

*May 2, 1971*

STATEMENT OF  
ROBERT F. KELLER, ASSISTANT COMPTROLLER GENERAL  
OF THE UNITED STATES  
BEFORE THE  
LEGISLATIVE SUBCOMMITTEE, APPROPRIATIONS COMMITTEE  
UNITED STATES SENATE  
a ON [SUPPLEMENTAL ESTIMATES FOR FISCAL YEAR 1971] <sup>S.</sup> 309

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

We appreciate the opportunity to appear before you today to discuss our supplemental request for fiscal year 1971.

Our request for 1971 supplemental funds, totaling \$5,971,000, is for certain mandatory increases in our costs resulting from legislation enacted subsequent to the submission of our budget estimates for fiscal year 1971. The legislation to which I refer authorized two pay increases, an eight percent tax on travel by air, and an increase in the Government contributions for employee health benefits.

*omit*

The supplemental request to cover the cost of the tax on travel is included in Title I of the supplemental bill and our supplemental request for the pay increases and for the increase in the Government contribution for health benefits is included in Title II.

*full year 1971*

The Federal Employee Salary Act of 1970 (Public Law 91-231) approved April 15, 1970, but retroactive to December 28, 1969, provided a six percent increase in the General Schedule pay rates. This increases our cost for pay and related benefits in fiscal year 1971 by a total of \$3,892,000.

~~710140~~  
**094427**

6 months  
The Federal Pay Comparability Act of 1970 (Public Law 91-656) approved January 8, 1971, and Executive Order 11576, January 8, 1971, increased the General Schedule pay rates effective January 10, 1971. This increased our pay rates 5.96 percent and increases the cost of pay and related benefits in fiscal year 1971 by \$1,786,000.

Public Law 91-418, approved September 25, 1970, increased the Government contribution for health benefits, and increased our contributions to the health benefits program over 100 percent, effective January 10, 1971. [For example, under the Blue Cross and Aetna plans (the two largest plans) the Government's biweekly contribution increased for a high option family enrollment from \$4.10 to \$8.64 or almost 111 percent. For the high option single enrollment the biweekly increase was from \$1.68 to \$3.46 or about 106 percent. These increases are expected to increase our costs in fiscal year 1971 by \$173,000.]

The Airport and Airway Revenue Act of 1970 (Public Law 91-258) approved May 21, 1970, imposed an eight percent tax on the amount paid for transportation of persons by air within the United States effective July 1, 1970. About 28 percent of our travel costs have been related to air transportation and our increased cost as a result of the tax will be about \$120,000 in fiscal year 1971.

We had planned to absorb the added cost for the tax on travel by air and the increase in the Government contribution for health benefits through savings realized from expected attrition in staff.

However, because of limited employment opportunities elsewhere, we have not experienced nearly as many separations as we had anticipated. Also, we have had more returning veterans this year than our previous experience led us to expect. Because of this low turnover, we had on March 31, 1971, 51 more professional staff on our rolls than the number of average professional positions included in our 1971 budget. Thus, we will need not only the supplemental funds requested for the pay increases but also the supplemental funds for the tax on travel by air and the cost of the increase in Government contribution for health benefits.

We have furnished your Subcommittee with a justification for our supplemental request of \$5,971,000 for fiscal year 1971, and respectfully urge your favorable consideration.

We will be glad to answer any questions you may have.

1	Average No of employees - Budget 1971 -	4744
	on rolls 4/30/71	4725
	Difference.	- 19

2.	Separations - Professional Staff -	
	7/1/69 - 3/31/70 -	318
	7/1/70 - 3/31/70 -	209
	deficit	<u>109</u>