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Report to Rep. David R. Obey, Chairman, House of  
Representatives: Commission on Administrative Review; by Elmer  
B. Staats, Comptroller General.

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An analysis was performed of funds available to Members of the House of Representatives to operate a Congressional office under the new allowance system effective January 3, 1977. The analysis covered clerk-hire and Members' expenses incurred in the discharge of official duties, services available in connection with official duties, and personal benefits available to Members. Findings/Conclusions: Under the new system, Members will be entitled to several annual allowances for use in official duties. Some of these allowances will be limited to specific purposes, others will be pooled and available to pay necessary expenses in any of the categories included in the pool. Total annual expenses will be from \$300,328 to \$316,751 depending on the Member's district. All allowances will be available for a 1-year period from January 3, and cannot be used beyond this period. Appropriate documentation of expenses must be submitted to the Clerk of the House. (HTW)



00307

B-145492

JAN 3 1977

The Honorable David R. Obey  
Chairman, Commission on Administrative Review  
House of Representatives

Dear Mr. Chairman:

This letter is in response to your September 28, 1976, request that we analyze the appropriated funds available to Members of the House of Representatives to operate a congressional office under the new allowance system which is to become effective January 3, 1977.

Our analysis of the allowances to be provided to Members under the new system covered the allowances to be paid from appropriated funds for clerk-hire and Members' expenses incurred in the discharge of official and representational duties. In addition, we have included information on a few of the other services and privileges available to Members in connection with their official duties. Certain benefits and courtesies of a personal nature, available to Members are also described in the enclosure to this letter.

The new allowance system for Members of the House of Representatives was developed in accordance with the rules of the House by the Committee on House Administration and is described in that Committee's "Regulations and Accounting Procedures for Allowances and Expenses of Committees, Members and Employees of the U.S. House of Representatives, Ninety-Fourth Congress, January 1977."

Under the new allowance system, Members of the House of Representatives will be entitled to several annual allowances for use in official and representational duties. Some of these allowances will be limited to specific purposes; others will be pooled and will be available to pay necessary and official expenses in any of the allowance categories included in the pool.

All of the Members' annual allowances will be available for a 1-year period from noon on January 3 of one year until immediately prior to noon on January 3 of the following year. Unexpended annual allowances cannot be used beyond the stated period.

The new regulations require Members to present appropriate documentation of all expenses submitted to the Clerk of the House for payment or reimbursement and to certify that the expenses were incurred for official purposes.

For example, the Clerk of the House will pay vouchers submitted by Members under the constituent communications allowance when accompanied by invoices and the Member's certification that the payment is for allowable printing and production of newsletters, questionnaires or similar correspondence. Also, bills for items purchased from the House Office Supply Service will be sent to Members monthly. Members are expected to note on the bills all items of an official nature and to submit a check or money order to cover items of an other than official nature.

The following table illustrates the annual allowances available under the new system to Members representing selected districts in different areas of the United States.

	Member's district		
	<u>Adjacent to District of Columbia</u>	<u>Midwest</u>	<u>Farwest</u>
<b>ANNUAL ALLOWANCES</b>			
<u>Specific purpose allowances</u>			
Clerk-hire	\$255,144	\$255,144	\$255,144
Lyndon Baines Johnson intern	1,000	1,000	1,000
Travel to and from sessions of Congress	<u>18</u>	<u>590</u>	<u>1,163</u>
Total specific purpose allowances	<u>\$256,162</u>	<u>\$256,734</u>	<u>\$257,307</u>
<u>Pooled allowances</u>			
<u>Fixed amount</u>			
Constituent communications	5,000	5,000	5,000
Official expenses outside the District of Columbia	2,000	2,000	2,000
Stationery	6,500	6,500	6,500
Equipment lease	9,000	9,000	9,000
Postage	211	211	211
<u>Variable amount</u>			
Travel allowance (Members and employees)	2,250	12,756	16,623
Telephone and telegraph <sup>1/</sup>	5,000	8,250	8,875
District office rental	14,205	7,575	11,235
Total pooled allowances	<u>44,166</u>	<u>51,292</u>	<u>59,444</u>
Total annual allowances	<u>\$300,328</u>	<u>\$308,026</u>	<u>\$316,751</u>

<sup>1/</sup>Based on the election to use WATS (Wide Area Telephone Service) or similar service. See page 7 for further discussion of the telephone and telegraph allowance.

