

LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2012

THURSDAY, MARCH 17, 2011

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:28 p.m., in room SD-138, Dirksen Senate Office Building, Hon. Ben Nelson (chairman) presiding.
Present: Senator Nelson.

GOVERNMENT ACCOUNTABILITY OFFICE

STATEMENT OF GENE L. DODARO, COMPTROLLER GENERAL

OPENING STATEMENT OF SENATOR BEN NELSON

Senator NELSON. This meeting will come to order. Senator Hoeven is not going to be able to join us today. So we will proceed as we would ordinarily.

We meet this afternoon to take testimony on the fiscal year 2012 budget request from the Government Accountability Office (GAO), the Government Printing Office (GPO), and the Congressional Budget Office (CBO).

And I am happy to welcome today our witnesses—Gene Dodaro, Comptroller General; William Boarman, Public Printer; and Doug Elmendorf, Director of the CBO.

I want to reiterate a few of my concerns going into fiscal year 2012. Here, in Washington, it is clear that we need to get serious about controlling and cutting costs. And I can't fix the entire problem of overspending in the Congress, but I hope we can set an example here in the legislative branch.

I started this process last year, as everyone here and the witnesses can attest to, when Senator Murkowski and I worked together to make reductions to this bill. And this year, it is the goal of Senator Hoeven and I, to work together to make even further cuts to next year's budget.

Cutting spending for the Congress is an effort to lead by example. In many ways, our message, to paraphrase Harry Truman, is, "The buck shrinks here."

I appreciate the contributions made by each of our agencies in assisting the Congress in its service to the country. We are truly grateful for the work you do, and we look forward to hearing from you and discussing your budget requests.

Mr. Dodaro, last year when you appeared before this subcommittee, I introduced you as Acting Comptroller General of the

GAO. So I want to congratulate you on your confirmation as the eighth Comptroller General of the United States and also to recognize you for being the first career GAO employee to achieve this impressive milestone. That is really quite an accomplishment, and obviously, we wish for you to continue your good work and have our good wishes.

This year, the GAO is requesting a total of \$556.8 million, the same as the fiscal year 2010 enacted level, and a total of 3,220 full-time equivalents (FTEs). I appreciate the work that you and your staff have put into keeping the GAO's budget request flat this year, and I look forward to hearing the specifics of the request, specifically where we might, if necessary, as we think it would be, to make some additional cuts.

As you know, unfortunately, no good deed goes unpunished. And so, we will try to avoid having that happen. But thank you.

This is your first time appearing before this subcommittee since your December 29 appointment to the post of Public Printer, Mr. Boorman. Congratulations on your appointment, and welcome.

And I understand that the GPO recently celebrated 150 years of service to the Federal Government, and I would like to congratulate you and your entire staff on that accomplishment, as well. The GPO is requesting a total of \$148.5 million, which is \$1 million, or 0.7 percent, more than the fiscal year 2010 enacted level.

Dr. Elmendorf, it is always good to see you and good to see you again here today. The CBO is requesting \$46.8 million in fiscal year 2012, an increase of roughly \$1.7 million, or 3.8 percent, more than the current year. As you and as I have discussed, there are some explanations that would be very helpful in relating previous years to the current year request, and I look forward to discussing the particulars of your budget in just a few minutes.

Now let us begin, I would like to call on Mr. Dodaro for your opening statement, followed by Mr. Boorman, and then Dr. Elmendorf. And I hope, if you could, keep your opening statements as brief as possible, perhaps as little as 5 minutes. But we wouldn't want to shut down your opportunity for opening comments.

SUMMARY STATEMENT OF GENE L. DODARO

Mr. DODARO. Thank you very much, Mr. Chairman.

I appreciate the opportunity to be here today to discuss the GAO's budget request for fiscal year 2012. I want to make sure we answer all your questions, so I will be very brief. I would like to make just four points.

The first has to do with the breadth and scope of the GAO's support to the Congress. Second, is the return on investment that the Congress and the taxpayers receive as a result of their investment in the GAO. Third, is the importance we place on having a dedicated, skilled, and motivated workforce. And fourth, briefly, the rationale for our budget submission.

First, in terms of the breadth of our support to the institution of the Congress, the GAO supports every standing committee of the Congress, and 70 percent of the subcommittees have requested our assistance. We issue hundreds of reports and testimonies every year across the full breadth of the Federal Government's responsibilities—from healthcare to defense. Just last week, for example,

we testified at 13 hearings on everything from flood insurance to cybersecurity.

The return on investment last year, as a result of the Congress and agencies implementing our recommendations, was \$49.9 billion in financial benefits. That is an \$87 return for every \$1 invested in the GAO.

Beyond this record, more than 1,300 other documented benefits occurred as a result of the GAO's work that didn't result in financial benefits, but resulted in improved service to the public or greater efficiencies and effectiveness of Government programs. For example, recommendations that we made improved oversight of nursing home safety.

Eighty-two percent of our recommendations are implemented over a period of time. So we think we make—on a continual basis—a good effort to help ensure the accountability of the Federal Government and improve its performance.

