tion was to be made of the need for reemployment leave travel benefits when these territories became States.

Our review disclosed, that many Federal employees were obtaining these travel benefits although they had lived for many years in, had registered to vote in, and had bought homes in, Alaska or Hawaii. Under existing law, these employees, because they were considered to be nonresidents of Alaska or Hawaii at the time of appointment or transfer, are permanently entitled to reemployment leave travel benefits; whereas employees who were considered to be permanent residents of Alaska or Hawaii when they were hired are not entitled to these benefits.

To ascertain whether similar benefits were provided by private industry to employees from the United States mainland, we inquired into the policies of several of the larger corporations having offices in Alaska or in Hawaii. Seven of the nine corporations we queried advised us that they did not provide employees from the United States mainland with transportation to the mainland for the purpose of vacationing.

Although entitlement to reemployment leave travel benefits is based upon the employee's actual residence at time of appointment or transfer, the implementing Bureau of the Budget regulations do not define "actual residence." As a result, many employees are obtaining benefits on the basis of administrative determinations of actual residence which appear to be questionable.

The Government's cost for reemployment leave travel benefits to employees in Alaska and Hawaii amounts to about $1.4 million a year. We did not estimate how much of this amount could be saved by terminating benefits for employees who become established residents of Alaska or Hawaii and by applying more restrictive criteria in determining the employee's place of actual residence at time of appointment or transfer. We believe, however, that the savings from such actions would be significant.

The matters discussed in this report were brought to the attention of the Bureau of the Budget and several Federal agencies having employees in Alaska and Hawaii. The Bureau of the Budget and these agencies generally agreed that provision should be made for terminating reemployment leave travel benefits for employees who become established residents of the States of Alaska and Hawaii and that there is a need to clarify the intent of the law with respect to an employee's actual residence at time of appointment or transfer.

We recommended that the Bureau of the Budget, under its existing authority, specify criteria for determining "actual residence at time of appointment or transfer," for the guidance of administrative personnel responsible for determining the entitlement of employees to reemployment leave travel benefits.

We suggested that, because conditions affecting the recruitment and retention of civil service employees in Alaska and Hawaii have changed since enactment of the legislation providing for reemployment leave travel benefits and because there is no provision for terminating such benefits in the light of changed conditions, the Congress may wish to consider legislation providing for discontinuing reemployment leave travel benefits when they are no longer appropriate.