In addition to their annual allowances, Members will have two continuing allowances: one to cover purchased electrical and mechanical equipment used in Members' Washington, D.C., offices and the other to furnish district offices. The amounts of these continuing allowances will be the same for all Members as follows:

Purchased office equipment	\$ 5,500
District office furnishings	<u>27,000</u>
Total continuing allowances	<u>\$32,500</u>

All of the allowances are discussed in greater detail below.

SPECIFIC PURPOSE ALLOWANCES

Clerk-hire

Each Member will be entitled to hire up to 18 persons for his Washington, D.C., and district office staff. The annual allowance for this purpose is \$255,144. No more than one-twelfth of the allowance (\$21,262) may be spent in any one month for salaries. Employees' annual salaries may not be less than \$1,200 or more than \$39,600.

A Member may spend a maximum of \$12,000 of the clerk-hire allowance each session of Congress for computer and related services. In addition, a maximum of \$3,000 of the clerk-hire allowance may be transferred to the equipment lease allowance each session of Congress for office equipment leasing.

from the clerk-hire allowance will be made monthly by the Clerk of the House of Representatives. Salary payments will be made only upon a monthly certification by each Member as to the amount of salary due each employee, the physical location of each employee, the performance of official duties by the employee, and the relationship of each employee to the employing Member and to any other Member of Congress.

Beginning January 3, 1978, when a Member employs a retired Federal employee, the combined total of the employee's annuity and congressional salary will be charged against the Member's clerk-hire allowance. In the interim, only the employee's salary will be charged against the Member's clerk-hire allowance, and the Clerk of the House will pay to the civil service retirement fund an amount equal to the employee's annuity.

Lyndon Baines Johnson intern

In addition to the clerk-hire allowance, \$1,000 will be available to each Member to hire for his Washington, D.C., office one additional employee--a Lyndon Baines Johnson congressional intern--for 2 months in any one year.

Travel to and from sessions of Congress

Each Member is authorized by a law enacted in 1866 (2 U.S.C. 43) to receive mileage at the rate of 20 cents a mile to be estimated by the nearest route usually traveled in going to and returning from each regular session of Congress. The regulations provide that payment is to be

computed on the basis of actual mileage traveled, not to exceed mileages shown in the Rand McNally Highway Mileage Guide plus 10 percent.

We were advised that a Member can be paid this allowance whether or not any actual travel is performed and no voucher or certification of travel is required. Upon receipt of the Member's authorization by the Sergeant at Arms of the House, the payment will be credited to the Member's account.

### POOLED ALLOWANCES

Other allowances available to Members will be considered as a pool of funds and Members may elect to transfer funds among allowances. For example, a Member representing a district adjacent to Washington, D.C., may elect to spend some of the travel allowance (\$2,250) on one or more of the seven other categories of expenses included in the pooled allowances. The ability to transfer funds among allowance will provide Members flexibility to meet their individual needs.

### Fixed-amount allowances

The amounts of some allowances will be the same for each Member. These fixed-amount allowances for each regular session of Congress are:

#### Constituent communications

Each Member will be entitled to a constituent communications allowance of \$5,000 each session of Congress, for use in the printing and production of newsletters, questionnaires or similar correspondence.

For the purposes of this allowance, production costs include stationery, envelopes, printing ink, stencils, photography expenses and all other direct supplies utilized in printing and production of newsletters.

#### Official expenses outside the District of Columbia

Each Member will be entitled to an amount not to exceed \$2,000 each session of Congress for official expenses incurred outside the District of Columbia. Official expenses are ordinary and necessary business expenses allowable under the Internal Revenue Service Code and Regulations.

#### Stationery

Each Member will be allowed \$6,500 each session of Congress for the purchase of stationery and other supplies for official purposes from the House Office Supply Service. Each Member may withdraw a sum not to exceed \$1.00 in cash from the stationery allowance each session of Congress,

Equipment lease

Each Member will be entitled to an allowance of \$9,000 each session of Congress to lease electrical and mechanical equipment. A Member may also elect to have up to \$3,000 of the clerk-hire allowance used each session for equipment leasing.