Now these accomplishments aren't possible without dedicated, talented people, and at the GAO we have a multidisciplinary workforce, as you know. We put a lot of effort into making sure that we have the right skills and types of people, both in technical disciplines and subject areas. To work on this, we provide support in making sure that they keep their training up to date so that we are using the most state-of-the-art methodologies and technologies. And we also put a big investment on working with our employees.

As you know, and as you have commented in the past, we are rated as one of the best places to work in the Federal Government. We are very proud of that record. We work hard with our employees and with our union to have good, constructive ongoing relationships. We value that, and we are making good progress in that regard.

Last, as the auditor of the consolidated financial statements of the Federal Government, I am acutely aware of the fiscal stress that our Government is under. And as we have said for a number of years, it is on an unsustainable long-term path. But I also recognize that during these times of making decisions on where to cut and how to allocate resources, that GAO's services are even that much more important to the Congress in order to help it make the best decisions possible to eliminate waste, to deal with a variety of issues, and to make cuts without having unintended negative consequences on the citizens.

PREPARED STATEMENT

And so, therefore, we put forth what we believe to be a prudent, modest request. We have tried to gain as many efficiencies as possible, and we believe, with the request that we have put forward, that we can meet the highest-priority needs of the committees across the Congress.

I know this subcommittee will give careful consideration, as you have in the past, to our request, and I look forward to answering your questions.

[The statement follows:]

PREPARED STATEMENT OF GENE L. DODARO

Mr. Chairman, Ranking Member Hoeven, and members of the subcommittee: I appreciate the opportunity to be here today to discuss the Government Accountability Office's (GAO) budget request for fiscal year 2012. I want to thank the subcommittee for its continued support of the GAO. We very much appreciate the confidence you have shown in our efforts to help support the Congress in carrying out its constitutional responsibilities and to help improve Government performance and accountability for the benefit of the American people.

With this subcommittee's support, in fiscal year 2010, the GAO provided assistance to every standing congressional committee and 70 percent of their subcommittees. Our work yielded significant results across the Government, including financial benefits of \$49.9 billion—a return on investment of \$87 for every \$1 invested in the GAO. In addition, we documented more than 1,300 other benefits resulting from our work that helped improve services to the public, promote improved management throughout Government and change laws, such as the Improper Payments Elimination and Recovery Act of 2010.¹

Recently, we issued two major reports that underscore the GAO's continuing value in helping the Congress and the administration reduce costs and improve Government, particularly in a time of reduced resources.

—First, just last week on March 1, 2011, we detailed 81 opportunities to reduce duplication, overlap, or fragmentation.² These opportunities span a range of Federal Government mission areas such as agriculture, defense, economic development, energy, general government, health, homeland security, international affairs, and social services. Within and across these missions, our report touches on hundreds of Federal programs, affecting virtually all major Federal departments and agencies. By reducing or eliminating unnecessary duplication, overlap, or fragmentation and by addressing the other cost-saving and revenue-enhancing opportunities contained in the report, the Federal Government could save tens of billions of tax dollars annually and help agencies provide more efficient and effective services.

—Second, our high-risk update issued on February 17, 2011, identified 30 Federal areas and programs at risk of fraud, waste, abuse, and mismanagement, and those in need of broad-based transformation. Solutions to high-risk problems offer the potential to save billions of dollars, dramatically improve service to the public, and strengthen confidence and trust in the performance and accountability of the U.S. Government.³

Looking ahead to fiscal year 2012, the GAO is acutely aware of our dual responsibilities in a time of fiscal austerity. First, the Congress has rightly come to rely upon the GAO to help identify billions of dollars in cost-saving opportunities to tighten Federal budgets or to point out revenue enhancement opportunities. We know our mission becomes ever more critical when the Nation faces difficult financial times. But second, the GAO must also ensure it meets this responsibility while implementing all possible cost savings in its own operations without diminishing our traditionally high-quality work that lays the foundation for critical decisionmaking and oversight by the Congress.

Accordingly, we are seeking only to maintain our fiscal year 2010 funding level of \$556.8 million in fiscal year 2012 and plan to maintain our current authorized staffing levels. While operating at this funding level with no increase poses challenges, the GAO is committed to reducing our own costs as much as possible in order to absorb the additional demands and increasing costs of the coming year without additional resources. Our budget request attempts to balance tradeoffs and assumes that we will be able to manage at reduced funding levels, and try to maintain our staffing levels to provide insightful analyses on the most important priorities for congressional oversight and decisionmaking.

However, if the GAO's funding is reduced below the requested level, more drastic measures would be needed, such as reductions in our staff capacity, which would result in increased delays in responding to congressional requests, limit our ability to provide timely responses to support congressional oversight, and reduce the number of requests that we could complete.

¹GAO-11-2SP, *United States Government Accountability Office Performance and Accountability Report Fiscal Year 2010* and GAO-11-3SP, *Summary of GAO's Performance and Financial Information Fiscal Year 2010*.

²GAO-11-318SP, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars and Enhance Revenue*.

³Our 2011 High-Risk List is included in Appendix I.

