

BRADLEY H. PATTERSON

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TO SERVE *the* PRESIDENT

CONTINUITY *and* INNOVATION
in the WHITE HOUSE STAFF



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The Cost of the Whole White House

Introductory note: This chapter was originally entitled “The Budget of the Whole White House.” Can’t do that. There is no such thing. It doesn’t exist. There is no sheet or document or brochure, produced by any executive or legislative author, that lays out all of the expenses of the complete White House. That will only be found here—and readers should prepare themselves for some surprises.

What are the annual dollar costs, for a typical year, of operating the modern presidency—of running the White House, the whole White House? One of the reasons that question has never been answered (and perhaps never even asked) is because the pathway to the answer is so complicated. One may start with the tab “White House Office” in the annual congressional budget submission of the Executive Office of the President, but that is only an initial fraction. In addition, twenty-two other budget accounts, thirteen of them in other departments, or parts of departments, pay the expenses, and the salaries, of men and women who are in fact members of the White House staff family. Not only are those costs scattered through those twenty-two other budgets, but in at least nine of them the dollars are not in any fashion identified as *White House*. Realistic estimates have to be made. Some of those thirteen agencies (such as the Postal Service and the National Archives) provide services directly to the White House. Sixty people in the vice president’s office and one hundred seventy-eight people on the National Security Council staff work in those offices beyond the numbers publicly counted. What is the dollar value of all those services? Executive Order 12028, signed by President Carter on December 12, 1977, actually mandates that the Office of Administration (OA) “shall, upon request, assist the White House Office by performing its role of providing those administrative services which are primarily in direct support of the President.” How much of the \$91,745,000 appropriated to the OA in fiscal year 2008 is contributed to the White House pursuant to that provision? One former OA director told the author it would be

fifty percent; a more recent director estimated one-eighth. The White House chief of management and administration says it is “difficult to quantify.” The author agrees that it *is* difficult, but for the purpose of this book, uses the one-eighth estimate, which may be much too low. In addition, several of the costs and salary contributions are security-classified, with no estimates offered. The total given in this chapter, accordingly, is tens of millions too small.

Definitions

Definitions are crucial. What is meant by “the whole White House”? In this chapter, the twenty-three separate accounts that make up the costs of the “White House” are: (1) the compensation of the president, (2) the Executive Residence, (3) repair and restoration of the Residence, (4) the Office of the Vice President, (5) the residence of the vice president, (6) the White House Office, (7) the Office of Policy Development, that is, the domestic and national economic policy councils, (8) the National Security Council, (9) one-eighth of the Office of Administration, (10) the “unanticipated needs” account in the Executive Office of the President, (11) the General Services Administration White House Center Service Delivery Team, (12) the White House branch of the U.S. Postal Service, or are found in (13) the National Archives and Records Administration, (14) the Department of State, (15) the Defense Information Systems Agency (DISA) of the Department of Defense, (16) the U.S. Air Force of the Department of Defense, (17) the U.S. Marine Corps of the Department of Defense, (18) the Navy Seabees corps of the Department of Defense, (19) the presidential protective units of the U.S. Secret Service (in the Department of Homeland Security), (20) the Office of Personnel Management (which funds the President’s Commission on White House Fellowships, (21) the National Park Service White House Liaison Office, (22) the White House Visitor Center (in the National Park Service). In addition (23) are the costs, scattered in various departments, of the detailees from those departments; a portion of these costs are borne by the White House.

White House in this book does *not* include the other major units of the Executive Office of the President, namely, the Office of Management and Budget, the Council of Economic Advisers, the Office of National Drug Control Policy, the Office of Science and Technology Policy, the U.S. Trade Representative, the Council on Environmental Quality, and the other seven-eighths of the Office of Administration.

The Development of the White House Expenditures

The fact that the sources of regular annual funding for the above-defined White House elements are so many—and are buried in such an array of different

appropriations accounts (some of which are classified)—puts a considerable burden on the presidential scholar trying to illuminate the total, real cost of the modern White House.

The first surprise: it is not the White House staff but the Office of Administration that does the detailed preparatory work on planning the expenditures for the White House functions one through ten. (OA also provides that service for the rest of the Executive Office of the President.) The White House deputy chief of staff for operations and the chief of staff set initial targets, and the various White House staff offices involved then bring their annual budget pleas to the chief financial officer of the OA, who presents them to the OA director and finally to the deputy assistant to the president for management and administration. If any controversies arise in this process, she will get them settled with the help of the deputy chief of staff for operations and if necessary with the White House chief of staff. At the end of the process, each January, the chief of staff provides feedback on the individual sections of the Executive Office budget for the White House Office (functions one through ten, as well as the overall figure for those ten accounts) to the OA's chief financial officer. It is this office that compiles and transmits an annual combined budget presentation entitled "Executive Office of the President—Congressional Budget Submission," and it is this document that includes the budget proposals for the White House Office and those other nine accounts as well as the requests of the other Executive Office units. The table on the next page portrays the dollars appropriated for the ten accounts during the first seven years of the Bush administration. It is these ten accounts that constitute the most familiar schema of *the White House*. The principal increases have occurred in the Homeland Security Council.