Postage

The Clerk of the House of Representatives will be required to furnish a Member, upon request, U.S. airmail and special delivery stamps in an amount not to exceed \$211 each session of Congress.

Members may also mail certain matter by use of a frank--their autographic or facsimile signature--without prepayment of postage or other indicia. There is no dollar limitation on Member's use of the franking privilege but only certain material may be mailed under the frank. The franking privilege is discussed in more detail later in this report.

Variable amount allowances

The amounts for the other allowances included in the pool vary based on criteria established by the Committee on House Administration.

Travel allowance for Members and employees  
between Washington, D.C., and home districts

A Member and employees in a Member's office may be reimbursed for travel between Washington, D.C., and a Member's district during each session of Congress. The amount of the travel allowance included in the pool is 64 times the mileage between the District of Columbia and the furthest point in a Member's district, according to the Rand McNally Standard Highway Guide, plus 10 percent multiplied by the applicable mileage rate. In no case shall the allowance be less than \$2,250. The following rates per mile apply:

<u>Distance between Washington, D.C., and Member's district</u>	<u>Mileage rate</u>
Under 500 miles	\$0.15
At least 500 but under 750 miles	.14
At least 750 but unde 1,000 miles	.13
At least 1,000 but under 1,750 miles	.12
At least 1,750 but under 2,250 miles	.11
At least 2,250 but under 2,500 miles	.10
At least 2,500 but under 3,000 miles	.09
3,000 miles or over	.08

For example, if the distance between Washington, D.C., and the furthest point in a Member's district is 2,624 miles the amount of the Member's allowance will be \$16,623 ( $2,624 + 262 \times \$,09 = \$259.74 \times 64$ ).

### Telephone and telegraph

The amount of the allowance will be the equivalent of 15,000 minutes times the highest long-distance rate per minute from the District of Columbia to the Member's district.

A Member may elect to use WATS (Wide Area Telephone Service) or similar service in his or her Washington office. This type of phone service, which is billed at a fixed monthly rate, permits outgoing calls to be made to the Member's district toll free. If WATS or similar service is used the amount of the Member's allowance will be reduced by one-half and the cost of the WATS line paid for by the Clerk of the House out of the contingent fund of the House. In no case, however, will the amount of the telephone and telegraph allowance be less than \$6,000 or \$3,000 if WATS or similar service is used.

For example, if the highest long distance rate is \$1.10 per minute the amount of the Member's allowance will be \$16,500 or \$8,250 if the Member elects to use WATS.

### District office rental

Each Member will be entitled to suitable office space in the Member's district. The Member may lease commercial office space or obtain Federal office space from the General Services Administration (GSA). In either case the amount of the Member's allowance will be 1,500 times the highest square foot rate charged by GSA to Federal agencies in a Member's district.

For example, if the highest GSA rate charged in a Member's district is \$9.47 per square foot, the Member's allowance will be \$14,205.

Members having Federal or commercial office space on January 3, 1977, whose rental fees are in excess of their allowance under the new regulations will only be charged an amount equal to the allowance. The Clerk of the House will pay the balance from the contingent fund of the House until January 3, 1978.

## CONTINUING ALLOWANCES

### Purchased office equipment

The Clerk of the House of Representatives is authorized to purchase electrical and mechanical equipment for Member's use in their Washington



offices. The total value (cost less depreciation determined on a 10-year straight line basis) of purchased equipment in use in a Member's office will be limited to \$5,500. Worn out or obsolete equipment may be replaced and the old equipment must be disposed of through the General Services Administration.

#### District office furnishings

Each Member will be entitled to have the General Services Administration outfit no more than three offices in the Member's district with office equipment, carpeting and draperies. The total cost of these furnishings cannot exceed \$27,000. Worn out or obsolete items may be replaced and the old items must be disposed of through the General Services Administration.

#### OTHER SERVICES AND PRIVILEGES NOT UNDER ALLOWANCE SYSTEM

#### Furniture and furnishings in Washington, D.C., office

Each Member is entitled to have his Washington, D.C., office provided with furniture, carpets, and furnishings. These items are supplied by the Clerk of the House upon request of the Member.