THE GAO'S EFFORTS HELP THE CONGRESS ADDRESS DOMESTIC AND INTERNATIONAL CHALLENGES

The GAO stands ready to serve the Congress and the American people at this historically critical juncture and is uniquely positioned to help address our Nation's challenges and identify opportunities. Pressures to reduce the Federal deficit following an economic recovery will mean a greater need for analyses of programs and their effectiveness, as well as a reduction in improper Federal payments and closing the gap between taxes owed and paid.

Congressional demand for GAO services remains high as evidenced by our workload. We expect that trend to continue as a result of the pressures on Federal finances and our economy. For example, we will be working to produce future annual reports outlining duplication, overlap, and fragmentation as well as opportunities to reduce costs and enhance revenue. Additionally, the Wall Street Reform Act contained 44 new statutory requirements or authorities for GAO assistance, including audits related to the Federal Reserve.

Our past performance is evidence of the critical role our dedicated staff play in helping the Congress and the American people better understand issues, both as they arise and over the long term. For example, in fiscal year 2010, the GAO issue-area experts testified 192 times before the Congress on a wide range of issues, ranging from air cargo, border and cyber security issues and the Department of Defense's planning for the drawdown of United States forces from Iraq to the Medicare prescription drug program, processing of disability claims and funding for broad band services.⁴

The GAO's strategic plan for serving the Congress and the Nation, highlights the broad scope of our efforts to help the Congress respond to domestic and international challenges, such as:

- threats confronting U.S. national security interests;
- fiscal sustainability and debt challenges;
- economic recovery and restored job growth; and
- advances in science, technology, engineering, and mathematics.

The GAO seeks not only to help position the Government to better manage risks that could compromise the Nation's security, health, and solvency, but also to identify opportunities for managing Government resources wisely for a more sustainable future.

Our strategic plan covers the following goals and objectives:

Goal 1.—Help the Congress address current and emerging challenges to the well-being and financial security of the American people.

- Financing and programs to serve the health needs of an aging and diverse population;
- Lifelong learning to enhance U.S. competitiveness;
- Benefits and protections for workers, families, and children;
- Financial security for an aging population;
- A responsive, fair, and effective system of justice;
- Viable communities;
- A stable financial system and consumer protection;
- Responsible stewardship of natural resources and the environment; and
- A viable, efficient, safe, and accessible national infrastructure.

Goal 2.—Help the Congress respond to changing security threats and the challenges of global interdependence.

- Protect and secure the homeland from threats and disasters;
- Ensure military capabilities and readiness;
- Advance and protect U.S. foreign policy interests; and
- Respond to the impact of global market forces on U.S. economic and security interests.

Goal 3.—Help transform the Federal Government to address national challenges.

- Analyze the Government's fiscal position and opportunities to strengthen approaches to address the current and projected fiscal gap;
- Identify fraud, waste, and abuse; and
- Support congressional oversight of major management challenges and program risks.

Our strategic plan framework is included in Appendix IV.

⁴ A list of selected issues on which GAO staff testified before the Congress during fiscal year 2010 is included as Appendix II.

CONSTRAINED FISCAL YEAR 2012 BUDGET REQUEST

Our requested funding level of \$556.8 million will allow us to try to support a staffing level of 3,220 FTEs to provide insightful analysis on the most important priorities for congressional oversight and decisionmaking. We will continue to outreach to the Congress to understand and set priorities to ensure that we focus on the most important issues for congressional oversight.

Although operating under a flat budget for 3 years provides significant operational challenges, we have carefully considered our resource requirements and made tradeoffs to ensure that we try to maintain our staff capacity within our current funding level to allow us to provide the Congress with high-quality, timely, and objective analyses of Government programs, operations, and finances—information that the Congress needs to make policy choices, ensure transparency and accountability, and protect the taxpayer.

However, since 80 percent of our budget covers staff compensation and benefits, our flexibility to control costs without diminishing our staff capacity is limited. Without additional funding in fiscal year 2013 and beyond, we would need to reduce our staff capacity which would increase the delay in starting work on congressional requests, limit our ability to provide timely responses and analyses to support congressional oversight, and reduce the number of requests that we could undertake.

THE GAO MAINTAINS EFFECTIVE WORKFORCE RELATIONS

We could not have achieved our level of performance without the hard work and dedication of our professional, diverse, and multidisciplinary staff. Recognizing that the GAO's accomplishments are a direct result of our dedicated workforce, we continuously strive to maintain a work environment that promotes employee well-being and productivity. We are also proud of the results from our 2010 annual employee feedback survey, which indicate that employee satisfaction continues to increase and that we continue to make progress toward our goal to create a more inclusive work environment. In 2010, the GAO was once again rated second on the list of the "Best Places to Work" in the Federal Government by the Partnership for Public Service.

The GAO regularly seeks and values the input we receive from our employee organizations. Recently, we reached tentative agreement with the GAO's Employees Organization—International Federation of Professional & Technical Engineers, Local 1921—on a master contract that has since been ratified by its members and is pending legal review. We are also working with our Employee Advisory Council and the Diversity Advisory Council on a range of issues.

CONCLUDING REMARKS

I believe that you will find our prudent budget request is fiscally responsible and essential to ensure that we can maintain our capacity to assist the Congress in this challenging period in our Nation's history.

