



Chief Administrative Officer Budget Request — Fiscal Year 2014

Statement of

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Before the

Subcommittee on Legislative Branch

Committee on Appropriations

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Summary

Mr. Chairman and Members of the Subcommittee: I am pleased to appear before you to discuss the Fiscal Year 2014 budget request for the Office of the Chief Administrative Officer (CAO).

Let me begin by expressing my gratitude for your continuing support of the CAO. We look forward to working with you on this budget request and all other issues during the forthcoming year.

Each October, the CAO works with House officers and offices to formulate the House-wide budget for the coming fiscal year. The House of Representatives has submitted an FY 2014 budget request that is flat with the FY 2013 Continuing Appropriations Resolution (annualized) per P.L. 112.175, which includes an increase of 0.612% over the FY 2012 enacted totals. This



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budget was prepared prior to the sequestration and it is the House's intent to maintain the sequestration level and any other changes related to the extended continuing resolution.

The CAO's mission is providing the best service possible to Members and staff so that they can efficiently and effectively perform the business of the People's House. Approximately 80 percent of our budget, including personnel costs, is dedicated to data and voice network; infrastructure and security; mail delivery and security; software applications; furniture and furnishings; and financial services, such as payroll, payments, and audit support.

Our FY 2014 CAO Budget Request is \$123,557,834, a \$6,061,128 or 5.16% increase over the FY 2013 Continuing Appropriations Resolution (annualized) per Public Law 112-175 which includes an increase of 0.612% over the FY 2012 enacted totals. We have continued reducing contractor costs where possible and holding vacant positions open in order to maintain our "do more with less" philosophy. However, in FY 2014, we will need to begin an upgrade of the House's information technology storage and backup systems. In our FY 2014 budget request, we are asking for an additional \$6 million to kickoff this upgrade, which we hope to start in Quarter 4 of FY 2014.

Congressional Transition

At the start of FY 2013, the CAO mobilized to support the House during the biennial Congressional transition after months of preparation and planning. Under guidance from the Committee on House Administration, the CAO worked with our colleagues in the Offices of the Clerk, the Sergeant at Arms, and the Architect of the Capitol to help the House efficiently transition from the 112th to the 113th Congress during the second half of 2012. These partnerships allowed us to work seamlessly, behind the scenes, so that Members could continue to fulfill their goal of serving their constituents.



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The 113th Congressional Transition involved designing, editing, and launching Member websites, organizing and leading informational briefings, and moving office furniture and equipment. This work required focus and dedication from the entire CAO team. The CAO planned and executed “District Office Set Up Briefings,” which were individual meetings between Members-elect and CAO teams with financial, legal, technology, telecommunications, and General Services Administration (GSA) expertise. Logistics and Support completed 220 Washington, DC, Congressional office moves one week ahead of schedule. CAO Acquisitions Management enrolled all Freshman Members in the House Digital Mail program.

Reapportionment and redistricting as a result of the 2010 census affected almost every Member of the 113th Congress and added additional challenges to the Transition effort. The CAO conducted multiple briefings to assist departing Members with the closing of their offices and helped Members with new district boundaries prepare for office relocations, changes to websites, and moving inventory. New management policies and procedures were developed for new technology implemented since the 2000 census, the last time House district lines were redrawn. In addition, CAO Information Technology staff updated hundreds of configuration files across a number of systems to reflect new district designations on computer systems and website addresses.

Zero-Based Budgeting

The CAO’s main goal for FY 2014 budget formulation was to continue to maintain current services with a flat operating budget. Once again, the CAO used a Zero-Based Budgeting (ZBB) approach to formulate its FY 2014 Budget Request. Similar to the last budget formulation cycle, the CAO performed an internal analysis over a period of several months and conducted a detailed line-by-line review of all operational expenses. The Zero-Based Budgeting effort



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allowed the CAO to focus on the core mission in relationship to its overall goals and take a strategic and critical look at the services provided.

Using FY 2013 projects, programs, and activities (PPAs) as a starting point, the CAO began the process with 135 PPAs and ended with 92 PPAs. Each PPA that was submitted as part of the request included an overview of services provided, requirement for services (e.g., CHA regulation, public law, and Member request), impact if service was not funded, and performance measures associated with meeting the expected goal or target for that particular PPA. Additionally, PPAs were assigned into expense categories that were reviewed to ensure all critical services were requesting appropriate budget amounts to meet identified goals.

