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110TH CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
110–588

PROVIDING 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

APRIL 14, 2008.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

R E P O R T

[To accompany H.R. 5493]

[Including cost estimate of the Congressional Budget Office]

The Committee on House Administration, to whom was referred the bill (H.R. 5493) 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 without amendment and recommend that the bill do pass.

COMMITTEE ACTION

On April 2, 2008, the Committee, a quorum being present and by voice vote, agreed to a motion to report H.R. 5493 favorably to the House.

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 inevi-

table 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 is contained herein.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 8, 2008.

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. 5493, 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.

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

Sincerely,

ROBERT A. SUNSHINE
(For Peter R. Orszag, Director).

Enclosure.

H.R. 5493—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

H.R. 5493 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 biweekly or semi-monthly), CBO estimates that one-time costs to purchase required computer systems would total about $1 million over the next two years, subject to the availability of appropriations.

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 affect spending significantly in fiscal year 2008. Enacting H.R. 5493 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. 5493 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 Deborah Reis. This 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. 5493 authorizes a pay-cycle change and any attendant requirement for funding.

RECORD VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House, with respect to each record vote on a motion to report H.R. 5493, 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. 5493 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.

GENERAL DISCUSSION

On April 2, 2008, the Committee by voice vote, with a quorum present, ordered H.R. 5493 favorably reported to the House.

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 elimi-

nation 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 process of business process engineering will take between a year and 15 months, including the design, testing, and implementation of a bi-weekly staff pay cycle.

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.

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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