We have a proven track record of helping the Congress evaluate critical issues of national importance and improving the transparency and accountability of our national government. Our new strategic plan for serving the Congress through fiscal year 2015 provides the framework for reporting on progress toward our institutional goals.

We remain committed to providing accurate, objective, nonpartisan, and constructive information to the Congress to help it conduct effective oversight and fulfill its constitutional responsibilities. I appreciate, as always, your careful consideration of our submission and look forward to discussing our proposal with you.

Mr. Chairman, Ranking Member Hoeven, members of the subcommittee, this concludes my prepared statement. I would be pleased to respond to any questions that you or other members of the subcommittee might have.

APPENDIX I.—THE GAO'S 2011 HIGH-RISK LIST

Strengthening the foundation for efficiency and effectiveness:

- Management of Federal oil and gas resources (new);
- Modernizing the outdated U.S. financial regulatory system;
- Restructuring the U.S. Postal Service to achieve sustainable financial viability;
- Funding the Nation's surface transportation system;
- Strategic human capital management; and
- Managing Federal real property.

Transforming the Department of Defense (DOD) program management:

- DOD approach to business transformation;
- DOD business systems modernization;
- DOD support infrastructure management;

- DOD financial management;
- DOD supply chain management; and
- DOD weapon systems acquisition.
- Ensuring public safety and security:
 - Implementing and transforming the Department of Homeland Security (DHS);
 - Establishing effective mechanisms for sharing and managing terrorism-related information to protect the homeland;
 - Protecting the Federal Government’s information systems and the Nation’s critical cyber infrastructures;
 - Ensuring the effective protection of technologies critical to U.S. national security interests;
 - Revamping Federal oversight of food safety;
 - Protecting public health through enhanced oversight of medical products; and
 - Transforming the Environmental Protection Agency’s (EPA) process for assessing and controlling toxic chemicals.
- Managing Federal contracting more effectively:
 - DOD contract management;
 - the Department of Energy’s (DOE) contract management for the National Nuclear Security Administration and Office of Environmental Management;
 - NASA acquisition management; and
 - Management of interagency contracting.
- Assessing the efficiency and effectiveness of tax law administration:
 - Enforcement of tax laws; and
 - Internal Revenue Service (IRS) business systems modernization.
- Modernizing and safeguarding insurance and benefit programs:
 - Improving and modernizing Federal disability programs;
 - Pension Benefit Guaranty Corporation insurance programs;
 - Medicare program;
 - Medicaid program; and
 - National flood insurance program.

APPENDIX II.—SELECTED TESTIMONY TOPICS: FISCAL YEAR 2010

Goal 1.—Address current and emerging challenges to the well-being and financial security of the American people.

- Unemployment insurance trust funds;
- Social Security disability;
- Underfunded pension plans;
- Proprietary schools;
- Medicare high-cost drugs;
- Toxic substance abuses disease registry;
- Concussions in high school athletes;
- Children’s access to Medicaid dental services;
- Corporate crime;
- the Department of Justice’s Civil Rights Division enforcement efforts;
- Community emergency preparedness;
- Fannie Mae and Freddie Mac;
- Department of the Interior’s oversight of oil and gas;
- Clean Water Act enforcement efforts;
- U.S. Postal Service financial viability;
- Federal facilities security;
- High-speed rail projects; and
- Commercial aviation consumer fees.

Goal 2.—Respond to changing security interdependence threats and the challenges of global independence.

- Financial markets regulation;
- National flood insurance program;
- Climate change;
- Alien smuggling along Southwest Border;
- Aviation security advanced imaging technology;
- Terrorist watchlist screening;
- Combating nuclear smuggling;
- Iran sanctions;
- Counternarcotics and anticrime efforts in Mexico;
- Global food security;
- Intellectual property enforcement efforts;
- Afghanistan security force capacity;
- DOD military and civilian employee compensation;

- Warfighter contract support; and
 - Joint Strike Fighter challenges.
- Goal 3.*—Help transform the Federal Government to address national challenges.
- Defense space acquisitions;
 - Military language skills;
 - Interagency collaboration for national security interagency contracting strategies;
 - NASA management and program challenges;
 - Balancing the Government-to-contractor workforce;
 - Iraq and Afghanistan contract and grant management;
 - American Recovery and Reinvestment Act (ARRA) oversight;
 - First-time homebuyer tax credit;
 - Equal employment opportunity at DHS;
 - 2010 Census management challenges;
 - U.S. Government financial statements;
 - DHS financial management systems consolidation;
 - Protecting Federal information systems;
 - Environmental satellites;
 - Debt settlement risks to consumers;
 - Service-disabled, veteran-owned small business program fraud prevention;
 - HEAD START Program fraud; and
 - Defense contract audit agency vulnerabilities.

APPENDIX III.—HOW THE GAO ASSISTED THE NATION: FISCAL YEAR 2010

Goal 1.—Address current and emerging challenges to the well-being and financial security of the American people.