#### Franking privileges

Members may transmit certain matter through the mail by use of a frank--their autographic or facsimile signature--without prepayment of postage or other indicia. There is no dollar limitation on Members' use of the franking privilege. A lump sum appropriation is made to the legislative branch for franked mail service and paid to the Postal Service. Items included as franked mail are

- (1) matter, not exceeding four pounds in weight, upon official or departmental business, to a Government official;
- (2) correspondence not exceeding four ounces in weight, upon official business to any person;
- (3) all public documents printed by order of Congress;
- (4) the Congressional Record, or any part thereof, or speeches or reports therein contained; and
- (5) seeds and agricultural reports emanating from the Department of Agriculture.

Printing services

Members may obtain printing services from any source. The House of Representatives, however, has a Majority printing clerk and a Minority printing clerk. These clerks operate private commercial printing corporations which provide printing services to Members at a fee. The corporations furnish the equipment, supplies, and materials for the printing services, however, the House provides the corporations space and utility services without charge.

The Publications Distribution Service run by the Doorkeeper of the House provides a free wrapping and distribution service to Members for bulk mailings and official publications. For example, a Member can have a newsletter folded, inserted in envelopes, and delivered for mailing, free of charge.

Recording studio services

The House operates a recording studio which provides radio, video, and motion picture facilities for the use of Members. Members have the option of using this studio or a commercial studio to make recordings or films. The House recording studio operates through a revolving fund. Members are billed for services on the basis of fixed fees intended to recover the revolving fund operating costs; however, costs for space, utilities, and personnel are paid through appropriated funds and are not included as revolving fund costs.

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We will be pleased to discuss with you the material presented in this report, if you so desire.

Sincerely yours,

(SIGNED) ELMER B. STAATS

Comptroller General  
of the United States

Enclosure

PERSONAL BENEFITS AND COURTESIESAVAILABLE TO MEMBERSOF THE HOUSE OF REPRESENTATIVESTax benefit--deduction for living expenses

Each Member is allowed a deduction for Federal income tax purposes of up to \$3,000 for actual living expenses incurred while away from his congressional district.

Medical care

Members are provided annual physical examinations, inoculations, emergency medical care, medicine, X-rays, laboratory services, and physiotherapy services through the Office of the Attending Physician without charge. The Office will also arrange consultation services for Members with Walter Reed Army Hospital, Bethesda Naval Hospital, or private physicians. The Office of the Attending Physician is financed through legislative branch appropriations.

Members are also entitled for a fee to receive medical and surgical services at various Government hospitals. Fees are established by the responsible Government agencies.

Parking privileges

Members are provided free preferential parking at airports in the Washington, D.C., area.

Death benefit gratuity to survivors

The House of Representatives customarily appropriates funds for a payment equal to 1 year's salary to the survivors of a deceased Member.

Funeral expense payments

Under rules and regulations of the Committee on House Administration such sums as may be necessary are to be paid out of the contingent fund of the House to defray the funeral expenses of a deceased Member and to defray the expenses of the widow or widower and minor children of a deceased Member incurred in attending a Member's funeral rites and burial.

Employment benefits

Members are entitled to various benefits similar to those provided other Federal employees. The cost of these benefits, which include retirement, health insurance, and life insurance are shared by the Member and by the House.

Conditions concerning Civil Service retirement benefits are prescribed in Title 5 of the United States Code.

Members who elect to be covered under the Civil Service retirement system have 8 percent of their basic pay deducted from their pay; this is matched by contributions from the House to the Civil Service retirement fund of a like amount.

Health insurance is available to Members on a voluntary basis under the Federal Employees Benefits Program. Participating Members and the House each pay a portion of applicable health insurance premiums. The maximum monthly payment by the House in 1977 will be \$53.50, but no more than 75 percent of the total cost of any insurance plan.

Group life insurance coverage under the Federal Employees' Group Life Insurance Act is automatic for Members effective from date of taking office, if not declined. Basic coverage for Members is \$47,000 at a monthly cost to them of \$36.16. The remaining premium cost of \$18.08 a month is paid by the House.

Additional insurance coverage (optional) of \$10,000 is available. The additional premium is determined by the age of the Member. The full cost for optional insurance is borne by the Member.