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B-86148, Jun 6, 1972, 51 Comp Gen 797

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B-86148, JUN 6, 1972, 51 COMP GEN 797

APPROPRIATIONS - AVAILABILITY - MUSIC EXPENDITURES FOR INCENTIVE-TYPE MUSIC SCIENTIFICALLY PROGRAMMED, SUCH AS THE MUZAK SYSTEM, MAY BE CONSIDERED "NECESSARY EXPENSES" SINCE THE MUSIC TENDS TO RAISE THE LEVEL OF EMPLOYEE MORALE AND INCREASE EMPLOYEE PRODUCTIVITY BY CREATING A PLEASANTLY STIMULATING AND EFFICIENT WORK ATMOSPHERE THAT RESULTS IN SAVINGS TO THE GOVERNMENT AND, THEREFORE, THE FUNDS APPROPRIATED TO THE BUREAU OF PUBLIC DEBT, UNITED STATES TREASURY DEPARTMENT, MAY BE USED TO MAKE MONTHLY RENTAL PAYMENTS TO THE MUZAK COMPANY FOR THE INCENTIVE-TYPE MUSIC PLAYED IN THE SPACE OCCUPIED BY THE BUREAU IN A PRIVATELY OWNED BUILDING, WHICH SPACE WAS EQUIPPED WITH THE MUZAK SYSTEM PRIOR TO OCCUPATION BY THE BUREAU. B-86148, DATED NOVEMBER 8, 1950 OVERRULED.

TO THE SECRETARY OF THE TREASURY, JUNE 6, 1972:

REFERENCE IS MADE TO LETTER OF APRIL 5, 1972, FROM THE COMMISSIONER, BUREAU OF PUBLIC DEBT, ASKING OUR OPINION AS TO WHETHER FUNDS APPROPRIATED TO THE BUREAU FOR SALARIES AND EXPENSES MAY BE USED TO MAKE MONTHLY PAYMENTS OF $61 TO THE MUZAK COMPANY, WASHINGTON, D.C.

IT IS EXPLAINED THAT THESE PAYMENTS WOULD BE FOR INCENTIVE-TYPE MUSIC BEING PLAYED IN SPACE IN THE PRIVATELY OWNED WASHINGTON BUILDING WHICH SPACE IS ALREADY EQUIPED WITH THE MUZAK SYSTEM, INCLUDING 31 SPEAKERS INSTALLED AT THE EXPENSE OF THE PREVIOUS TENANT. THE SPEAKERS ARE ALL LOCATED IN THE CENTRAL WORK AREA RATHER THAN IN PRIVATE OFFICES.

THE COMMISSIONER STATES THAT MANY OF THE EMPLOYEES WORKING IN THE SPACE INVOLVED ARE ENGAGED IN ROUTINE ACCOUNTING AND CLERICAL OPERATIONS AND THAT SUCH KIND OF WORK, ALTHOUGH NECESSARY TO ACCOMPLISH THE OBJECTIVES OF THE BUREAU, CAN RESULT IN A CERTAIN AMOUNT OF BOREDOM AND HE CALLS ATTENTION TO THE FACT THAT MANY COMMERCIAL BANKS, LIFE INSURANCE COMPANIES, AND OTHER BUSINESS ORGANIZATIONS USE MUZAK BECAUSE THEY HAVE FOUND THAT SCIENTIFICALLY PROGRAMMED MUSIC TENDS TO RAISE THE LEVEL OF EMPLOYEE MORALE BY CREATING A PLEASANTLY STIMULATING AND EFFICIENT ATMOSPHERE DURING THE WORKDAY. THE USE OF SCIENTIFICALLY PROGRAMMED MUSIC, HE STATES, WOULD HAVE A SIMILAR IMPACT ON BUREAU EMPLOYEES, ESPECIALLY THOSE WHO PERFORM THE MORE ROUTINE WORK.

THE COMMISSIONER NOTES THAT IN OUR DECISION OF NOVEMBER 8, 1950, B 86148, WE RULED THAT EXPENDITURES OF THE TYPE CONSIDERED HEREIN WOULD NOT BE PROPER IN THE ABSENCE OF LEGISLATIVE AUTHORIZATION MORE SPECIFIC THAN THAT PROVIDED FOR "NECESSARY EXPENSES," BUT URGES THAT IN THE CASE OF THE BUREAU THE NOMINAL COST OF RENTING THE MUZAK EQUIPMENT WOULD BE MORE THAN OFFSET BY EMPLOYEE MORALE AND PRODUCTIVITY, AND REQUESTS OUR CONCURRENCE IN HIS DETERMINATION THAT THE RENTAL

PAYMENTS CONSTITUTE "NECESSARY EXPENSES" IN CARRYING OUT THE BUREAU'S ACTIVITIES.

IN THE CASE REFERRED TO BY THE COMMISSIONER, THE EQUIPMENT HAD BEEN INSTALLED AND IN CONTENDING THAT THE EXPENDITURES MADE FOR SUCH INSTALLATION AND THE FURNISHING OF INCENTIVE MUSIC CONSTITUTED "NECESSARY EXPENSES" IT WAS ADMINISTRATIVELY STATED THAT THE PLAYING OF SUCH MUSIC HAD RESULTED IN A LESSENING OF FATIGUE, TENSION, DISTRACTION, ERRORS, AND IN AN INCREASE IN PRODUCTION AND JOB INTEREST, WITH AN OVERALL INCREASE IN PRODUCTION EFFICIENCY, AND THAT, CONVERSELY, THE DISCONTINUANCE OF THE MUSIC WOULD REDUCE PRODUCTION, INCREASE COSTS, AND ADVERSELY AFFECT THE MORALE AND EFFICIENCY OF THE EMPLOYEES. ALSO, IT WAS POINTED OUT THAT A LARGE NUMBER OF PRIVATE INDUSTRIES USED INCENTIVE MUSIC THEREBY INDICATING THAT SUCH FIRMS MUST HAVE FOUND THAT THE MUSIC RESULTED IN INCREASED PRODUCTION AND REDUCED COSTS.

UPON REEXAMINATION OF OUR EARLIER DECISION WE NOW ARE INCLINED TO AGREE THAT THE CONSIDERATIONS IN THAT CASE PRESENTED A REASONABLE BASIS FOR THE ADMINISTRATIVE VIEW THAT EXPENDITURES FOR INCENTIVE MUSIC CONSTITUTED "NECESSARY EXPENSES" UNDER THE APPROPRIATION THERE INVOLVED. ACCORDINGLY, SINCE THE COMMISSIONER HAS DETERMINED THAT - BASED ON FACTORS SUCH AS THE IMPROVEMENT OF EMPLOYEE MORALE, INCREASED EMPLOYEE PRODUCTIVITY AND RESULTING SAVINGS TO THE GOVERNMENT - THE PROPOSED EXPENDITURES CONSTITUTE "NECESSARY EXPENSES" OF THE BUREAU, WE WILL NOT NOW QUESTION SUCH DETERMINATION.