- Identified ways for the Department of Health and Human Services to strengthen inspections of ambulatory surgical centers leading to a fourfold increase in the proportion of centers found to have deficient practices;
- Appointed 49 experts and stakeholders to three organizations created in new healthcare legislation;
- Recommended food safety improvements that the Congress included in legislation for the Department of Agriculture’s school lunch program;
- Facilitated expedited claims process for the Department of Labor’s black lung benefits program;
- Increased the EPA focus on environmental threats to children’s health;
- Identified factors to consider in restructuring Fannie Mae and Freddie Mac;
- Proposed changes to improve control of toxic chemicals in consumer products; and
- Identified hidden fees for air travel that should be disclosed to consumers.

Goal 2.—Respond to changing security threats and the challenges of global interdependence.

- Led the Federal Emergency Management Agency (FEMA) to begin developing a strategic plan to improve the national public alert and warning system;
- Exposed weaknesses in the Transportation Security Administration’s behavior-based identification of high-risk air passengers;
- Recommended changes that FEMA implemented to better plan for national emergency response capabilities;
- Informed the DHS’s top-level review of weaknesses and risks in the multibillion dollar Secure Border Initiative;
- Contributed to a more robust missile defense acquisition policy;
- Encouraged reforms in the United Nations’ procurement, internal oversight, and employment processes;
- Provided insight to the Congress that led to expanding United States sanctions against Iran; and
- Informed development of a framework to reform the U.S. export control system.

Goal 3.—Help transform the Federal Government to address national challenges.

- Informed the IRS’ decision to extend regulation of paid tax preparers, including requiring them to obtain an identifying number and be tested for competency;
- Exposed ENERGY STAR as a self-certification program by obtaining certification for bogus products which led the DOE and EPA to adopt improvements in their approval process;
- Led General Services Administration to strengthen requirements due to improper spending on premium-class Government travel;
- Surfaced weaknesses in the Department of Veterans Affairs outpatient scheduling IT systems;

- Developed a methodology adopted by the Congress to efficiently target billions of dollars in Medicaid assistance through the ARRA;
 - Assessed IT risks for the 2010 Census to ensure successful execution; and
 - Profiled selected DHS investments in a 2-page format to provide the Congress with a new, easy reference on acquisition oversight, planning, and execution.
- Goal 4.*—Maximize the value of the GAO by enabling quality, timely service to the Congress and being a leading practices Federal agency.
- Implemented leading practices to attract a more diverse workforce and foster an inclusive work environment;
 - Leveraged technology to facilitate business process improvements in financial and administrative IT systems;
 - Improved access to our products with a new mobile Web site for users of small screen devices and a new electronic product format;
 - Collaborated with international accountability organizations to enhance their audit guidelines by incorporating private sector international auditing standards; and
 - Led development of a strategic plan for the international accountability community.

APPENDIX IV.—SERVING THE CONGRESS AND THE NATION: THE GAO’S STRATEGIC PLAN FRAMEWORK

Mission.—The GAO exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the Federal Government for the benefit of the American people.

Trends.—National security threats; fiscal sustainability challenges; economic recovery and growth; global interdependence; science and technology; networks and virtualization; shifting roles of Government; and demographic and societal change.

Goals	Objectives
Provide timely, quality service to the Congress and the Federal Government. To address current and emerging challenges to the well-being and financial security of the American people related to Respond to changing security threats and the challenges of global interdependence involving Help transform the Federal Government to address national challenges by assessing.	Healthcare needs; lifelong learning; benefits and protections for workers, families, and children; financial security; effective system of justice; viable communities; stable financial system and consumer protection; stewardship of natural resources and the environment; and infrastructure. Homeland security; military capabilities and readiness; advancement of U.S. interests; and global market forces. Government’s fiscal position and options for closing gap; Fraud, waste, and abuse; and major management challenges and program risks.
Maximize the value of the GAO by enabling quality, timely service to the Congress and being a leading practices Federal agency in the areas of.	Efficiency, effectiveness, and quality; diverse and inclusive work environment; professional networks and collaboration; and institutional stewardship and resource management.

Core Values.—Accountability, integrity, and reliability.

THE GAO’S MISSION

The GAO—the audit, evaluation, and investigative arm of the Congress—exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the Federal Government for the American people. The GAO examines the use of public funds; evaluates Federal programs and policies; and provides analyses, recommendations, and other assistance to help the Congress make informed oversight, policy, and funding decisions. The GAO’s commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Senator NELSON. I appreciate your opening statement, and your point is well-made.

So, Mr. Boarman, we would appreciate your thoughts, too.

GOVERNMENT PRINTING OFFICE

STATEMENT OF WILLIAM J. BOARMAN, PUBLIC PRINTER

Mr. BOARMAN. Thank you, Mr. Chairman.

And it is an honor for me to be here today in my first time testifying before your subcommittee, and I will keep my statement brief. But there are some important points that I would like to make about the GPO and its accountability and what it does for the Congress.

The GPO, of course, is responsible for the production and distribution of information products for all three branches of the Government. These include passports for the State Department and the official publications of the Congress, Federal agencies, and the courts. We provide products in both print and a variety of digital formats.

