip for uniformed personnel under orders for a station transfer in the conterminous United States,
- provide a temporary lodgings and subsistence allowance in lieu of basic quarters and subsistence allowances when uniformed personnel occupy temporary quarters incident to a move within the United States, its possessions and territories, and Puerto Rico,
- replace the (1) mileage allowance in lieu of transportation and (2) station transfer mileage allowance with a mileage reimbursement plus per diem for uniformed members and their dependents on temporary-duty and station transfer travel, and
- set maximum per diem rates in title 37 by reference to title 5, United States Code.

We recommend that the Administrator of General Services and the Per Diem, Travel, and Transportation Allowance Committee take actions to eliminate the differences in boundaries and maximum rates for high-rate geographical areas.

AGENCY COMMENTS

The Department of Defense agreed with our recommendations concerning changes needed to make travel entitlements more equitable. The Department said it expects to have the necessary legislative proposals coordinated within the Department by mid-February.

The Department of Defense and the General Services Administration agreed with our recommendation to eliminate the differences in the boundaries and maximum per diem rates of the high-rate geographical areas. The two agencies said they will cooperate to eliminate the differences.

The Department of Defense's written comments are in appendix II. The General Services Administration's written comments are in appendix III.

CHAPTER 5

RECENT MANAGEMENT AND CONGRESSIONAL

INITIATIVES--MIXED RESULTS THUS FAR

BUT BETTER PROSPECTS FOR THE FUTURE

OMB, GSA, and the Congress have addressed, from a variety of perspectives, the problem of managing travel and transportation. Their efforts, though drawing attention to the issue, nevertheless often fell short of anticipated results. What these initiatives lacked was a systematic, indepth analysis of (1) the problems of managing travel, (2) the actions needed to correct these problems, and (3) feedback on the implementation of these corrective actions.

OMB has recently established the Interagency Travel Management Improvement Project to study travel programs Government-wide. We commend OMB for this initiative, which can rectify many of the shortcomings of past efforts and identify sound long-term solutions to the perplexing problems of travel management.

OMB PRODS AGENCIES TO BETTER MANAGE TRAVEL

OMB is responsible for issuing guidance on program management and for insuring that agency plans meet the intent of congressional authorizations. Realizing that travel is a necessary, yet abuse-prone, aspect of program management, OMB, as early as 1975, began imploring agencies to authorize only the amount of travel necessary to accomplish missions and suggesting alternatives to costly and ineffective travel practices. These alternatives offer what we believe to be a common-sense approach to managing travel without infringing upon needed management prerogative. Yet, this and other recent congressional reviews point out that many managers have resisted making significant changes.

In its 1975 bulletin on control of official travel, OMB set guidelines for agencies to follow when authorizing travel, to correct what they perceived as counterproductive policy. In subsequent years, OMB continued to issue travel management bulletins, reinforcing its 1975 recommendations and developing additional guidelines. In a 1978 bulletin (number 78-13), OMB suggested rescinding all blanket or continuous travel authorizations as of a specified date and reissuing these types of authorizations only for the minimum period necessary for mission accomplishment, not to exceed 90 days.

In addition, OMB recommended reevaluating employee transfer policy to minimize the number and costs of station transfer moves, limiting conference attendance, and reviewing contract provisions to insure that contractors' travel is held to that minimum which is essential.

PRESIDENT ORDERS ADMINISTRATIVE TRAVEL
REDUCTION BUT EFFECTS UNKNOWN

In September 1978, the President directed that all agencies reduce by 20 percent the amount estimated for administrative travel in fiscal year 1979. We could not, however, determine whether agencies actually reduced travel expenditures.

Although agencies reported savings of \$12 million to OMB, neither we nor OMB could verify these savings because:

- In six cases, total department travel expenditures exceeded that requested in the President's budget so that any administrative travel reductions were more than offset by increases in other travel.
- OMB accepted agency reports of savings without further checks or verification.
- Even if a verification system were available, the definition of administrative travel is so vague that it lends itself to wide interpretation among the agencies. OMB said they believed administrative travel equaled about 10 percent of travel costs; however, this was only an estimate.

