



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-133044

February 8, 1978

Subject Card

The Honorable Max Cleland
Administrator of Veterans Affairs
Veterans Administration

Dear Mr. Cleland:

Reference is made to your letter of November 21, 1977, and your subsequent letter of January 10, 1978, with enclosures, in which you request our review and comments in connection with the statutory requirement contained in 38 U.S.C. § 111(e) (1970) which requires that you, in consultation with the Comptroller General and certain other heads of departments and agencies, conduct periodic investigations of the actual cost of travel (including lodging and subsistence) to beneficiaries while traveling to or from a Veterans Administration (VA) facility or other place, and the estimated cost of alternative modes of travel, including public transportation and the operation of privately owned vehicles. The statutory provision requires such investigations to be conducted immediately following any alteration in the rates for per diem, mileage allowances, and expenses of travel for employees of the United States.

In your letter of November 21, 1977, you point out that such an occasion has now arisen inasmuch as the Administrator of General Services (GSA), issued regulations under 5 U.S.C. § 5707 (1976), effective September 18, 1977, which increased the mileage and actual expense allowances of Federal employees. Specifically, GSA increased the mileage rate for use of privately owned conveyance for the convenience of the Government travel by Federal employees from 15-1/2 cents to 17 cents per mile. The GSA also introduced 14 additional U.S. cities as "designated high-rate geographical areas" where actual subsistence expense reimbursement is normally authorized or approved for travel in connection with a temporary duty assignment.

In the Report on the Adequacy of Beneficiary Travel Allowances which you approved on November 18, 1977, it is stated that during 1976, and prior to the enactment of section 111(e), title 38, United States Code, your agency conducted a study as to the adequacy of VA beneficiary travel allowances. In that report and

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as announced in VA Interim Issues 00-77-19 and 10-77-18 and VA Circular 00-77-22, the new policy and rates provided, among other things, that where veterans and beneficiaries use privately owned conveyance in lieu of authorized public transportation, or where public transportation is unavailable, or its use is medically inadvisable and such travel is for purposes other than those previously determined to be for the convenience of the Government, the mileage rate be increased from 8 cents to 10 cents. Further, that the daily rate of \$12 for three meals and one single night's lodging for any 24-hour period be increased to an amount not to exceed \$20.

As to travel of veterans and beneficiaries for purposes previously determined to be for the convenience of the Government, the Report of November 18, 1977, states that you have recommended as follows:

"That the mileage rate payable to veterans and beneficiaries who must use privately-owned conveyance to report to a VA facility or other authorized place, for purposes previously determined to be for the convenience of the Government, be increased from 15 1/2 cents per mile to 17 cents per mile.

"That no increase be made at this time in the \$20 maximum payable for actual expense travel to veterans and beneficiaries for three meals and one night's lodging where overnight stay is involved."

With respect to the recommended increase in the mileage rate, after analyzing the data compiled by GSA, as it applies to beneficiary travel allowances, you determined that the recent increase in the mileage rate for Federal employees relates directly to the rate paid veterans and beneficiaries for travel deemed to be for the convenience of the Government. It is noted that the factors utilized by GSA in arriving at the 17 cent mileage rate and your approval thereof, are identical to the factors required to be considered by 38 U.S.C. § 111(e)(3). After review of all of the compiled data you have submitted to this Office, and for the reasons stated in your report, we concur in this recommendation.

In regard to the recommendation that no increase be made at this time in the \$20 maximum payable for three meals and one night's lodging where overnight stay is involved, and noting that GSA has expanded, by 14, the number of high-rate geographical areas where actual subsistence expenses are paid, we were initially inclined to suggest that the reimbursement rate for beneficiary travel be increased, at least, in designated high-rate geographical

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 areas. However, in this regard, we have noted the legislative history of Public Law 94-581, the Veterans Omnibus Health Care Act of 1976, October 21, 1976, 90 Stat. 2842, wherein the Congress expressed concern with the rapid increase in the cost of the beneficiary travel reimbursement program and by a decision by the Office of Management and Budget that further cost increases would have to be absorbed within the VA's medical program budget. In S. Rep. No. 94-1206, 94th Cong., 1st Sess. 77 (1976), it was stated that:

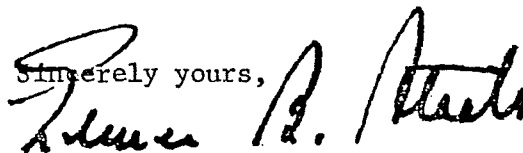
"It is thus widely understood that beneficiary travel reimbursement costs must be brought under control, especially since continued growth would likely be at the expense of more vital aspects of the VA's medical care program."

In light of the foregoing expression of congressional concern and intent, and the fact that Directors of VA facilities have been delegated the authority to increase or decrease the maximum \$20 per diem rate as they should determine, based upon prevailing meal and lodging costs in the service areas of their facilities, we concur in your recommendation that no increase be made at this time in the \$20 maximum per diem rate.

You also recommend that the 10 cent mileage rate be increased to 11 cents per mile for veterans and beneficiaries who use privately owned conveyance in lieu of authorized public transportation, or where public transportation is unavailable, or its use is medically inadvisable and such travel is for purposes other than those previously determined to be for the convenience of the Government. After review of the data utilized in arriving at the 1 cent increase in the mileage rate and for the reasons stated in your new annual report, we agree with this recommendation.

We therefore concur with your recommendations affecting certain VA beneficiary travel allowance rates and appreciate this opportunity to comment thereon.

Sincerely yours,



Comptroller General
 of the United States