We support open and transparent Government by providing online access to authenticated information at no charge through our Federal Digital System (FDSys). FDSys has more than 250,000 Federal titles and more than 25 million documents downloaded every month.

We also partner with more than 1,200 libraries nationwide, participating in the Federal Depository Library Program. The libraries work with us to provide free public access to Government information in print and in digital form.

Following my appointment by the President in late December, I returned to the GPO, where I had worked as a practical printer more than 35 years ago. The GPO today is a much different agency than the one that I left.

At that time, there were more than 8,000 employees. Now there are barely more than a quarter of that number, but we are responsible for a broad range of products and activities that could only have been dreamed of back then—online databases of official Federal documents, passports, and smart cards and electronic chips carrying biometric data, print products on sustainable recycled paper using vegetable oil inks, and a robust information technology (IT) enterprise architecture, and more.

These operations are managed by a uniquely skilled, small, and dedicated staff. Their support for the Congress is exemplary. They work through the night—sometimes under extremely difficult workloads and conditions such as snowstorms that close the rest of the Government—to assemble the databases and publications you need to carry out your critically important work.

Our present and future are being defined by digital technology. The Congressional Record, bills, reports, and hearings, and other documents are generated from digital databases the GPO creates in response to the information needs of the Congress. No other agency is equipped to carry out that mission.

Let me repeat that. No other agency is equipped to carry out this mission.

Our use of databases has cut the cost of congressional information products over the past generation by more than two-thirds measured in constant dollars. Our databases are the foundation of our online dissemination capability, which has been in operation since 1994. The capability has expanded public access to Government information exponentially while reducing the cost of distributing print products.

Our databases are also the platform for several key information systems serving the Congress today. They are used by the Library of Congress (LOC) to support the THOMAS system, as well as the legislative information systems the LOC makes available to the Senate and House offices.

Creating these databases is the majority of the work funded by the congressional printing and binding appropriation. Even though the name on this account may be old-fashioned, it is the source of the financing for the digital information platform we have built and manage for the Congress. Because of the way it is structured, this appropriation can only be accessed when we actually print for the Congress.

GPO'S SUPPORT FOR THE CONGRESS

The GPO's support for the Congress is extensive. My guess is that our work is more closely integrated with your daily operations than any other congressional support agency, as important and as valuable as their work is. But it is provided quietly in the background, and it is often not immediately clear what we do, but we are working to educate Members of Congress and their staff of our essential services.

Since taking office, I have met with Members, officials, and staff of the Senate and House to discuss how the GPO can best service their needs. We have also been working cooperatively with the Appropriations Committees. We have reduced spending within the GPO by cutting travel, outside hiring, and by other costs. We have cut \$5.2 million from the 2012 appropriations request originally submitted to Office of Management and Budget by my predecessor late last year.

PREPARED STATEMENT

For the record, our request includes two one-time components—\$1.4 million for printing-related items for the 2013 Presidential Inauguration and another \$1.4 million to fund a shortfall in congressional printing carried forward from fiscal year 2009. Without these, our request would be \$1.8 million under the level of funding provided to the GPO by the continuing resolution.

Also, we have \$2.5 million left over from fiscal year 2006 that could be transferred to the revolving fund under current law. With the transfer, our overall request for new funding would be reduced by this amount, which would also bring us under the level provided by the continuing resolution.

[The statement follows:]

PREPARED STATEMENT OF WILLIAM J. BOARMAN

Mr. Chairman, Senator Hoeven, and members of the Subcommittee on the Legislative Branch: It is an honor to be here today to present the appropriations request of the U.S. Government Printing Office (GPO) for fiscal year 2012. Our request is for the congressional printing and binding appropriation and the salaries and expenses appropriation of the Superintendent of Documents, both of which are included in the annual legislative branch appropriations bill. These two accounts cover the GPO's provision of congressional information products and services as authorized by law and our provision of public access to congressional and other Government information products through statutorily established information dissemination programs under the Superintendent of Documents.

All other the GPO functions and activities—including the production of U.S. passports for the State Department as well as secure credentials for congressional and agency use, the procurement of information products and services in partnership with the private sector, the sales of Government information products and services to the public, and related operations—are financed on a reimbursable basis through the GPO's business-like revolving fund, which is authorized through the annual legislative branch appropriations bill.

GPO

Background

With just 2,200 employees, the GPO is the Federal Government's primary centralized resource for producing, procuring, cataloging, indexing, authenticating, disseminating, and preserving the official information products of the U.S. Government in digital and tangible forms. The agency is responsible for the production and distribution of information products for all three branches of the Federal Government, including U.S. passports for the Department of State as well as the official publications of the Congress, the White House and other Federal agencies, and the courts.

Along with sales of publications in digital and tangible formats to the public, the GPO supports openness and transparency in Government by providing permanent public access to Federal Government information at no charge through its Federal Digital System (www.fdsys.gov), which has more than 250,000 Federal titles online and sees more than 25 million documents downloaded every month, and through partnerships with approximately 1,220 libraries nationwide participating in the Federal Depository Library Program. In addition to the GPO's Web site, www.gpo.gov, we communicate with the public routinely via Twitter twitter.com/USGPO, YouTube www.youtube.com/user/gpoprinter, and Facebook www.facebook.com/USGPO.