CONGRESS CUTS TRAVEL BUDGET
BUT EXPENDITURES STILL RISE

Because of its concerns about travel abuses and in an effort to control travel costs, the Congress made a \$500 million cut in travel and transportation funds in the fiscal year 1980 President's budget, as amended and supplemented, for executive branch agencies. The reduction included all prior cuts in fiscal year 1980 funds made to individual agency appropriations. The Director, OMB, was instructed to apportion the reduction among the agencies. This was accomplished by setting ceilings on travel and transportation which were about 8 percent less than what the agencies originally requested.

While the congressional action reduced travel and transportation budgets to \$7.3 billion for fiscal year 1980, supplemental appropriations had increased the funds available by April 1980 to \$8 billion (about \$3 billion for travel and \$5 billion for transportation) largely to pay for unforeseen travel and travel cost increases. Had the Congress not acted, however, agencies could have spent \$8.5 billion on travel and transportation in 1980.

GSA OBTAINS REDUCED AIR AND RAIL FARES

To alleviate spiraling transportation costs, GSA secured reduced rail and air fares for Federal employees on official duty and required employees to use them whenever applicable. GSA obtained its first reduction from Amtrak for rail service along the Northeast Corridor from Washington, D.C., to New York. With this precedent, GSA solicited bids for reduced air fares. Bids were accepted on 11 routes, and fares became effective July 1, 1980. OMB estimates that \$14 million could be saved annually if at least 50 percent of the Federal travelers used participating air carriers between the cities involved.

INTERAGENCY TRAVEL MANAGEMENT IMPROVEMENT PROJECT--FIRST SYSTEMATIC APPROACH TO TRAVEL MANAGEMENT

The Interagency Travel Management Improvement Project, under the auspices of the President's Management Improvement Council, was established during 1980 to study the travel practices of the Federal Government and to recommend ways that agencies can maintain efficient operations under constrained travel budgets. This is the first attempt to look at travel from a systems approach and offers the best potential for making major improvements. Project officials plan to report their findings early in 1981.

Project's scope and objectives all encompassing

The project is designed to review all policies and procedures related to travel of both uniformed personnel and civilian employees and storage of personal property belonging to civilian employees. The project will cover a wide range of issues, such as the effectiveness of agency systems to budget, authorize, and schedule travel as well as an evaluation of the processes to bill, pay, and report travel costs.

One objective of the effort will be to obtain a better understanding of Government travel, which is needed before any meaningful improvements can be made. For example, an agency may incur excessive administrative costs to control a relatively minor aspect of its travel while major cost components go unmanaged. Thus, one of the first steps the project took was to survey agencies to obtain data on their travel patterns.

The project also plans to identify opportunities to obtain or increase transportation and lodging discounts for official Government travelers and disseminate such information more effectively.

CHAPTER 6

PRIVATE SECTOR--NO MODEL FOR FEDERAL TRAVEL MANAGEMENT

The private sector's policies and practices for budgeting, monitoring, and managing travel do not appear to offer solutions for improving Federal travel management; are less equitable in treatment of employees of different ranks on travel status; and are no more advanced in implementing innovative techniques to reduce travel than those of the executive branch. A recent news article reported that in 1979 private companies spent about \$23 billion for air fares and hotels alone.

We examined travel in the private sector because of congressional interest in how their policies and practices compared with the Federal Government's. We compared travel management systems in private companies to those in Federal agencies to gauge the relative sophistication of Federal practices and identify innovative techniques which the executive branch might adopt. This analysis was done with the aid of a consulting firm that conducts seminars and workshops on travel management for businesses.

Current policy allows Government contractors to be reimbursed for reasonable travel expenses. When private sector controls on travel expenses are not as stringent as Government practices, the Government may be paying for an excessive number of trips of contractors' employees. In addition, because private sector reimbursement policies are often less strict than Government policy, contractors' employees may be receiving more liberal travel expense reimbursements than Government employees.