The various individual departments and agencies handling accounts eleven through twenty-two go through their own internal budget-development processes and, with some consultation with the White House and with the Office of Administration, they build in agreed amounts for those functions. The commander of Camp David, for instance, inserts his dollar request into the Seabees subsection of the appropriation for the United States Navy; the U.S. Secret Service requirements are included in the budget request of the Department of Homeland Security.

The Congressional Appropriations Process

The heads of each of those requesting departments, usually accompanied by the responsible assistant secretaries, appear before their respective appropriations subcommittees. The White House (and the Executive Office of the President) budget proposal is submitted to the House and Senate Appropriations Subcommittees on Financial Services and General Government. Consistent with tradition, no one on the White House staff testifies before the committees; it is the

The Budget of Part of the White House

As enacted by Congress with applicable rescissions (except for fiscal year 2007, which is the amount requested by the president in January 2006)

Thousands of dollars

Office	Fiscal year						
	2001	2002	2003	2004	2005	2006	2007
President	390	450	450	450	450	450	450
White House Office	53,171	54,611	50,385	68,760	61,504 ^a	53,292 ^b	51,952
Executive Residence	10,876	11,686	12,149	12,147	12,658	12,312	12,041
Residence repair	968	8,618	1,192	4,200	1,885	1,683	1,600
Vice president	3,665	3,922	4,040	4,435	4,534	4,419	4,352
VP residence	353	318	322	329	330	322	317
Office of Policy Development	4,023	4,139	3,230	4,085	2,282	3,465	3,385
National Security Council	7,149	7,488	7,770	10,489	12,160 ^c	8,618	8,405
1/8 of Office of Administration ^d	5,455	5,866	11,364	10,292 ^e	11,441	11,054	12,802
Unanticipated needs	3,492	1,000	994	994	992	990	11,789 ^f
Subtotal	89,540	98,098	91,896	116,461	108,236	96,596	107,093
Homeland Security Council ^g	0	26,000	19,272	(7,231)	(2,475)	()	()
Total ^h	89,540	123,098	111,168	116,461	108,236	96,596	107,093

Source: Prepared by the author from the series of the annual Office of Administration's *Executive Office of the President Congressional Budget Submissions*, and with the assistance of officers in OA.

a. From fiscal year 2004 for the White House Office, this figure represents \$1,394,000 in personnel costs, and \$1,744,000 in other expenses, but these increases were offset by some \$8,411,000 in rental costs (for those White House units located in the Eisenhower Executive Office Building) and by other related charges that have been moved out of the White House Office budget into Office of Administration accounts.

b. In this account, \$9,000,000 has been transferred to the Department of Defense (the Defense Information Systems Agency) for reimbursement for the White House Communications Agency for its providing the White House with nontelecommunications support (such as audiovisual services).

c. Includes a \$3.3 million allocation from the fiscal year 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States (Public Law 107-38) for improvements to the White House Situation Room.

d. According to the Office of Administration, one-eighth of its staff and funds directly serve the president—akin to the White House Office—pursuant to Section 3(a) of Executive Order 12028 of December 12, 1977.

e. Some of OA's total fiscal year 2004 budget has subsequently been transferred out to the Office of Management and Budget accounts. The fiscal year 2005 OA request included \$11,337,000 in incoming transfers, including the \$8,411,000 referred to in note a.

f. In fiscal year 2005 Congress added to the president's Unanticipated Needs account \$70,000,000 in supplemental funds specifically to be made available to the American Red Cross for "reimbursement of disaster relief associated with Hurricanes Charley, Frances, Ivan and Jeanne." At that time, this specific supplemental was not counted as part of the Executive Office of the President appropriation. There remains \$10,789,000 unexpended from that supplemental. For fiscal year 2007 the Executive Office requests that this remainder be added to the regular Unanticipated Needs account of \$1,000,000 that is "provided for the President to meet unanticipated needs in furtherance of national interest, security or defense."

g. Beginning with fiscal year 2004, funds for the White House Homeland Security Council have been included in the appropriation for the White House Office.

h. The components in this table, and totaled on this line, are all those elements that fit the author's definition of White House staff.