We first opened our doors for business 150 years ago this month, on March 4, 1861, the same day Abraham Lincoln was inaugurated as our 16th President. Our mission can be traced to the requirement in Article I of the Constitution that each House shall keep a journal of its proceedings and from time to time publish the same. Senator Schumer put as statement in the Congressional Record recognizing the GPO's anniversary, which I'm pleased to attach to this statement.

In our history we have produced every great American state paper—and an uncounted number of other Government publications—since President Lincoln's time, including the Emancipation Proclamation. Social Security cards, Medicare and Medicaid information, Census forms, tax forms, citizenship forms, military histories ranging from the Official Records of the War of the Rebellion to the latest accounts of our forces in Iraq and Afghanistan, emergency documents like the ration cards and the "Buy Bonds" posters used during World War II, the Warren Commission Report on President Kennedy's assassination, the Watergate transcripts, the 9/11 Commission Report, Presidential Inaugural Addresses, Supreme Court opinions, and the great acts of the Congress that have shaped our society—all these as well as millions of other documents from the historic to the humble have been produced by the GPO on their way to use by the Congress, Federal agencies, and the American public.

For the Secretary of the Senate, the Clerk of the House, and the committees of the Senate and House, we produce the documents and publications required by the legislative and oversight processes of the Congress, including the daily Congressional Record, bills, reports, legislative calendars, hearings, committee prints, and other documents, as well as stationery, franked envelopes, and other materials such as memorials and condolence books, programs and invitations, phone books, and the other products needed to conduct business of the Congress. We also detail expert staff to support the information product requirements of Senate and House committees and congressional offices such as the Senate Office of Legislative Counsel.

The production of the Congressional Record alone is a remarkable job, averaging about 170 pages per issue, but ranging in size from a few pages to hundreds of pages per night depending on the amount of business transacted, all formatted, paginated, proofed, corrected, uploaded for online access, printed, and delivered overnight, every night the Congress is in session. The history of our Nation as revealed in the proceedings of the Congress is preserved for generations to come in the permanent edition of the Congressional Record and in the Congressional Serial Set, containing all the numbered reports and documents of each Congress and published continuously since 1817, both produced by the GPO.

Since taking office in early January, I've met with the Secretary of the Senate and the Clerk of the House and various Members and staff, and have heard repeatedly about the utility of the products we provide for Members and staff in performing the work of their offices and their committees. Ensuring that utility—supporting the Congress in carrying out its constitutional legislative function—is our most important job. In addition, with the Library of Congress (LOC) and the National Archives, the work we perform is a basic part of governmental openness and transparency, and an integral part of the creation and preservation of the record of our Government for the American people.

The GPO and Digital Information Technologies

As Archivist of the United States David Ferriero recently said, the GPO has not rested with drums of printer's ink and rolls of paper measured by the ton. Our present and future are clearly being defined by digital technology, and digital technology itself has radically changed the way printing is performed today. This is especially true where the information products used by the Senate and House of Representatives are concerned. The GPO's conversion to digital databases for the composition of congressional publications occurred more than a generation ago. Today the activities associated with creating congressional information databases comprise the majority of the work funded by our annual congressional printing and binding appropriation.

In addition to using these databases to produce printed products as required by the Congress, we upload them to the Internet via our online information systems, known previously as GPO Access and today as the GPO's FDSys. Since we first went online with congressional information in 1994, these systems have provided the Congress and the public with the definitive source not only of legislative but executive and judicial information online.

Our creation of digital databases of congressional information from which we can print and provide online public access has dramatically increasing productivity and dramatically reduced costs to the taxpayer. As our budget submission shows, our digital production systems have reduced the level of the congressional printing and binding appropriation by more than two-thirds in constant-dollar terms since 1975 while expanding our information capabilities exponentially.

The GPO's congressional database systems also form the basic building blocks of other information systems supporting the Congress. Our congressional information databases are provided directly to the LOC to support its THOMAS system as well as the legislative information systems the LOC makes available to Senate and House offices. The GPO and the LOC are also collaborating today on the digitization of previously printed documents, such as the Congressional Record and the Statutes at Large, to make them more broadly available to the Congress and the public, and we are jointly developing a new process for updating the digital edition of the Constitution Annotated.

The GPO's digital systems also support other key Federal publications, including the U.S. budget and, most importantly, the Federal Register and associated products, which we also produce. Through the GPO's efforts, the online Federal Register is being made available in extensible markup language (XML) to support bulk data downloads via www.data.gov, and with the Office of the Federal Register we developed the online Federal Register 2.0, an innovative approach to making information on Federal regulations and related documents available to the public. Our advanced authentication systems, supported by public key infrastructure (PKI), are an essential component for assuring the digital security of congressional and agency documents.

The other major products that the GPO produces are U.S. passports for the Department of State, the premier component of our secure and intelligent documents business unit. At one time no more than a conventionally printed document, passports today incorporate a chip and antenna array capable of carrying biometric identification data, which with other security features has transformed this document into the most secure identification credential obtainable. We have also developed a line of secure identification "smart cards" to support the credential requirements of

the Department of Homeland Security for certain border crossing documents, and our secure credential unit has been certified as the only Government-to-Government provider of credentials meeting the requirements of Homeland Security Presidential Directive 12.