TRAVEL MANAGEMENT IN THE PRIVATE SECTOR

Nearly 80 percent of the 75 private companies surveyed stated that they prepare travel budgets, but only 10 percent of them use the budget to control travel expenses. Generally, private firms reduce travel only when they seek to reduce costs overall. Travel is rarely singled out for special attention. This approach reflects the private sector philosophy that travel is a necessary and at times uncontrollable overhead cost of generating business.

One of the clearest distinctions between the Federal and private sectors is the reimbursement rates allowed for lodging and expenses. While the Federal Government has per diem ceilings based on lodging cost surveys, the private sector generally does not. Most companies apply the "reasonable rule" as the yardstick in approving expenses for lodgings, meals, and other expenses. Private sector concern with the comfort of the traveler and the image portrayed by its employees while traveling appears to be the motivating factor behind the liberal reimbursement policies of businesses. For example, only 14 percent of the companies surveyed by our consultant established per diem ceilings, and the ceilings applied only to meals. Few companies place a cap on lodging, and those that do tend to use liberal price guidelines.

The private sector generally requires some accounting for expenditures. Thirty-eight percent of the companies surveyed required receipts for all expenditures; the others required receipts for specific expenses only--transportation, lodging, and meals. Virtually all companies require receipts for single expenditures over \$25.

Rank has its privileges in the private sector both in terms of the "reasonableness" of travel expenditures and of first-class travel restrictions. Over 60 percent of the companies surveyed stated, in effect, that expenses usually defined as unallowable for lower level management might not be questioned for senior officials. About one-third of the respondents prohibit special travel privileges.

First-class travel is a privilege for senior management in 44 percent of the companies surveyed. For approximately 38 percent of the companies surveyed, first-class travel may be extended to individuals in lower echelons if the plane trip requires a certain number of flying hours or if the trip is international. One corporation requires all travelers to go first class. Only about one-fourth of the companies flatly prohibit first-class travel. The private sector policy on first-class air travel is more liberal than in the executive branch, where the most economical fares must be used and first-class travel is approved only on an exception basis.

Verbal permission or memo generally suffices for a travel order in the private sector, closely paralleling blanket or general travel authorizations used by some Government

agencies. Seventeen percent of the companies reported that they did not have a set procedure for authorizing travel, allowing each department to develop its own system.

The private sector has done little to seek out cost-cutting techniques and travel alternatives. One large automobile manufacturer has recently announced that picture phones are to be used in lieu of travel when applicable, and our consultant reported that business managers had shown increased interest in using closed-circuit TV to address meetings they otherwise would have attended. Overall, however, the survey did not identify any innovations for adoption in Federal agencies.

CONTRACTORS REIMBURSED FOR "REASONABLE" TRAVEL EXPENSES

Employees of Government contractors often travel in connection with their work for the Government. According to Government procurement regulations, contractors may charge the Government for all reasonable travel costs associated with the contract. Only first-class air travel is prohibited, unless there is no reasonable alternative. Generally, the Government contracting officer determines the reasonableness of expenses under the contract. As shown above, the private sector has few controls on travel, and the business definition of reasonable rates for lodging and subsistence is more liberal than the allowances for Federal employees. This area will be the subject of a future review.

OBSERVATIONS

Private sector practices for managing travel do not appear to be models for the Government to adopt. The firms our consultant surveyed were no more advanced than Federal agencies in their travel management practices. Many private companies do little to control the amount of travel their employees perform or to reduce the costs of individual trips. If those private practices are carried over to travel under Government contracts, the Government may be paying for excessive travel expenses incurred by contractors.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

NOV 25 1980

Mr. William J. Anderson
Director, General Government Division
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Anderson:

Thank you for the opportunity to review and comment on the draft of the GAO report entitled, "Proposals for Improving the Management of Federal Travel." This report and a recent GAO report on reducing the administrative costs of processing travel vouchers are part of an unprecedented level of activity and interest by the executive branch and Congress to improve travel management and eliminate unnecessary travel costs.