OA director who bears the responsibility for testifying in support of the combined Executive Office of the President submission. The OA director, the OA chief financial officer, and the director of the Office of Management and Budget are normally the only witnesses who actually testify in person, with the OMB director defending the budget request for OMB itself. (Occasionally the subcommittee will ask to hear from the heads of the trade, drug, and sciences offices of the Executive Office. The Secret Service testifies before the Homeland Security Appropriations Subcommittee; the director himself is the principal witness.)

Any public hearing the House subcommittee might hold on the White House requests is generally a routine affair. Few members attend because so many other committees compete for the members' time; almost no one from the public shows up. Collectively the subcommittee members may unload 150–160 questions—"administrivia" one observer termed them—that the OA director tries to answer on the spot or promises inserts for the record. In February 1992 the House Post Office and Civil Service Committee, led by Democratic Representative Paul Kanjorski, undertook an election-year vendetta against the White House then occupied by George H. W. Bush. Question after question was flung at the weary testifiers (a sample: How many floral arrangements, invitations, banners, streamers, balloons, and other decorative items were used for each event at the White House or at the residence of the vice president during 1991?) Thousands of pages were generated in response.

In recent years, a member of the subcommittee or its chief clerk may have been invited for lunch in the White House Mess; the chief usher was several times invited up to Capitol Hill to meet with members or staff informally concerning White House entertainment expenses. Appropriations staff members have come down to see the revamped Situation Room, "so they knew what the money was for," explained Deputy Chief of Staff Joseph Hagin. Another surprise: during 2005, 2006, 2007, and 2008 however, neither the House nor Senate subcommittee even scheduled testimony by the OA officials about any of the White House accounts; whatever negotiations occurred about budget figures in accounts one through eleven are handled by members and staff informally. At one point during Bush's first term, Chief of Staff Andy Card had to get on the telephone with appropriations committee staff members; they were trying to fatten the White House budget beyond the president's and Card's priorities.

Beginning with the fiscal year 2004 budget presentation, the president has, every year, asked Congress to create a consolidated appropriation account, to be called "the White House," which would be made up of elements numbered here as 1, 2, 3, 6, 7, 8, and 9, plus all of the Office of Administration plus the Council of Economic Advisers. The appropriations subcommittees have not been persuaded by this recommendation and each year have rejected it. "They don't want to weaken any oversight," commented one Appropriations staffer.¹ In the same fiscal year 2004 request, the president also asked for authority to transfer up to

10 percent of any one of the appropriations for the nine accounts and the Executive Office accounts to any of the others, providing that the transfer would not increase the receiving account by more than 50 percent and providing that he give fifteen days advance notice to both appropriations committees. Congress gave him only partial authority to shift funds among some elements but is not at all enthusiastic about conferring anything more than minimum spending flexibility to the chief executive.

In 1998 the appropriations committees became annoyed at the lateness of payments of reimbursements due the White House from political or other recognized groups that are invited to sponsor events in the Executive Residence. A requirement was written into the appropriations statute, and remains there today, that a group sponsoring a political event must pay for the estimated cost of that event in advance, must be notified about any costs beyond the estimate within sixty days of the event, must pay these charges within thirty days of the notification, and must be charged interest and penalties if the reimbursement has not been made within that deadline. The national committee of the president's political party, furthermore, must maintain a separate deposit of \$25,000 to cover costs of events it sponsors in the Residence.

Floor debate on the White House budget “doesn’t seem to attract much of any attention,” one insider observed.

The Total Costs of the Whole White House

As already mentioned, there is no one document, except this book, that describes, or even lists, all of these twenty-three accounts together—the total expenses of the modern White House in its entirety. There is no such single, overall budget presentation made either to the Office of Management and Budget or to Congress. The several departments that contribute to the White House total keep in informal consultation with the White House deputy chief of staff for operations.

The author recognizes that some readers may take exception to the definitions used in this chapter, and in this book. Are Secret Service protective costs White House costs? From his fourteen years of service in the White House, the author is very much aware of how intense the bond of connectedness is between staffers at the White House and the uniformed and civilian-dressed men and women of the United States Secret Service. They are everywhere in the White House, warmly appreciated, and deeply respected for their professionalism and dedication. The White House staff's very lives are in their hands. Is Camp David, are the presidential helicopters, parts of the White House? Inseparable, indispensable.

A perfectionist could argue that the definitions are not broad enough. The author has omitted the costs, for example, that the Federal Bureau of Investigation contributes to the presidency by eating the expenses of its security investigations

of White House employees, or that the District of Columbia contributes when D.C. fire engines are stationed on the Ellipse when the presidential helicopter lands or takes off. These definitions used in this chapter, and their consequential costs, are stated specifically and are not glossed over or hidden as may be the case with some who would claim to describe the modern presidency.

