

TO PROVIDE THAT THE USUAL DAY FOR PAYING SALARIES IN OR UNDER THE HOUSE OF REPRESENTATIVES MAY BE ESTABLISHED BY REGULATIONS OF THE COMMITTEE ON HOUSE ADMINISTRATION, AND FOR OTHER PURPOSES

JUNE 19, 2009.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BRADY of Pennsylvania, from the Committee on House Administration, submitted the following

R E P O R T

[To accompany H.R. 1752]

[Including cost estimate of the Congressional Budget Office]

The Committee on House Administration, to whom was referred the bill (H.R. 1752) to provide that the usual day for paying salaries in or under the House of Representatives may be established by regulations of the Committee on House Administration, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Add at the end the following:

SEC. 2. MEMBERSHIP IN HOUSE OF REPRESENTATIVES EXERCISE FACILITY FOR ACTIVE DUTY ARMED FORCES MEMBERS ASSIGNED TO CONGRESSIONAL LIAISON OFFICE.

House Resolution 1068, One Hundred Tenth Congress, agreed to April 15, 2008, is enacted into law.

Amend the title so as to read:

A bill to provide that the usual day for paying salaries in or under the House of Representatives may be established by regulations of the Committee on House Administration, and for other purposes.

GENERAL DISCUSSION

On March 26, 2009, Chairman Brady introduced H.R. 1752, a bill “To provide that the usual day for paying salaries in or under the House of Representatives may be established by regulations of the Committee on House Administration.” The bill only addresses the pay cycle for House Officers and congressional staff, and will not change or affect the statutorily set pay date for Members.

On June 10, 2009, the Committee by voice vote, with a quorum present, ordered H.R. 1752, as amended, favorably reported to the

House. There were no recorded votes taken in connection with the consideration of H.R. 1752, the amendment, or ordering the bill reported as amended.

H.R. 1752 would authorize the Committee on House Administration to change the pay cycle for employees of the House of Representatives. The committee would promulgate regulations to pay some or all House staff members, who are currently paid on a monthly basis, on some other schedule (most likely bi-weekly or semi-monthly).

The Committee has received and reviewed recommendations from both the Chief Administrative Officer (CAO) and the House Inspector General (IG). The IG listed various advantages of converting to a bi-weekly staff pay cycle with a lag as follows:

- Adoption of standardized processes
- Consistent revenue stream (about 50% of current monthly salary up to 2 weeks earlier)
- Deferred taxes
- Earlier benefits coverage
- \$57,000 reduction in payroll accounts receivable (CY2006)
- Earlier W-2 processing and year-end balancing possible
- Overtime arrears could be eliminated

Disadvantages included:

- Implementation costs
- One-time employee resubmission of forms regarding tax withholding, TSP loans, additional W-4 withholdings, and direct deposit allocations
- One-time employee rescheduling of EFT deductions
- Continued general ledger reconciliation monthly requirement

Bi-weekly pay frequency with a lag appears to have the greater number of long-term advantages, including the reduction or elimination of custom reports, optimal data entry and error corrections periods, reduction in labor intensive retroactive transactions, and distribution of personnel actions more evenly throughout the month. The IG estimates that the business process engineering required to effectuate any change will take between a year and 15 months, including the design, testing, and implementation of a bi-weekly staff pay cycle. This estimate would be applicable to the implementation of a semi-monthly pay cycle as well.

A one-time implementation cost will likely be offset by future operational savings in the Finance Office, including the reduction of errors and the remedial costs of corrections.

COMMITTEE AMENDMENT

The amendment (making permanent the authority for House military liaisons to use the House Staff Exercise Facility) which was added by the Committee by voice vote, codifies the eligibility policy for use of the House Staff Exercise Facility contained in H. Res. 1068, 110th Congress, which was adopted on April 15, 2008. The House Staff Exercise Facility is a self-sustaining operation supporting continued and improved employee health and welfare, with the attendant benefit to the House derived from employment retention and fewer and shorter employee absences due to sickness. Eligibility to join the Facility was statutorily limited to House employees.

