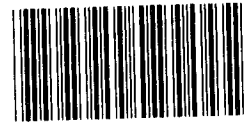


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UNITED STATES GENERAL ACCOUNTING OFFICE
Washington, D.C. 20548

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STATEMENT OF
WILLIAM J. ANDERSON, DIRECTOR
GENERAL GOVERNMENT DIVISION
BEFORE THE
COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
ON
THE BENEFITS GRANTED BY LAW
TO FORMER PRESIDENTS



119482

Mr. Chairman and Members of the Committee, I am pleased to be here today to present our views and recommendations on proposed changes in the laws that specify benefits granted to former Presidents of the United States.

The views I am presenting today do not represent new work on the part of GAO. At the request of this Committee and other Committees of Congress, we have devoted a substantial amount of time and effort during the past several years to the conduct of Presidential transitions and to auditing expenditures under the Former Presidents Act.

In keeping with the focus of today's hearing, I shall confine my remarks to aspects of the law that relate to the affairs of Presidents after they have left office, and not delve into

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equally important questions relating to incoming Presidential transition operations.

The two principal sources for my testimony today are (1) our report on the "Audit of Ford-Carter Presidential Transition Expenditures" (GGD-78-36, December 23, 1977), and work done for our testimony before the Treasury, Postal Service, and General Government Subcommittee of the Senate Committee on Appropriations on November 6 and 7, 1979. I should make clear at the outset that although we have audited several aspects of the incoming Reagan/Bush transition operations in 1981 at congressional request, that audit did not include the outgoing transition operations of former President Carter and former Vice President Mondale.

Many of the conclusions and recommendations of the 1977 report and the 1979 testimony are incorporated in the provisions of S. 1325, which the Committee has under consideration today. I would like to address several of the amendments and reforms incorporated in S. 1325, and also mention several issues which are not covered in the bill but which in our view should also be considered by the Committee. We provided written comments on S. 1325 in an August 10, 1981, letter to the Committee.

Presidential Libraries

The bulk of public expenditures relating to former Presidents are incurred under provisions of the Presidential Libraries Act enacted in 1955. It is clear that a rather modest concept of a Presidential Library prevailed at the time the act was passed by Congress. Testimony that year by the Archivist of the United States on the need for the legislation emphasized that the primary

purpose of the libraries was to bring together, preserve, and maintain Presidential papers for scholarly research. The two libraries existing at that time were relatively limited in size: The Hoover Library was 25,000 square feet, and the Roosevelt Library was 39,000 square feet. It was estimated by Archives officials during the 1955 hearings that at the end of 100 years--if 15 Presidential libraries were constructed and given to the Government--the annual net maintenance and operating cost would be about \$1.5 million for all 15 libraries.

What has happened since passage of the act? We now have seven Presidential libraries, and the fiscal year 1983 budget requests \$15.3 million for their operation and maintenance. The initial size of new library buildings gets larger, and existing libraries continue to grow through construction of new additions.

The Johnson Library is 100,000 square feet, and the Kennedy Library is 90,000 square feet. The Ford Library is actually two 40,000 square-foot buildings: the Library at Ann Arbor and the Museum at Grand Rapids. Archival storage space, maintained for the use of academic researchers, typically occupies much less space than that given over to museum uses.

We stated in 1979 that the size, uses, and thus the costs of most Presidential libraries exceed what was anticipated at the time the Presidential Libraries Act was passed. We believe that title I of S. 1325, in setting for the first time a limit to the size of a Presidential archival depository, is responsive to this concern. The 40,000 square-foot limit on the depository

size should be adequate to accomplish the primary mission of a Presidential library to preserve Presidential papers and make them available for research, while allowing for a modest and carefully planned museum.

Application of the Presidential Transition Act

We pointed out in our 1977 audit of Ford-Carter Transition expenditures that both the Former Presidents Act and the Presidential Transition Act authorize similar forms of assistance to a President leaving office, and that there were minor inconsistencies between the two statutes. Senate bill 1325 adopts the report's recommendation that section 4 of the Transition Act be repealed, so that the Former Presidents Act will govern arrangements for outgoing Presidents and the Transition Act will deal only with incoming transition operations. For all intents and purposes, the transition period is over when a new President takes the oath of office.

As a result of this change, funds would have to be available under the Former Presidents Act as soon as the outgoing Administration leaves office. There is a natural reluctance on the part of an Administration headed by a President running for reelection to request funds in the budget that would be used only if he is defeated. We believe that a provision should be added to S. 1325, comparable to that in the Transition Act, that requires a President to request an appropriation for each fiscal year in which his term will expire. This provision should require the President to include in the budget transmitted to the Congress for the fiscal year in which his regular term of office expires

a proposed appropriation providing sufficient funds to carry out the provisions of the Former Presidents Act as it would apply to him and the incumbent Vice President.

