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March 4, 2013

Adjustments to MRAs

Dear Colleague,

As previously communicated by the Committee, MRA authorizations must be adjusted to reflect the reduced spending levels detailed in Friday's sequester order issued by the Office of Management and Budget (OMB).

To achieve the mandatory reduction, the 2013 MRA authorization each Member received February 15, 2013, has been reduced by 8.2%. Each office will receive a follow-up letter from the Committee confirming the exact amount of its adjusted 2013 MRA.

While each Member must determine how his or her office will absorb this reduction, the Committee has issued sequestration FAQs to help Members with their decisions. The FAQs are located on the Committee's website at www.cha.house.gov.

For specific questions related to your 2013 authorization, please contact the Committee on House Administration at x58281.

Sincerely,

Candice S. Miller
Chairman

Frequently Asked Questions on Sequestration

Issued by the Committee on House Administration
Monday, February 25, 2013

What is a "sequester?"
A "sequester" occurs when, according to law, the Office of Management and Budget ("OMB") issues an order requiring across-the-board spending cuts to almost every program, project, or activity.

Why is the "sequester" occurring?
Pursuant to the Budget Control Act of 2011 and the American Taxpayer Relief Act of 2012, on March 1, the OMB is required to issue sequestration orders that reduce discretionary spending to amounts below the caps set in the Budget Control Act as amended by the American Taxpayer Relief Act of 2012.

What does program, project, or activity mean?
The OMB, as required by the Sequestration Transparency Act of 2012, has described programs, projects and activities as those "delineated in the appropriation Act or accompanying report for the relevant fiscal year covering that account, or for accounts not included in appropriation Acts, as delineated in the most recently submitted President's Budget."[1]

What does this mean for the Legislative Branch?
The Salaries and Expenses account within the House of Representatives appropriation is considered program, project, or activity and is therefore subject to the sequester. Accounts included in the automatic cuts are the Members' Representational Allowance, the committees' allowance, and leadership allowances.

What is the amount of the sequester?
Based on the latest CBO estimates, the amount of the sequester would be at least 5.3 percent of the annual FY 2013 appropriated level for each covered account. These numbers, however, could vary if OMB determines a different percentage is required to reach discretionary spending caps. Since five months of FY 2013 have already passed during which spending continued at previously appropriated (i.e., higher) levels, the *effective* rate of cuts to each covered account for the remaining months of FY 2013 amounts will likely be higher than 5.3 percent. The exact reduction will only be known if and when OMB issues a sequester order.

When is the effective date of the sequester?
March 1, 2013. If OMB issues a sequester order, House Administration will work with the Appropriations Committee to determine exact funding levels and adjust MRA and committee authorizations accordingly. Each office will be notified of its adjusted authorization.

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[1] The OMB report pursuant to the Sequestration Transparency Act of 2012 is available at http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/stareport.pdf.

How long will the sequester last?
Under current law, the discretionary budget caps required by law last through FY 2021. However, Congress and the President may change this at any time.

Are staff salaries impacted?
According to the Government Accountability Office, civilian salaries not subject to statutorily structured pay rates (e.g., GS Pay Scale) are not protected from sequestration. Therefore, Members and committee chairs are free to choose how they manage cuts to their office budget – including staff salaries.

Can Members furlough staff to meet budget reductions?
Yes. Members may furlough staff to help meet the statutorily mandated cuts. Alternatively, Members may reduce staff salaries. Individuals making decisions as they relate to staff salaries or furloughs may wish to contact the Office of House Employment Counsel (x57075) before making these decisions.

What is a furlough?
A furlough is the placement of an employee in a temporary non-duty, non-pay status because of lack of work or funds, or other non-disciplinary reasons. More information is provided below, and is also available by contacting your applicable human resources official or office.

What factors should an office use in determining which employees to furlough?
Each employing authority should use only non-discriminatory factors when making the determination as to whether a particular employee should be furloughed or have their salary adjusted, in order to avoid violating the Congressional Accountability Act. Among other things, the Congressional Accountability Act prohibits employing authorities from discriminating against employees based on an employee's race, color, religion, sex, age, national origin, military service and disability. House Rules also prohibit discrimination based on marital or parental status. If an office decides to furlough some but not all employees that hold the same job classification or perform the same (or substantially similar) duties, the office should use non-discriminatory factors, such as seniority or area of expertise, in making those decisions. Offices should document the nondiscriminatory reason why a particular employee was furloughed, while another employee was retained, in the event that a question is later raised as to the basis for a furlough determination. Individuals making decisions as they relate to staff salaries or furloughs may wish to contact the Office of House Employment Counsel (x57075) before making these decisions.

Is a furloughed employee still an employee of the House?
Yes, furloughed employees continue to occupy a payroll slot. Furloughed employees are still bound by the applicable rules concerning outside employment. Employees should consult with their applicable human resources official or office for more information on furloughs.

If I furlough an employee, can he/she still come into work?

No, if you have decided that an employee is furloughed, he/she cannot perform official duties, (either at the office or at home). According to the Anti-Deficiency Act and certain House rules, an employee ***cannot*** volunteer services.

Can an employing office communicate with a furloughed employee during the furlough?
As explained, a furloughed employee may not perform official duties and may not volunteer his or her services. Therefore, an employing office may not communicate with a furloughed employee about official duties and the furloughed employee may not perform official duties by email or telephone. To ensure compliance with this rule, employing offices may require furloughed employees to turn in their blackberries, laptops, and cell phones and should require furloughed employees to set an "out of office" message on their email accounts. If the furlough duration is undetermined, an office may contact employees to notify them to return to work.

Can a furloughed employee use annual and/or sick leave in lieu of furlough?
No, an employee is not eligible to use annual or sick leave during furlough. Employees still receive salary when on annual and/or sick leave. Therefore, the employee cannot use their annual and/or sick leave. Employees on FMLA leave involve unique obligations.

Can a furloughed employee attend training?
Furloughed employees should not attend any scheduled training. All approval to attend training for furloughed employees during the furlough should be canceled.

What is the process to place an employee on furlough? [How will employees be notified when furloughs begin and end?]
Each employing authority (Member, chairman, and member of leadership) determines which employees are furloughed. Upon determination to furlough employee(s), each office must submit a Furlough Authorization Form (available on HouseNet) signed by the employing authority to the Office of Payroll and Benefits by that month's payroll deadline.

Can staff volunteer to be furloughed?
Yes, individuals can volunteer to be furloughed. Even if an employee volunteers to be furloughed, he/she may still be required to report to work and perform their usual duties. Whether to volunteer for furlough is the individual prerogative of each employee. The voluntary furlough form (which is located on HouseNet) provides only one basis by which the employing authority will determine whom to furlough. The employing authority is not bound by an employee's willingness to volunteer to be furloughed.

Is it possible to rotate employees as furloughed/non-furloughed when they are in similarly-situated job duties?
Yes, offices may rotate employees in the same or similar job duties so long as they use objective criteria to determine the change in status.

Do I qualify for unemployment compensation during a furlough?
State unemployment compensation requirements differ; it is possible that some employees may be eligible for unemployment compensation. For information, contact your state's unemployment office.

Can I take another job while furloughed?
Yes, but remember that even while on furlough, the furloughed individual remains a government employee. As such, they must be available to return to work when called back to work by their supervisor. The employee must also abide by the applicable rules and standards of conduct and not engage in outside employment that conflicts with their official duties.

Would a sequestration impact employee benefits?
Although government contribution accounts are not exempt from sequestration, the exact impact to benefits is unclear at this time. The Chief Administrative Officer will notify Members and staff prior to the implementation of any changes.