

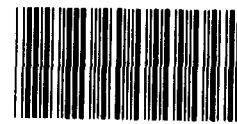
GAO

Testimony

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Presidential Transitions
Effectiveness Act of 1988
H. R. 3932

Statement of
Charles A. Bowsher, Comptroller General
of the United States
Before the
Subcommittee on Legislation and
National Security,
Committee on Government Operations,
House of Representatives



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COMMENTS ON H.R. 3932

SUMMARY OF A STATEMENT BY
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GAO supports passage of H.R. 3932, a bill which authorizes appropriations and amends some sections of the Presidential Transition Act of 1963 to improve its operation. GAO also raises some issues for Subcommittee consideration.

In summary:

- 1) In order to provide adequate public funds to carry out the transition, the bill increases the authorization for the President-elect and Vice President-elect from \$2 million to \$3.5 million. In addition, the authorization is indexed to provide for increases in the cost of transition services and expenses in future transitions. GAO supports these provisions.
- 2) The bill provides for disclosure of private financial contributions to the transition. GAO supports this section, but also suggests the Subcommittee consider including a provision for the audit of such funds.
- 3) The bill mandates disclosure of the names, most recent employment, and funding sources of all transition personnel including volunteers. GAO supports such disclosure.
- 4) The bill's provision regarding support to former Presidents needs clarification to eliminate a 1-month gap in providing funds to the former President and Vice President before the Former Presidents Act takes effect. GAO has provided language to the Subcommittee to correct that problem.
- 5) GAO supports provisions for the use of government aircraft on a reimbursable basis and for the allowance of expenditures by the President-elect and Vice President-elect for up to 30 days after inauguration.
- 6) GAO provides clarifying language to further ensure that the bill achieves its purpose of permitting transition personnel who subsequently receive political appointments the same transportation benefits available to other appointees.

Mr. Chairman and Members of the Subcommittee, I am pleased to be here today to discuss H.R. 3932, the Presidential Transitions Effectiveness Act. The bill authorizes appropriations and amends some sections of the Presidential Transition Act of 1963 to improve the act's operation.

We support passage of H.R. 3932 with a few minor modifications. Its provisions would further ensure the smooth transfer of power between incoming and outgoing administrations. Our audits of every transition since the act was passed support the need for the changes this bill proposes.

I will discuss, for the Subcommittee's consideration, our views on four aspects of H.R. 3932: the amount and indexing of funds; disclosure provisions which would address potential conflicts of interest; the provision of funds to the outgoing President and Vice President; and several administrative matters.

Amount and Indexing of Transition Funds

First, the bill increases the amount and indexes the transition funds for inflation. The intent of the bill is to provide adequate public money to eliminate the need for a President-elect to seek private funding for the transition. If the Presidential Transition Act is to function as intended, federal assistance must cover a substantial part of the transition

expenses. This bill, by increasing the appropriation for the President-elect and Vice President-elect from \$2 million to \$3.5 million, should accomplish the objective of reducing the need for private funding. In addition, by providing for future increases through indexing the authorization under the Presidential Transition Act to compensate for subsequent increases in the cost of transition services and expenses, this legislation reduces the likelihood that future Presidents-elect will be faced with inadequate federal transition funds.

Providing Adequate Disclosure

Second, the bill provides for disclosure of private financial contributions and expenditures as a condition to receiving public transition funds. This disclosure provision should increase accountability for transition operations. This legislation does not, however, explicitly provide for audit of these private contributions and expenditures. Because being subject to audit has a positive impact on the accuracy of financial reporting, the Subcommittee may wish to include provisions for audit and the requisite authority for access to the records involved.

The bill also mandates disclosure of the names, most recent employment, and funding sources of all transition personnel including volunteers. The bill requires the disclosure prior to transition personnel making contact with federal departments and

agencies. This provision should materially assist in guarding against potential conflicts of interest, and we support it.

Expenditures for Former Presidents

Third, the present Transition Act provides funding support for the outgoing President and Vice President during the 6 months following inauguration of the incoming administration. H.R. 3932 would allow this 6-month period to begin 1 month prior to the inauguration to facilitate the acquisition of office space and furnishings needed to relocate the outgoing President and Vice President. We support this provision. Currently, there is no provision allowing advance funding for the departure of the outgoing President and Vice President.

However, in order to provide continuity of support for the outgoing President and Vice President, the period of transition funding availability needs to be extended by 1 month. Under existing law, the Former Presidents Act does not provide support to the former President and Vice President until 6 months after they leave office. With transition act funds being available for 6 months starting 1 month prior to the outgoing President leaving office, H.R. 3932 would result in a 1-month gap in support for the former President and Vice President. We have provided language to the Subcommittee to address this issue.

Several Administrative Matters

Finally, the bill contains provisions for several administrative changes to the Presidential Transition Act. First, we fully support the provision for the use of government aircraft on a reimbursable basis. This responds to recommendations we have made in the past to provide a fuller accounting of transition expenditures.

Second, allowing expenditures by the President-elect and Vice President-elect for up to 30 days after the inauguration provides for a more orderly termination of transition operations than currently exists.

Finally, we endorse the intent of section 5 to provide reimbursement for moving expenses to officials involved in the transition who later accept appointments in the new administration. Existing law permits payment of travel and transportation expenses of persons appointed by the President to positions paying the equivalent of a GS-16 salary or above. Payment is available even if the individuals have not been appointed at the time of the travel. However, existing law has been interpreted to preclude payment to those who move during the transition in the expectation of an appointment after the President takes office.

While H.R. 3932 would extend reimbursement to these individuals, the language in the bill needs to be clarified to assure that those who move during transition and then receive appointments are treated the same as other appointees. We have provided to the Subcommittee proposed language which we believe would better accomplish the bill's purpose of putting those who move during the transition and are appointed afterward on the same footing as other appointees.

This concludes my remarks. I would be happy to answer any questions the Subcommittee may have.