To many readers, these cost figures may seem surprisingly large. But readers should need no reminding that this is the office of the chief executive of a \$3 trillion government—a government currently at war, with its security forces on duty, under the chief executive's command, in virtually every corner of the planet. The figures may seem large because this is the first time that they have been collected together in one document. They can be made to appear smaller by not talking about them, a deception in which this author will not engage.

Total Cost of the Whole White House for Fiscal Year 2008

1. Compensation of the president (including an expense allowance of \$50,000) ²	\$ 450,000
2. The Executive Residence operating expenses	12,814,000
3. The Executive Residence—repair and restoration	1,600,000
4. The vice president's downtown office	15,511,960 ³
5. Residence of the vice president—operating expenses	320,000
6. The White House Office (including the Homeland Security Council)	53,656,000
7. Office of Policy Development (the Domestic Policy Council and the National Economic Council)	3,482,000
8. National Security Council	30,300,820 ⁴
9. One-eighth of the Office of Administration, for direct services to the president pursuant to Section 3(a) of Executive Order 12028	11,468,125
10. The president's unanticipated needs	1,000,000
11. White House Center Service Delivery Team (in the GSA budget)	26,000,000
12. U.S. Postal Service, White House branch	726,000
13. National Archives professional archival support of the White House	1,000,000
14. Value of gifts supplied by the Department of State for presentation to foreign leaders at White House official entertainment functions	50,000
15. White House Communications Agency (in the budget of the Defense Information Systems Agency)	173,900,000
16. <i>Air Force One</i> (in U.S. Air Force budget)	(classified)

17. Helicopter squadron <i>HMX-One</i> (in the Marine Corps budget; this is the fiscal year 2008 appropriation segment of a fifteen-year-long procurement of twenty-eight new helicopters; but see the text on page 378)	271,000,000
18. Camp David (in the Navy/Seabees budget)	7,900,000 ⁵
19. Salary costs for 2,300 employees in above units 15, 16, 17, and 18 (all in the budget of the Department of Defense) ⁶	151,800,000
20. U.S. Secret Service (in the budget of the Department of Homeland Security) ⁷	
Protection of persons and facilities	689,535,000
For protective intelligence activities	57,704,000
For handling “special security events,” such as the 2009 Inaugural	1,000,000
For screening of White House mail	16,201,000
Operations of the James J. Rowley Training Center	51,954,000
Improvements at the James J. Rowley Training Center	3,725,000
21. Commission on White House Fellowships (in the budget of the Office of Personnel Management)	850,000
22. National Park Service White House Liaison Office, including the White House Visitor Center (in the budget of the National Park Service)	8,700,000
23. Cost of detailees who work more than six months in a calendar year	227,349
Total Cost of All White House Elements, for fiscal year 2008:	\$1,592,875,254

In reviewing that fiscal year 2008 total, readers should keep three considerations in mind.

First, the total given here does not include classified outlays. These are likely to be substantial, but they cannot be published or even estimated. The total stated here is therefore smaller than the actual total. Nor does this total include the value of gifts to the White House, especially those from the independent White House Historical Association for renovation and restoration of the public rooms (chapter 35). These of course are donated, not appropriated, funds. The total of acquisitions and renovation work for the public rooms of the White House, supported by the White House Historical Association since 2001, is \$7,509,449. Finally, the author is not in a position to say that this fiscal year 2008 total is typical of each of the eight annual budgets (fiscal years 2002–09) for which the Bush administration is responsible, or that the total for the entire Bush administration is \$1,592,875,254 multiplied by eight—to yield an overall total of \$12.7 billion. Security outlays (Defense and Secret Service) have escalated markedly since 9/11.

Controls over Outlays

There is no person at the White House with the title of inspector general; the president depends on the deputy chief of staff for operations to see to it that the appropriated and donated funds are spent carefully; any improprieties would bring on political as well as financial damage. Most of the White House outlays listed above (for example, those of the White House Military Office and the Secret Service) are actually disbursed by the responsible departments such as Defense, Homeland Security, Interior, and the General Services Administration, where there *are* inspectors general to monitor spending.

Akin to the tradition that the president does not challenge the expenditures that Congress budgets to meet its own institutional expenses, there is a degree of comity on the part of Congress concerning the White House budget. But only a degree. In 1992, as illustrated earlier, the House subcommittee gave the president a hard time, and in 1998 the General Accounting Office went to some lengths to investigate the cost of international presidential travel.

Almost all of the billions of dollars identified here are public funds, raised by taxes. Students, scholars, and taxpayers all deserve to see where they have been invested.