The principal executive branch travel improvement effort is the OMB-initiated Interagency Travel Management Improvement Project. As your report indicates, this Project is the "first attempt to look at travel from a systems standpoint" and we share your optimism about the Project's potential for making major improvements in this area. You may be interested to know that many of your report's findings concerning the Departments of Agriculture and Army have been verified on a government-wide basis by the Project staff.

Although we share many of the concerns raised by your report, we do not agree with several of your recommendations, particularly those directed at OMB. Specifically, we do not agree with the report recommendation that OMB budget guidelines should, after consultation with appropriate congressional committees, be revised to:

- focus more specifically on each purpose of travel and require heads of departments and agencies to revise their reporting and budgeting systems accordingly; and
- establish procedures to verify the accuracy of reported travel costs.

Since OMB does not routinely examine agency budgets based on the purpose of travel, we have no reason to require information at this level of detail. Also, OMB does not prescribe for the

departments and agencies the budget justification data required by their cognizant appropriations subcommittees. Each subcommittee determines its own data needs in support of agency budget requests. Some subcommittees already require detailed information on agency travel costs; other subcommittees have shown no such interest.

Although we share your interest in assuring that travel costs are reported accurately, we do not believe that a revision to the OMB budget guidelines will accomplish this objective. A more effective approach would probably be to ask the Inspectors General and agency internal auditors to include tests of travel cost reporting as part of their audit work plans. (See GAO Note)

Your report also recommends that the Director of OMB bring to the attention of top agency officials any lack of compliance by agency managers with Federal travel policies and direct these officials to make sure that their managers follow such policies.

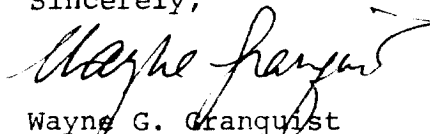
Presently, there is no central management agency mechanism available for routinely assessing agency compliance with Federal travel regulations. Such assessments are properly the responsibility of each agency's internal audit staff. The recent per diem legislation requires GSA, among other responsibilities, to identify inefficient travel practices. The Interagency Travel Management Improvement Project staff are working with GSA to develop assessment criteria that will identify inefficient as well as efficient travel and travel management practices.

OMB will continue to direct agencies to discontinue any practices that are inefficient or out of compliance with travel policy. The most recent such directive is a memorandum dated September 19, 1980, from the Director of OMB to the heads of all executive departments and agencies. A copy of this memorandum is enclosed for your information. Since it deals with some of the problems raised in your report, we recommend its inclusion in the report's Appendix.

This report, the many previous GAO reports on travel, and the GAO participation on the Project Executive Committee have made valuable contributions to the Interagency Travel Management Improvement Project. We thank you for these contributions and for the opportunity to comment on this report.

GAO Note: We agree with OMB's suggestion and have revised our recommendation accordingly.

Sincerely,



Wayne G. Granquist
Associate Director for
Management and Regulatory Policy

Enclosure



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 19 1980

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Controlling Federal Travel and Transportation

Section 112 of Public Law 96-86 reduced the funds available for 1980 travel and transportation by the Executive Branch by \$500 million. In accordance with that law, each department or agency was assigned a travel and transportation object class ceiling by the Office of Management and Budget, so that the Executive Branch could comply with the statutory reduction.

It is essential that each department and agency operate within its ceiling so that the Executive Branch as a whole will comply with the law. To do this there must be effective management of travel and transportation costs in your department or agency, as well as all others.

This emphasis appears to be necessary because recent investigations of agency travel management practices indicate that travel is not being managed in the most effective manner. (For example, the investigations indicate that there is excessive travel to conventions and conferences, unnecessary use of first class travel at added Government expense, and other non-essential travel.)