Approval of Expenditures

We also recommend that the bill specify that expenditures under the Former Presidents Act would have to be approved in advance by the Administrator of General Services, except for minor cash expenses that would be handled on an imprest basis. Our audit of the Ford-Carter transition revealed problems associated with the deposit of Transition Act funds in private checking accounts under control of the various transition staffs. This practice affected GSA's ability to control public funds for which it was responsible.

Shipment of Personal Effects

Questions have been raised in the past as to whether the Government clearly has the authority to move the personal effects of the former President and Vice President and their families to their new permanent residences. If it is the Committee's intent that the Government bear these costs, we recommend that statutory language be included in the bill to clear up the uncertainty and specifically authorize such shipments.

Secret Service Protection

Next to the cost of Presidential libraries, the provision of Secret Service protection to former Presidents, Vice Presidents, and their families has resulted in the greatest growth of costs related to former Presidents. S. 1325 would restrict the

authorization of such protection, particularly for family members and for former Vice Presidents, which should constrain the costs of protection in future years.

We note that the bill requires the Comptroller General to appoint the members of an Advisory Panel on Secret Service Protection which will review requests for extended or reinstated Secret Service protection beyond the statutory provisions. Although this does not stem from a General Accounting Office recommendation, and is an unusual role for the Comptroller General, we have no objection to it as long as the Comptroller General has no role in the activities of the Advisory Panel.

We believe that two additions to the bill would help promote the orderly conduct of the Advisory Panel's business. First, a provision should be added to specify the manner of selection of the Panel's chairperson, a subject on which the present text of S. 1325 is silent. Second, in view of the sensitive nature of the Panel's responsibilities and of the information which it will need to make judgments, we recommend that the organization be exempted from the requirements of the Federal Advisory Committee Act (P.L. 92-463).

Spousal Pensions

We have recommended that the present law specifying the allowance for a spouse of a deceased former President be changed. A 1971 amendment to the Former Presidents Act set this allowance at a flat rate of \$20,000. This provision is the only survivor provision remaining in Federal retirement system law specifying a flat rate allowance.

Section 201 of S. 1325 does adopt our recommendation to base the surviving spouse's allowance on a percentage of the annual rate provided to former Presidents. This rate has been tied since 1971 to the level of a Cabinet officer's salary, which may be adjusted from time to time as needed.

The proposed rate is two-thirds of the annual allowance provided to a former President. It might be noted that this rate exceeds the survivor's benefit proportion of the retiree's allowance under other Federal retirement systems. Under the civil service, foreign service, and military retirement systems, the maximum annuity payable to a surviving spouse is equal to 55 percent of a deceased former employee's earned pension. The Federal judicial retirement system provides that surviving spouses of Federal judges receive no more than 40 percent of the average of the judge's three highest years salaries. The spousal pension proposed in S. 1325 is obviously more generous than these plans, but we are in no way implying that it should be cut back. The Office of President obviously warrants special consideration.

Details of Federal Employees

The Former Presidents Act does not authorize the detailing of Government employees to assist a President after he leaves office. S. 1325 is consistent with our recommendation that such detailing of Federal employees be authorized on a reimbursable basis, except that it provides no time limits on this authority. We have recommended that this authority be limited to the duration of the fiscal year in which the President leaves office.

This 8-1/2 month period is the time when a former President experiences a high level of activity and requires a large staff for immediate transition purposes. After the initial transition period, a former President's staff needs should stabilize and be met by permanent staff members. Therefore we repeat our recommendation that the authority of employee details be limited to the duration of the fiscal year in which the transition occurs.

Travel Provisions

The provision in section 202 of S. 1325 authorizing payment of travel expenses for a former President and members of his staff is responsive to our recommendation that this subject should be covered by authorizing legislation, rather than through appropriations language as is currently the case.

The bill is silent, however, on another recommendation GAO has made relating to the use of Government or chartered aircraft by a former President. Although the Justice Department has determined that such aircraft could be assigned to a former President for either official or personal purposes, we do not believe that the President has the authority to assign military aircraft to a former President without reimbursement. We have also questioned the practice of depositing collections from the Secret Service for chartered aircraft travel with a former President to miscellaneous receipts.

To clarify the authority for the use of military or chartered aircraft by a former President, the appropriation to be charged,

and the disposition of any receipts from the Secret Service and others accompanying a former President, we recommend the addition of a provision stating, in essence, that,

When authorized by the President, Government aircraft may be used by a former President for transition purposes. When deemed necessary for protective purposes chartered aircraft may also be used by a former President in winding up the affairs of his Presidency. The cost of either Government or chartered aircraft would be paid with Former Presidents Act funds and any collections from the Secret Service or others for the use of space on chartered flights deposited to the credit of the Former Presidents Act appropriations.

That concludes my prepared statement, Mr. Chairman. I would be pleased to respond to any questions you or members of the Committee may have.