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RELEASED

September 30, 1983

The Honorable Bill Frenzel
House of Representatives

Dear Mr. Frenzel:

Subject: Cost Comparison of House of Representatives Page System Versus Regular Messenger Employees (GAO/GGD-83-108)

This report is in response to your August 12, 1983, request that we compare the cost of the present page system in the House of Representatives to the alternative cost of hiring messengers. We found that the cost of the page system, including providing classroom education and dormitory supervision for the pages, and the first year cost of salaries and benefits of the same number of messengers are almost equal. Should individual messengers stay in their jobs over a year, which would qualify them for longevity step increases on the House salary scale, the cost of the salaried messenger system would increase faster than the cost of the current page system. Because the page's tenure is limited by statute to one year, pages would not qualify for longevity step increases.

The assumptions, definitions, and calculations used to make this comparison are set forth in the enclosure.

Objective, Scope and Methodology

Our objective was to determine and compare the cost of the present House of Representatives page system with the cost of a salaried messenger system. We did not consider other alternatives for providing the services pages now provide. We considered only cost factors in our review.

We examined hearings and reports from the House of Representatives Page Board and the Speaker's Commission on Pages. We also examined a limited number of current files relating to costs of the page system under the arrangements authorized on

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June 29, 1983, by House Resolution 234. This resolution set forth revised criteria for the appointment and education of House pages.

We interviewed staff members of the Office of the Doorkeeper, Office of the Clerk, Architect of the Capitol, Library of Congress and the Subcommittee on Personnel and Police of the House Administration Committee to determine associated cost factors of both the page system and an alternative messenger system. We also interviewed supervisors at the House Page School and the Page Residence Hall.

Our review was performed in accordance with generally accepted government audit standards.

The House of Representatives Page System

Young boys have served the House of Representatives as messengers since the eighteenth century. Today, females as well as males fill the 66 permanently authorized House page positions. Twenty additional temporary summer pages have been authorized in recent years, with the costs absorbed within the budget of the Office of the Doorkeeper from vacancies in the permanent page positions. Pages act primarily as messengers, carrying notes, documents, and flags between buildings of the Capitol complex. A few pages are assigned such duties as answering telephones, paging Members on the floor, conveying oral messages, and distributing official documents.

House Resolution 611 (97th Congress) established the House of Representatives Page Board on November 30, 1982, to supervise all aspects of the House page program. The Board is composed of three members of the House, three House officials, and the Architect of the Capitol.

This year, the House has established its own school for House pages, withdrawing from its previous contract with the District of Columbia school system. This school is located in the Jefferson Building of the Library of Congress and offers an eleventh grade course of study for House pages. Pages are expected to serve for at least 1 school semester, and cannot serve longer than 1 full year or 2 semesters.

We estimated that the annual cost to the government for maintaining the page system would be approximately \$1,044,000. Most of this cost, \$606,000, is for stipends for the pages, who are paid at the rate of \$9,181 per year. The remaining costs are for benefits and education of the pages, salaries and benefits for six supervisors for the Page Residence Hall, and administrative support for the Page Board. Housing in the page

dormitory, some meals, and occasional recreational activities are provided to the pages, but these costs are offset by a \$300 per month deduction from each page's paycheck.

The Messenger Alternative

We estimate that the cost of compensating a corps of 66 new employees as messengers to carry out duties now assigned to the pages would be approximately \$1,075,000 for the first year. Our estimate is based on the assumption that 60 of the messengers would be hired at the lowest grade on the pay scale, HS-1, which pays a salary of \$11,413 per year. We were told that six positions with greater responsibilities would probably be filled at the next grade on the pay scale, HS-2, which pays a salary of \$13,125. The \$1,075,000 estimate has two components: \$764,000 in salaries for the 66 messengers, and \$311,000 for benefits including government contributions for retirement, social security, Medicare, health and life insurance. Since the messengers would be hired as independent adults, there would be no government obligation to provide education or after-hours supervision. On the other hand, independent adults are more likely to need and elect the fringe benefits available to House employees than are the pages, whose tenure is limited by statute and who are usually covered by health and life insurance under their parents' policies.