In communications to you in each of the last two years, I have asked that travel be limited to that which is mandatory and essential to your agency's mission and programs. To do this, even some travel that is important may have to be cancelled, and requests for marginally justifiable travel must be denied. This policy must be enforced by every official--from agency heads to the "front-line" managers in every agency.

Travel costs per trip for justifiable trips must be kept to the very minimum. Toward this end, the following restrictions will apply effective immediately:

- First class air travel will not be provided at Government expense if the cost is in excess of coach or similar class, unless the need is justified in writing under one of the following circumstances:

- ° when regularly scheduled flights between the authorized origin and destination points provide only first class accommodations;
- ° the traveler has a medical problem requiring the use of first class accommodations, that is substantiated by a competent medical authority;
- ° security reasons or exceptional circumstances, as certified by the head of the agency or deputy (unless a lower level official is specifically approved by OMB), make the use of first class essential to the performance of the agency's principal missions; or
- ° less-than-first-class accommodations on foreign carriers do not provide minimal sanitation or health standards.

I have asked the Administrator of General Services to report to me and to the appropriate Inspectors General any apparent abuses of first class travel identified under current reporting requirements.

- Retreats, meetings, and conferences of agency officials and staff will be held at a location that minimizes the travel costs associated with them. Every effort should be made to hold them within commuting distance of the majority of the attendees. In addition, they will be restricted to the shortest duration and the minimum number of participants necessary to accomplish their objectives.
- General Services Administration interagency motor pool vehicles and commercial vehicles under Federal Supply Service contracts will be used or supplied before purchases, leases or rentals of additional vehicles are approved.
- Essential travel will be scheduled to maximize use of discount fares now offered by scheduled air carriers.
- GSA has contracted for special discount air fares between selected cities effective July 1, 1980. Procedures for use and a Contract Air Services Directory have been published by GSA. The discounts range from 26% to 62% of standard fares and can result in considerable savings to your department or agency. They should be used wherever practical.


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- AMTRAK Metroliner service will be used for travel between Washington, D. C. and New York City (including intermediate points), unless there is compelling justification for travel by air.

- GSA has obtained guaranteed low rates at forty-one hotels and motels in 13 major southeastern cities and has published this information in a Federal Travel Directory. This Directory also contains useful information on the availability of public transportation, airport limousine services, GSA motor pool and contract vehicles. A Directory of discount hotel rates available in the San Francisco region was also published. Copies of these Directories have been sent to all agencies and every effort should be made to disseminate this information to all persons who make travel arrangements within your agency. GSA is also developing similar directories for other regions. Maximum use should be made of these special rates, where feasible, or of normal hotel discounts available to Federal travelers.

You should assure that your travel regulations include the above requirements and take whatever additional measures are necessary to ensure that your department or agency operates within the assigned ceiling. OMB Bulletin 78-13 (issued May 11, 1978) provides useful guidance on specific ways to reduce travel costs and should be followed. Because they constitute such a large proportion of the total costs subject to the statutory limitation, special attention should also be given to minimizing the cost of transportation.

The President and I ask that you give these matters your personal attention.


James T. McIntyre, Jr.
Director



MANPOWER
RESERVE AFFAIRS
AND LOGISTICS

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON D C 20301

17 NOV 1980

Mr. H. L. Krieger
Director
Federal Personnel & Compensation Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Krieger:

This is in reply to your letter to the Secretary of Defense dated 21 October 1980 concerning your draft report, "Proposals for Improving the Management of Federal Travel," OSD Case #5556, FPCD-81-13. In this report you have recommended that the Secretary of Defense initiate certain legislative proposals dealing with travel and transportation. These proposals and our comments are as follows:

- (1) provide authority for a househunting trip for uniformed personnel under orders for a station transfer in the conterminous United States, . . .

Comment. The Department concurs in the need for this entitlement. In our Pay Adequacy Study of 1979, we noted that because servicemembers were not entitled to a government-expense househunting trip, ". . . members incur additional nonreimbursable expenses for the trip or for the additional living expenses incurred upon arrival at the new station while looking for a residence. Most large corporations and the Federal Government allow such a trip for their civilian employees."