Over the course of two months, PPA packages were submitted on a rolling basis, with one working meeting held halfway through where each CAO business unit presented, discussed, and revised its submissions. Final packages were then submitted and prioritized from each CAO business unit. Subsequently, executive level meetings were held to discuss and prioritize all approved PPAs from a CAO-wide perspective. During this review, some PPAs were removed from the request while others were elevated in priority level.

The overall CAO budget has increased from our FY 2013 Continuing Resolution annualized level. This increase will provide the much needed funding required for hardware and software lifecycle replacement of storage and backup devices. This equipment is used for storing data from all House offices, including Member and Committee offices. Additionally, through these ZBB efforts, it became clear the CAO had to shift its budget formulation process to include an Operational budget and a Capital Planning budget. We are in the process of developing the framework necessary for Capital Planning.



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Technology Improvements and Initiatives

PeopleSoft Improvements

Currently PeopleSoft is available for use by the CAO, Office of the Clerk, Office of Inspector General, Sergeant at Arms, Law Revision Counsel, and Office of General Counsel. In addition, the CAO continues to roll out PeopleSoft inquiry access for Members, Committees, and Leadership offices, which allows these offices to view their budgets and the real time status of vouchers and purchase orders. Staff representing more than 175 Offices currently access PeopleSoft.

During FY 2013, the CAO continues to work on upgrading PeopleSoft from 8.9 to 9.1. Many additional features are included in this new version of the application, such as enhanced reconciliation, workflow, and security. Additionally, we continue to work on the electronic voucher project, which is an integrated scanning solution that will facilitate the ability for Member, Committee, and Leadership offices to create, approve, and route payment vouchers. The new e-Voucher system will also reduce administrative costs and increase efficiency within the CAO's Office of Financial Counseling. System testing is currently underway.

If requested funding is available in FY 2014, we are planning to start the design and implementation of a Contract Management solution. This solution, in which users can draft, approve and track solicitations and their subsequent complex contracts, will move the CAO closer to retiring the Procurement Desktop legacy system. In addition to the new contracting module, we will explore Hyperion software to assist with Budgeting and Planning. This will permit offices to use actual purchasing and payment transaction data to make budget projections. It will provide real time budget management without data re-entry. While we are performing the initial reviews of this software in FY 2013, we will plan implementation based on budget constraints.



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House Cloud and Impacts to Data Centers

The CAO House Information Resources (HIR) currently manages approximately 1.04 Petabytes (PB) of House production data storage providing the foundation for House enterprise systems, in a manner that is secure, highly available, and fully supported. The CAO has the responsibility not only to “keep the lights on” for these systems, but also to ensure that the House storage and backup footprint is managed with technical and fiscal efficiency. To that end, the House Cloud File Services (HCFS), a popular IT (Information Technology) service of the CAO, continues to grow with the addition of Members-elect at the beginning of each new Congress. By participating in enterprise-wide cloud storage, 385 House offices have eliminated the need to buy and maintain individual servers, which reduces taxpayer costs and improves energy efficiency.

In FY 2011, the CAO spent approximately \$9.8M on prioritized infrastructure upgrades and expansions in order to position the House’s storage and backup infrastructures through FY 2014. As a result, funds for hardware and software lifecycle replacement of the House cloud will not be required until the end of FY 2014, when current licenses and maintenance will expire.

In the CAO budget request, we are asking for an increase of \$6 million to upgrade the House cloud to keep pace with the growing enterprise systems’ storage demand. Such demands include ever increasing retention of high resolution media files; expanding the storage for HCFS to include all Members and Committees; storing all Member Digital Mail files; and storing media files for the House Recording Studio. These funds will allow the CAO to take the first step to maintain both the primary storage and the backup environment.

If, due to budget constraints, the CAO does not receive enough funding to upgrade the House storage and backup environments, the alternative plan is to renew maintenance on the associated storage and backup components until the necessary funding is obtained. Maintenance



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estimates are \$2M annually for the current storage systems, and there is still the likelihood of deterioration, which could result in increased risk of service disruptions and system failures affecting the House community.