The prospect that messengers could keep their jobs indefinitely, however, also introduces an escalatory cost factor that would begin to have an effect after the first year in which a messenger alternative was instituted. This cost factor is longevity pay increases, and resulting benefit cost increases, within each basic pay grade under the House salary scale. In subsequent years, the cost of the messenger system would increase faster than the cost of the current page system because the page's tenure is limited by statute to one year, and, thus, pages would not qualify for longevity step increases. We have no basis for estimating the turnover and, consequently, the future tenure of messengers. In addition, the cost estimate for the messenger alternative assumes that all 66 messengers would be covered by both the retirement system and social security. To the extent that messengers elect not to be covered by the retirement system, the total cost of this alternative would be reduced.

Conclusion

We believe that the page system is slightly less costly than the estimated first-year cost of hiring 66 House employees as messengers. Over time this difference would increase as the messenger corps gained longevity in the job.

While your request did not ask us to consider any factors other than costs--such as, for example, historical tradition, personal benefits to the pages themselves, and problems of congressional responsibility for teenagers--ultimately such factors may weigh more heavily than minor cost differentials in Congress' evaluation of the page system and alternatives to it.

As arranged with your office, unless the contents of this report are publicly announced earlier, we plan no further distribution until 10 days from the date of this report. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

W.J. Anderson

William J. Anderson
Director

Enclosure

COST COMPARISON OF HOUSE OF REPRESENTATIVES PAGE
SYSTEM VERSUS REGULAR MESSENGER EMPLOYEES

We were requested to compare the cost of the present page system against the alternative cost of hiring regular employees of the House of Representatives as messengers. The cost of the page program is about \$1,044,000 annually and the cost to hire messengers would be about \$1,075,000 in the first year. Tables I and II (see p. 9) show the major cost categories which were considered. The assumptions and definitions used to determine the amounts shown in these tables are explained below.

PAGE SYSTEM COSTS

Table I shows the breakdown of costs attributed to the current page system. The amounts shown in the table are rounded to the nearest \$500. The cost factors considered for the page system included salaries, benefits, education, and miscellaneous costs.

Salaries

Currently 66 page positions are authorized for the House of Representatives. Each page is paid an annual salary of \$9,181. An additional 20 pages are hired each summer as part of the Summer Work Program, but no additional funding is budgeted for these temporary positions. The summer pages are paid from the appropriations approved for the full-time pages. Historically, there have always been a few vacant full-time page positions and pages in the permanent positions do not always stay through the summer. Consequently, we did not include any additional costs for the summer pages.

In February 1983, the House of Representatives opened a Page Residence Hall, which is located on two floors of the House Annex Building #1. A director, assistant director, and four proctor positions were established to manage the Page Residence Hall and to provide supervision for the pages during nonworking hours. The specific salary levels established for these positions were included in our analysis. The director, assistant director, and proctors are all required to live in the Page Residence Hall.

Under the new educational structure for the House pages, positions were established for a principal, six teachers, and an administrative aide. Authorized salaries for these positions were considered in our comparison. Additionally, three substitute teacher positions were approved at a base yearly salary of \$22,823 each. To estimate how often a substitute teacher may be required and, thus, determine a salary factor to use in our cost analysis, we queried the principal of the Page School. Based on the information he provided, a factor of

about one-twelfth of the base salary for a substitute teacher was included in our calculations of salaries for the educational positions.

In April 1983, the Page Board created a position for a full-time secretary to support the work of the Board. This secretary works for the Board on matters directly concerning the page program.

Benefits

Estimates for the government's cost for employees' fringe benefits were calculated at 35 percent of their salaries. These calculations cover retirement, health insurance, life insurance, and Medicare for the employees of the page program, excluding the pages themselves and the substitute teachers. The 35 percent includes 29 percent for retirement, which was used to show the estimated total cost to the government of the retirement system.

We were advised that, historically, very few pages have elected to be covered by any of the optional fringe benefits. An official of the Finance Office informed us, on the basis of fiscal year 1983 payroll records, that no pages elected retirement benefits and only two elected health insurance. The pages' decisions to decline these fringe benefits most probably have been influenced by the fact that, as teenagers, they are usually covered under their parents' insurance policies. Included in the page benefits, however, is 5.7 percent of the pages' salary for the government's contribution to social security, included because, beginning in January 1984, new employees will be required to pay social security taxes. The government must contribute 1.3 percent of salary costs for Medicare, which is also included in these calculations. An additional \$1,000 is also included as the government's contribution to life insurance coverage for pages who do not sign the waiver necessary to decline such coverage.