- (2) provide a temporary lodging and subsistence allowance in lieu of a basic quarters and subsistence allowance when uniformed personnel occupy temporary quarters incident to a move within the United States and its possessions and territories, . . .

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Comment. We concur in the need for such an allowance. During the aforementioned Pay Adequacy Study, we determined that the conditions abroad that necessitated the overseas Temporary Lodging Allowance (TLA) for servicemembers arriving at or departing from overseas tours frequently were applicable in the contiguous United States. The Study group recommended that we initiate proposed legislation to authorize a temporary lodging expense (TLE) payable for CONUS moves.

- (3) replace the mileage allowance in lieu of transportation and station transfer mileage allowance with a mileage reimbursement plus per diem for uniformed members and their dependents on temporary duty and station transfer travel, . . .

Comment. We have determined that the present levels of both permanent change of station (PCS) and temporary duty (TDY) travel reimbursement are inadequate, causing servicemembers engaged in such travel to incur significant out-of-pocket expenses. The Department is currently evaluating different reimbursement methods and levels of reimbursement. We concur that a mileage reimbursement plus per diem -- if set at proper levels -- would be adequate.

- (4) set maximum per diem rates in title 37 by reference to title 5, U.S. Code.

Comment. We concur in this recommendation. Such an action would eliminate the need for both military and civilian travel sponsors to separately pursue adjustments to the per diem rate.

The Department of Defense also concurs in the recommendation that the General Services Administration and the Per Diem, Travel and Transportation Allowance Committee take actions to eliminate the differences in boundaries and maximum rates of the high rate geographical areas. We will be contacting the GSA in the near future on this matter.

For those items above that require legislation, we expect to have the necessary proposals coordinated within the Department within 90 days.

Sincerely,



Robert B. Finc, Jr.
Assistant Secretary of Defense
(Manpower, Reserve Affairs & Logistics)



General
Services
Administration Washington, DC 20405

DEC 1987

Honorable Elmer B. Staats
Comptroller General of the United States
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Staats:

This is in response to the General Accounting Office's draft of a proposed report entitled: "Proposals for Improving the Management of Federal Travel" (FPCD-81-13). We appreciate the opportunity to comment.

The one recommendation specifically addressed to the General Services Administration (GSA) is that "The Administrator of General Services and the Per Diem, Travel, and Transportation Allowance Committee should take actions to eliminate the differences in boundaries and maximum rates of the high rate geographical areas (HRGA)."

We are in complete agreement with this recommendation. GSA and the Per Diem Committee are both acutely aware of the differences that have in the past been authorized in HRGA designations and maximum rates and the effective dates of implementation. GSA, in an effort to resolve these differences to the extent possible within existing statutory authority and agency policy and procedures, has increasingly coordinated its actions on behalf of civilian employees with the actions taken by the Per Diem Committee for uniformed personnel. The differences discussed in the draft report have occurred in the past primarily because of the reasons discussed below.

GSA requires that all determinations affecting HRGA designations be firmly supported by economic data either furnished by the requesting agency or developed by GSA. Agency input and requests to GSA for HRGA determinations are mostly Federal civil agency oriented which request consideration relative to areas where civil, as opposed to military, activities exist. GSA usually sets the boundaries as indicated by the requesting agency. When a military base or other such activity is outside the boundaries, GSA will subsequently include the military activity in the HRGA when so requested and when we are able to obtain firm supporting economic data for the inclusion. In some instances we have not been able to obtain supporting data for HRGA requests from the military agencies. As a result, the Department of Defense (DOD) civilian on TDY will receive a lower reimbursement allowance than their military counterparts or other civilians assigned duty in the adjacent HRGA.