Information Security

Information security is a critical component of our IT mission. The Secure Configuration Management Program (SCMP) verifies that computers, servers, and printers on the House network are maintained in keeping with House policy and technical standards. By ensuring configuration settings; proper installation of virus and anti-spyware protection software; continual update to software security fixes; and routine management of account access, offices are improving the protection of their systems and information. All but two Member offices participate in SCMP along with about half of the Committees and House Leadership offices. Not surprisingly, hackers and intruders continually target the House's network(s). During 2012, Information Security blocked 16.5 million intrusion attempts, 11.4 million spyware and 17,763 viruses, and deployed 822,111 system patches across the House infrastructure to keep our networks secure.

Furniture Inventory System Implementation

We are in the process of implementing a Radio Frequency Identification (RFID) system to facilitate the furniture inventory process. The use of RFID will allow inventories to be conducted quickly with less intrusion of House offices. Implementation of the RFID system began on September 17, 2012, with tagging the furniture in the Ford building. Starting May 1, 2013, tagging of furniture in Cannon will commence, followed by Longworth, Rayburn, and the Capitol. All furniture is scheduled to be tagged and reconciled by May 31, 2014. The next step in this multi-year project will be to implement electronic tagging for office equipment.



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Business Continuity and Disaster Recovery Capabilities

Our Business Continuity and Disaster Recovery (BCDR) program works in coordination with the Sergeant at Arms, the Office of the Clerk, and other legislative branch agencies to strengthen the House's ability to carry on its constitutional duties if disruptive events occur. Additionally, House Members, Leadership, Committees, and staff use the services provided by the BC/DR program on a daily operational basis and not just for disaster recovery. An example is the data center and network connections in the Alternate Computing Facility, which are the primary source of information storage, email services, and Internet connectivity.

Secure and Digital Mail

The Committee on House Administration approved a new policy that allowed all new Members to be enrolled in the House Digital Mail program. Expanding this program, which had been in a pilot phase previously, was the result of CAO Acquisitions Management contract negotiations in 2011. We are now working with the Committee on House Administration to expand this program to all House Members. Digital Mail expedites the delivery of constituent correspondence by scanning mail upon receipt in the House off-site mail facility and delivering electronic images directly to each Member's Correspondence Management System the same day. The original paper mail is delivered after security screening.

Financial Audit and Internal Controls Achievements

The CAO has effectively implemented and continues to sustain the internal controls program. The program has resulted in improved financial statement audit results achieved over the past three years by reducing the number of issues identified and reported for FY 2012. The external auditors noted that the results for the 2012 audit have been among the best in recent



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years. The internal controls program has a direct impact on the improvement and assurance over the financial reporting process. This program assisted with ensuring the fifteenth consecutive clean audit opinion for the House and will strengthen the policy and procedures of CAO operations for future financial audits.

Diversity in the Workforce

The CAO continues its commitment towards a diverse workplace. For 2013, the Office of Diversity and Organizational Change Management (DOCM) led activities and programs to support national heritage months, the Congressional Internship Program for Individuals with Intellectual Disabilities (CIIID), and Organizational Training.

The CAO hosted six interns in the Fall CIIID program. The program was a huge success. It provided students with intellectual disabilities an opportunity to gain Congressional work experience, which included training and working with diverse staff. Moreover, the students provided CAO staff an opportunity to grow by increasing creativity and problem solving associated with bringing diverse minds together. It also helped to build synergy among CAO teams and enhanced communication skills.

The Wounded Warrior Program

The Wounded Warrior Program (WWP) currently employs 31 fellows. Since the program's 2008 inception, the CAO has assigned 92 veterans to fellowships with Members, the Office of the Sergeant at Arms, and the WWP Office. In all, 47 fellows have transitioned from the program to secure full time employment with Member offices, the Department of Veterans Affairs, various non-profit veteran advocacy organizations, and private corporations.



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Closing Remarks

In this challenging fiscal environment my CAO colleagues and I continue our mission to provide the highest level of service to the House community. I want to thank Deputy CAO Stacy Carlson, Chief Financial Officer Traci Beaubian, Chief Logistics Officer Gerry Bennett, Chief Human Resources Officer Jason Hite, Chief Information Officer Nelson Moe, Chief Acquisitions Officer Larry Toperoff, and all CAO staff for their professionalism and dedication.

I look forward to working with the Subcommittee and am happy to answer any questions.

Thank you