The Committee received Member requests that on-site, active duty Armed Forces personnel be authorized to utilize the House Staff Exercise Facility in order to retain and enhance their fitness for duty. Because of the impracticality of using alternate military exercise facilities while stationed on the Hill, the House adopted H. Res. 1068 to slightly expand the eligible class to include on-site, active duty Armed Forces personnel.

Since the Facility is fully utilized by House employees during periods prior to and following the end of each workday, it is contemplated that the Armed Forces personnel will utilize the Facility consistent with military policy during off-peak periods to retain and enhance their fitness for duty when reassigned.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee states that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are as follows: The Committee believes that the prevalence of bi-weekly and semi-monthly pay periods throughout the Federal Government and the private sector, requires the House to consider adjusting to its current practice. In addition, the Committee's oversight experience with the procurement of off-the-shelf payroll software to support a once-a-month payroll system, suggests that adopting a mainstream approach to House staff pay policy will save money and reduce the need for customization, and the inevitable complexity that follows. The House will incur a one-time cost at the startup of any payroll period change, and the Committee expects it to be provided by appropriation.

STATEMENT OF BUDGET AUTHORITY AND RELATED ITEMS

The bill does not provide new budget authority, new spending authority, new credit authority, or an increase or decrease in revenues or tax expenditures and a statement under clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(1) of the Congressional Budget Act of 1974 is not required.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House, the Committee states, with respect to the bill, that the Director of the Congressional Budget Office provided a cost estimate and comparison under section 402 of the Congressional Budget Act of 1974, which follows.

JUNE 15, 2009.

Hon. ROBERT A. BRADY,
Chairman, Committee on House Administration,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1752, a bill to provide that the usual day for paying of salaries in or under the House of Representatives may be established by regulations of the Committee on House Administration, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 1752—A bill to provide that the usual day for paying of salaries in or under the House of Representatives may be established by regulations of the Committee on House Administration, and for other purposes

H.R. 1752 would authorize the Committee on House Administration to change the pay cycle for employees of the House of Representatives. Assuming that the committee would promulgate regulations to pay some or all House staff members, who are currently paid on a monthly basis, on some other schedule (most likely bi-weekly or semi-monthly), CBO estimates that one-time costs to modify or purchase required computer systems would total about \$1 million over the next two years, subject to the availability of appropriated funds.

Paying staff salaries more often than monthly also could result in a one-time shift in outlays from one fiscal year to the next, but CBO estimates that any such change would be small and would not significantly change spending in fiscal year 2009 or 2010. Enacting H.R. 1752 would not affect direct spending or revenues. The bill would only apply to employees paid by the House; payments to Members would not be affected.

H.R. 1752 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

The Committee states, with respect to clause 3(c)(4) of rule XIII of the Rules of the House, that the general discussion section of this report includes a statement of the general performance goals and objectives, including outcome-related goals and objectives, for which H.R. 1752 authorizes a pay-cycle change and any attendant requirement for funding.

RECORD VOTES

In compliance with rule 3(b) of rule XIII of the Rules of the House, with respect to each record vote on a motion to report H.R. 1752, and on any amendment offered to the resolution, there were no record votes on the motion to report the bill or on any amendment offered to the bill.

EARMARK PROVISIONS

H.R. 1752 does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on House Administration finds that Congress has the authority to enact this measure pursuant to its powers granted under article I, section 8 of the Constitution.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104-1).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

**SECTION 116 OF THE LEGISLATIVE BRANCH
APPROPRIATIONS ACT, 2002**

SEC. 116. (a) DAY FOR PAYING SALARIES OF THE HOUSE OF REPRESENTATIVES.—The usual day for paying salaries in or under the House of Representatives shall be the last day of each month, except that if the last day of a month falls on a Saturday, Sunday, or a legal public holiday, the Chief Administrative Officer of the House of Representatives shall pay such salaries on the first weekday which precedes the last day. *Notwithstanding the previous sentence, the Committee on House Administration may by regulation provide for the payment of salaries with respect to a month on a date other than the date provided under the previous sentence as may be necessary to conform to generally accepted accounting practices.*

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