Entitlement to the HRGA allowances is predicated on the location of the temporary duty point being located within the HRGA. The place of lodging is an employee's personal choice. Therefore, a temporary duty point can easily be outside an HRGA and the selected place of lodging be located within the HRGA. Consequently, a traveler's duty point dictates a reimbursement rate lower than that which is actually needed to compensate for the higher cost of HRGA lodging and meals. To alleviate this situation for civilian employees, GSA has

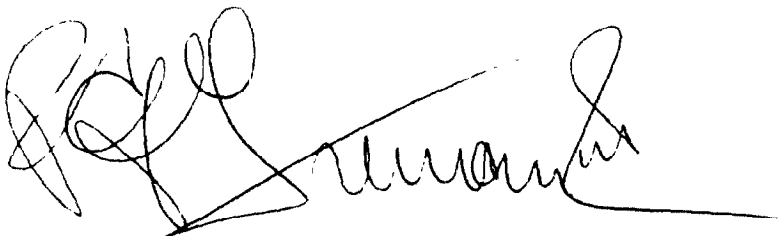
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authorized agencies (including DOD) to use this type of situation as a justification for unusual circumstances of the travel assignment to authorize actual expense reimbursement at the appropriate rate (FPMR Temporary Regulation A-11, Supplement 9, effective April 20, 1980).

The respective regulations and procedures under which the Committee and GSA implement HRGA's differ radically in the amount of time required to implement a new area designation. Generally, the military implements changes by message as needed, followed by monthly regulation changes codifying the new designations. GSA has implemented changes strictly by changing actual regulations on an annual or semiannual basis. It is our intention to increase our issuance frequency to a quarterly basis which will make our system more compatible to the military cycle. The situation could be further improved by the military submitting HRGA candidates to GSA for consideration concurrent with internal military service clearance and processing.

As stated in the draft report, GSA and the Committee share much information in designating and prescribing maximum rates. We place great emphasis on this type of cooperation, and intend to continue improving in this area. Many HRGA designations have been correlated and changed on the basis of shared information. We will take every action to eliminate future differences to the extent possible within the confines of our respective laws, policies, and procedures.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to be a cursive name, possibly "R. L. ...".

R. L. ...
...

**UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
OFFICE OF OPERATIONS AND FINANCE**

Washington, D.C. 20250

NOV 11 1980

Mr. Henry Eschwege
Director, Community and
Economic Development Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Eschwege:

As requested in your letter of October 21, 1980, we have reviewed the draft GAO report "Proposals for Improving the Management of Federal Travel", FPCD-81-13. Since there are rather extensive comments pertaining to the details of the report, we have included these in an enclosure.

The Department does not agree with the report's recommendation that use of a general travel authorization (GTA) should be restricted to only those employees whose work requires frequent, routine, temporary duty travel. The Department's GTA has provided significant cost savings by reducing the paperwork and man-hours required for issuing individual trip authorizations. When coupled with proper supervisory direction given to the traveler prior to the beginning of a trip (as required by the Department's GTA), the general travel authorization allows a cost effective means of managing and controlling most temporary duty travel.

Although the GAO report criticizes the use of the GTA, it does not present specific findings which indicate that unauthorized payments resulted from the absence of individual written trip approvals. In our opinion, therefore, the report does not support the very costly recommendation that use of a GTA be restricted to those employees whose work requires frequent, routine, temporary duty travel. However, we agree that certain types of travel mentioned in the report should be studied to further determine if these areas could be more effectively controlled by individual trip authorizations.

As part of the Department's continual review of travel management a study will be made of the approval process for the following types of travel:


- 1) Temporary Duty Travel for domestic meetings and conferences;
- 2) Non-use of AMTRAK metroliner service on the Washington, D.C. to New York corridor;
- 3) Air travel between certain cities (city-pairs) when GSA contract airline service is not used.

Mr. Henry Eschwege

2.

GAO will be informed of the results of our study.

GAO staff has done an excellent job of researching both Federal and private sector travel management practices for this GAO report. We hope our comments will serve to further enhance the final report.



DEAN K. CRWOTHER
Director

Enclosure

GAO Note: The enclosure contained technical comments, which we considered where appropriate in preparing the final report. These technical comments did not affect the conclusions or recommendations in this report.

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