Fringe benefits costs were not considered for substitute teachers because they are not eligible for such coverage.

Other Educational Costs

In addition to the salary costs, we were informed by the Chief of the Finance Office that an additional \$10,000 is budgeted to cover operational expenses of the House Page School. These expenses would be for such items as paper, pens, typewriters, and other supplies.

The amount estimated for facilities is the annual maintenance cost for the space used by the House Page School in the Library of Congress. The Chief, Buildings Management

Division of the Library of Congress, provided cost estimates for the entire space used for classrooms by both the House and Senate pages. About half of this space is used for the classrooms reserved for the House Page School, so the "facilities" amount in Table I is half the total estimate that was provided.

Miscellaneous Costs

The bulk of this cost is an estimate for telephone bills from the Page Residence Hall, based on an examination of records for the first 5 months of 1983.

THE MESSENGER ALTERNATIVE

Table II (page 9) shows the breakdown of costs considered for an alternative system of House messenger employees hired to perform the same duties as the pages. The amounts shown in the table are rounded to the nearest \$500. The cost estimate for messengers has only two components--salaries and benefits.

Salaries

We estimated the costs of compensating 66 prospective messengers to carry out the duties now assigned to the pages to be approximately \$764,000 in the first year. This amount was determined by estimating salaries for six specialized positions and 60 regular messengers.

Officials involved with the page program believe that the several specialized positions would warrant higher salary levels than the majority of regular messenger positions because of additional duties and responsibilities they would be assigned. In the recent past, there was a similar compensation differential among the pages. Accordingly, we used an estimated annual salary level of \$13,125 for each of these positions. This salary is equal to a level 2, step 1 of the House salary schedule.

For the 60 regular messenger positions, we used an estimated annual salary of \$11,413, which is equal to a level 1, step 1 of the House salary schedule. Officials of the page program agreed that this salary would be a reasonable estimate for a messenger position. Additionally, a Bureau of Labor Statistics publication shows that the average national salary for messengers was \$10,915, in March 1983. The March 1983 Bureau of Labor Statistics area wage survey for the Washington, D.C., metropolitan area shows the average salary for messengers to range from \$9,932 to \$13,310 on an annualized basis.

Benefits

We assumed that permanent employees of the House of Representatives, as independent adults, would take advantage of the fringe benefits available to them. The government's cost for fringe benefits provided to the messengers was estimated to be about \$311,000 for the first year. These fringe benefits would cover retirement, social security, health insurance, life insurance, and Medicare. This amount is 40.7 percent of the total annual salaries of the messengers. This percentage includes the total cost to the government for the retirement system (about 29 percent) and the cost of the government's contribution for social security taxes (5.7 percent), which the government will start paying on all new employees beginning in January 1984. These calculations assume that all 66 messengers would elect to be covered by both the retirement system and the social security system. To the extent that messengers do not elect to be covered by the retirement system, the total cost of the messenger alternative would be reduced. Since we have no basis to determine how many messengers would elect coverage under both systems, we have calculated the cost for the "worst case" scenario.

TABLE ISchedule of Annual Costs for the House Page System

Salaries:		
Sixty-six Pages (\$9,181)	\$606,000	
Supervisory Positions - Director, Assistant Director, and Proctors for Page Residence Hall	69,000	
Educational Positions - Principal, Teachers, Substitutes, and Administrative Aide	191,500	
Support Positions - Page Board	<u>20,000</u>	
Total salaries		<u>\$886,500</u>
Benefits:		
Supervisory, Educational, and Support Positions	97,500	
Pages	<u>43,500</u>	
Total benefits		<u>\$141,000</u>
Other Educational Costs:		
Operations	10,000	
Facilities	<u>5,000</u>	
Total educational costs		<u>\$15,000</u>
Miscellaneous		<u>\$1,500</u>
TOTAL		<u><u>\$1,044,000</u></u>

TABLE IISchedule of First Year Costs for a House Messenger System

Salaries:		
Six Specialized Positions (\$13,125)	\$ 79,000	
Sixty Messengers (\$11,413)	<u>685,000</u>	
Total salaries		<u>\$764,000</u>
Benefits for Messengers		<u>\$311,000</u>
TOTAL		<u><u>\$1,075,000</u></u>