

GAO Highlights

Highlights of [GAO-17-353](#), a report to congressional committees

Why GAO Did This Study

In response to government-wide direction for agencies to reduce travel costs, in November 2014 DOD changed its JTR by instituting a flat rate per diem policy on long-term TDY travel. This policy reduced the locality rate payable for each full day at the location, depending on the duration of the TDY: for TDYs of between 31 and 180 days the flat rate per diem is 75 percent, and for TDYs of greater than 180 days it is 55 percent.

The National Defense Authorization Act for Fiscal Year 2016 included a provision that GAO assess the impact of DOD's policy change to the JTR on shipyard and depot workers. This report assesses the extent to which (1) depot officials identified benefits and challenges resulting from the policy change, and any effects on civilian employees and operations; (2) DOD established clear guidance regarding the policy; and (3) DOD followed its processes when considering the policy change and included an assessment of benefits and costs. GAO collected and analyzed responses to a questionnaire disseminated at DOD's 17 depot maintenance industrial sites, reviewed relevant documentation, and interviewed cognizant officials.

What GAO Recommends

DOD should clarify certain aspects of the flat rate per diem policy; establish procedures to ensure required steps are completed before major JTR policy changes are approved; and ensure that OMB benefit-cost analysis guidelines are followed in future policy assessments. DOD concurred with all four recommendations and highlighted actions it was taking to address each recommendation.

View [GAO-17-353](#). For more information, contact Zina D. Merritt at (202) 512-5257 or merrittz@gao.gov.

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DOD JOINT TRAVEL REGULATIONS

Actions Are Needed to Clarify Flat Rate Per Diem Policy

What GAO Found

Officials at depots responding to a GAO questionnaire identified various benefits, such as cost-savings, and challenges, such as increased processing time for vouchers, resulting from the Department of Defense (DOD) Joint Travel Regulations (JTR) flat rate per diem policy change for long-term temporary duty (TDY) travel. While more than half of depot officials reported that the policy has affected civilian employees' willingness to volunteer for long-term TDYs, a majority of depot officials reported that the policy has generally not affected depot operations.

GAO's review of the JTR and analysis of questionnaire responses found that certain aspects of DOD's flat rate per diem policy are not clear. For example, the requirement to provide lodging receipts for long-term travel was replaced by a requirement to provide proof that lodging costs were incurred, but according to depot officials it is not clear what constitutes proof of lodging. As a result, the majority of the depots still require long-term travelers to submit lodging receipts. Such lack of clarity may hinder DOD's ability to achieve the policy's intended objectives, such as simplifying the administrative aspects of travel.

DOD did not ensure that certain required processes established in DOD guidance were completed prior to the policy's approval, and its assessment of the policy's costs and benefits was not comprehensive. Specifically, GAO found that prior to the flat rate per diem policy's approval certain required steps, such as providing cost data and budgetary impact statements and a legal sufficiency review, were not completed. This occurred because DOD has not established procedures to ensure that these required steps are completed prior to approving a major change to the JTR. Further, although DOD's Defense Travel Management Office (DTMO) estimated total savings of approximately \$194 million resulting from the flat rate per diem as of January 2017, GAO found that DOD's cost-savings assessment did not comprehensively consider all potential costs and benefits of the policy change. DOD guidance, which applies to all DOD components, establishes responsibilities for following Office of Management and Budget (OMB) Circular A-94 guidelines concerning benefit-cost analysis of federal programs. OMB Circular A-94 states that a comprehensive enumeration of the different types of benefits and costs, monetized or not, can be helpful in identifying the full range of program effects when conducting a benefit-cost analysis of a policy. However, DTMO's assessment of the JTR policy change was not comprehensive and did not include the full range of potential costs and benefits. For example, it included some potential costs to implement the policy, but not others, such as the cost to update the travel system with the needed functionality to support the policy. DTMO has recently developed a draft Performance Measurement Plan, which officials described as a first step in a larger effort to track and report savings from the flat rate per diem policy. However, GAO's review of the draft plan found that it also does not include a comprehensive approach to capture costs and benefits of the policy. As a result, DOD may not be well positioned to understand whether the flat rate per diem policy is cost-beneficial and meeting its objectives to reduce travel costs without negatively affecting the traveler and the mission.