



United States House of Representatives

19th Congressional District, California

Jimmy Panetta

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WASHINGTON, DC OFFICE:
200 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515

SOUTH SAN JOSE OFFICE:
841 BLOSSOM HILL ROAD, SUITE 209
SAN JOSE, CA 95123

SANTA CRUZ OFFICE:
701 OCEAN STREET, ROOM 318C
SANTA CRUZ, CA 95060

MONTEREY OFFICE:
1200 AGUAJITO ROAD, SUITE 003
MONTEREY, CA 93940

PASO ROBLES OFFICE:
800 PINE STREET
PASO ROBLES, CA 93446

Testimony of Congressman Jimmy Panetta before the House Committee on Administration

Chairman Steil and Ranking Member Morelle, thank you for inviting me to testify today before the Committee on House Administration. I would like to raise for the committee concerns with the formula for determining the Members' Representational Allowance (MRA) and respectfully request your consideration of changes to the MRA to better support members who represent larger geographic districts with high costs of living and high property values. These changes will enable Members like me to adequately serve multiple communities of interest and recruit and retain qualified staff.

California's 19th Congressional district, which I represent, stretches from the suburban neighborhoods of South San Jose, over the mountains to Santa Cruz, and then down the coast through Monterey and Big Sur, all the way to Cambria in San Luis Obispo County. It then runs East for fifty miles to Kern County to include the towns of Paso Robles and Atascadero, furthest to the south. In all, the district covers four counties (Santa Clara, Santa Cruz, Monterey and San Luis Obispo) with distinct federal needs. It spans 2,817 square miles, but due to perennial closures of Highway 1, cannot be traversed without traveling through the Salinas Valley in California's 18th Congressional District. A trip from my San Jose District Office to my Paso Robles District Office requires driving over 100 miles through California's 18th Congressional District, home to my former, but not current, constituents.

The distinct communities in my district are separated by geography that necessitates offices in each population center. South San Jose's neighborhoods are separated from coastal Santa Cruz by mountains. Santa Cruz and Monterey are separated by what can be an hour-plus commute during rush hour, necessitating separate offices to serve both communities. The communities I serve in Northern San Luis Obispo County are a two-hour drive or more to their fellow constituents in Monterey County, requiring a fourth district office to serve my constituents in that county. This is especially true of the coastal cities of Cambria and San Simeon, which are physically cut off from my Monterey office due aforementioned coastal highway closures. The average distance between my four district offices is more than 52 miles, and without the four offices I have opened it would be prohibitively expensive and time-consuming for working families to access Congressional services in person, and for staff to engage outside of the office with each community.

In addition to geographic separations, my district makes up several distinct communities of interest. South San Jose is a bedroom community for commuters to Silicon Valley for jobs in the technology sector. Santa Cruz and Monterey Counties have tourism and hospitality economies,

in addition to agriculture, and include coastal and mountainous regions with very separate needs from the San Jose suburbs. Northern San Luis Obispo County incorporates cattle ranches, vineyards, and wineries distinct from the leafy greens and berry growers in Monterey and Santa Cruz Counties. Simply put, my northern-most constituents in San Jose working at technology start-ups have little in common with those employed in the agriculture sector in the southern-most part of my district, which is home to the largest cattlemen's association in the state of California. These constituencies each have different needs and require local staff who understand their unique concerns, in addition to access to physical offices.

Adding to these challenges is the fact that I have had to meet most of these constituents for the first time in the 118th Congress. Due to California's redistricting in 2020, fifty-five percent of my constituency in the 118th Congress are new constituents, pulled from districts previously represented in Santa Cruz County by Rep. Anna Eshoo, Santa Clara County by Rep. Zoe Lofgren, and San Luis Obispo County by Rep. Salud Carbajal. Redistricting has made it all the more imperative that we meet constituents where they are, even if they are more than 100 miles apart.

To add additional costs, office rents in CA-19 are among the highest in the nation. While I understand and appreciate that the Chief Administrative Officer uses sub-market rates to account for more expensive office rents, this calculation fails to account for the quantity of offices needed. In this case, even in an office with one or two staffers, the need for space to host constituents means that districts serving more geographically separate communities requires more total office space for the same number of staffers.

There is also the challenge of recruiting and retaining staff in an area with the highest cost of living in the country. Despite these differences in cost of living, there is no adjustment in the formula dedicated personnel, the Clerk Hire, to account for them. This means that pay for personnel that includes staff in California's 19th Congressional District, where the median salary is \$116,064, is the same as Kentucky's 5th Congressional District, where the median salary is \$44,175¹ (less than the minimum House of Representatives full-time staff salary). Recent reports have confirmed that the cost of living in my district is among the highest in the nation. The latest National Low Income Housing Coalition "Out of Reach" report for 2023 names Santa Cruz County the least affordable rental market in the U.S.² Separately, the National Association of Realtors names the San Jose metro area as the least affordable market for middle-class income ranges.³

This means that, with the same-sized personnel budget as less expensive districts, our office struggles to compete with both the public and private sector for qualified employees. In the San Jose metropolitan statistical area (MSA), the average office and administrative support salary is

¹ U.S. Census, 2023 Data.

² National Low Income Housing Coalition, "Out of Reach," 2023, https://nlihc.org/sites/default/files/2023_OOR.pdf.

³ CNBC, "The least affordable metro areas for America's middle class—5 of them are in California," April 24, 2003, <https://www.cnn.com/2024/04/24/least-affordable-metro-areas-for-americas-middle-class.html>.

over \$66,000, while the average community and social service salary is nearly \$84,000.⁴ In Santa Cruz County, county employees recently negotiated an 11.5% pay increase over the next three years,⁵ and Monterey County employees negotiated a full 12% increase over the same time period.⁶ These factors will make government employment at the local level more attractive relative to federal Congressional employment.

I recognize your leadership and appreciate the MRA increases you championed, and am grateful for 6.2 percent increase that my MRA included in 2023 (although unfortunately, this figure was unchanged for 2024). Despite previous increases, I am compelled to explain how this amount has not gone far enough in paying for four district offices overall that I have located directly in my district's population centers, nor is it sufficient to recruit and retain district-based to operate those district offices and provide a standard level of constituent services. In fact, I have budgeted for more than \$10,000 in total office costs each month for the duration of this Congress.

At this rate, my budget for staff salaries, franking services, and other official expenses are stretching budgets thin. I have had to delay security improvements and technology upgrades for five-year-old computers, and have delayed retreats to improve staff cohesion.

Given these challenges, I believe that the current MRA formula is outdated and should be updated to account for geographic size and cost of living.

I hope that you will favorably consider my request so members can best serve their constituents, and I am happy to work with the committee on specific ways in which we can achieve a fairer formula.

I appreciate your attention to my testimony today and welcome any questions you may have.



Jimmy Panetta
Member of Congress

⁴ U.S. Bureau of Labor Statistics, Occupational Employment and Wages in San Jose-Sunnyvale-Santa Clara, May 2023, https://www.bls.gov/regions/west/news-release/occupationalemploymentandwages_sanjose.htm

⁵ KSBW, "Santa Cruz County and SEIU Local 521 reach agreement to avoid strike," September 27, 2024, <https://www.ksbw.com/article/santa-cruz-county-seiu-521-california-agreement-avoid-strike/62415665>

⁶ KSBW, "County of Monterey reaches tentative agreement with county's largest union," September 3, 2024, <https://www.ksbw.com/article/county-of-monterey-reaches-tentative-agreement-with-countys-largest-union/62047029>