The GPO in Partnership With Industry

Other than congressional and inherently governmental work such as the Federal Register, the budget, and secure and intelligent documents, we produce virtually all other information product requirements via contract through a longstanding partnership with the private sector printing industry. In fact, our procurement operation handles approximately 75 percent of all work sent to the GPO for production, amounting to \$450–\$500 million annually. This system is one of the Government's longest running and most successful programs of utilizing the private sector, which is represented by more than 16,600 individual firms registered to do business with us, the vast majority of whom are small businesses averaging 20 employees per firm. Contracts are awarded on a purely competitive basis; there are no set-asides or preferences in contracting other than what is specified in law and regulation, including a requirement for the Buy American Act. This partnership provides great economic opportunity for the private sector.

The GPO and Open, Transparent Government

Producing and distributing the official publications of our Government fulfills an informing role originally envisioned by the Founders, when James Madison said:

“A popular Government without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy, or perhaps both. Knowledge will forever govern ignorance, and a people who mean to be their own Governors, must arm themselves with the power which knowledge gives.”

A key mechanism for this purpose is the Federal Depository Library Program, which today serves millions of Americans through a network of some 1,220 public, academic, law, and other libraries located in virtually every Congressional District across the Nation. These libraries are critical links between “We the People” and the information provided by the Federal Government. The GPO provides the libraries with information products in online or tangible formats, and the libraries in turn make these available to the public at no charge and provide additional help and assistance to depository library users. One of the other programs we operate is in fulfillment of an international treaty. Under it, we distribute certain Federal publications to other governments abroad as designated by the LOC. In return, they send the LOC their official publications, which the LOC then makes available for the use of the Congress and the public. This helps maintain the universal nature of the LOC's collections, as Librarian of Congress James Billington recently pointed out.

Along with these programs, we also provide public access to the wealth of official Federal information through public sales featuring secure ordering through an online bookstore for the GPO sales publications and a partnership with the private sector to offer Federal publications as e-Books, and we operate effective and efficient information distribution programs for other Federal agencies on a reimbursable basis, including the General Services Administration's Consumer Information Center publications.

Recent Actions

Since taking office on January 3 this year, my management team and I have worked to reduce spending and ensure that the GPO's finances remain sound in the face of ongoing constraints on the Federal budget. We have reduced our appropriations request for fiscal year 2012 by more than \$5 million from what was originally submitted to Office of Management and Budget (OMB). We cut the GPO's annual spending plan as previously submitted to the Joint Committee on Printing by \$15 million and implemented controls on hiring, travel, certain contractual services, and related discretionary accounts. We realigned the GPO's organization so the Chief Financial Officer reports directly to me rather than through subordinate officers, and implemented a task force on recovery of outstanding payments from Federal agencies. Otherwise, there is continuity of ongoing initiatives such as the development of FDSys, support for our Oracle suite of business enterprise services, and planning for continuity of operations (COOP). We are also pursuing additional revenue opportunities, particularly in the field of secure credentialing, as well as increased utilization of our printing procurement capability by Federal agencies.

My meetings with the Secretary of the Senate and the Clerk of the House were to discuss how the GPO can best assist them in supporting the needs of the Congress. We have been meeting with both staff and Members of the appropriations committees and cooperating with them in their effort to provide for appropriations

beyond the current continuing resolution. We fully understand the intention of the Congress to control its spending and you will have our cooperation in meeting this goal.

FISCAL YEAR 2012 APPROPRIATIONS REQUEST

For fiscal year 2012, we are requesting a total of \$148,474,000, a reduction of \$5.2 million, or 3.4 percent, from the amount submitted to the Office of Management and Budget late last year, and an increase of just \$1,013,000 more than the continuing resolution (Public Law 111–242, as amended).

Our request includes two one-time components: \$1.4 million for work supporting the 2013 Presidential Inauguration and \$1.4 million to fund a shortfall in the congressional printing and binding appropriation carried forward from fiscal year 2009. Excluding these one-time requests, our overall request would be \$145,674,000, a decrease of \$1,787,000 from the current continuing resolution.

There is an unexpended balance of \$2.5 million in the salaries and expenses appropriation from fiscal year 2006 that could be transferred to the revolving fund under current law. If the transfer is approved by the Appropriations Committees, it would reduce our overall request for new funding to \$145,974,000.

Our funding request for fiscal year 2012 is designed to:

- meet projected requirements for congressional information products and services as authorized by law, provide the necessary funds for materials required for the 2013 Presidential Inauguration, and recover the shortfall in this account carried forward from fiscal year 2009;
- fund the operation of the GPO’s statutory programs that provide public access to congressional and other Government information products nationwide; and
- continue the development of the GPO’s FDSys, which provides the Congress, Federal agencies, and the public with no-fee digital access to a vast range of congressional and other Federal information products, and support our Oracle-based enterprise infrastructure.

Congressional Printing and Binding Appropriation

We are requesting \$100,001,000 for this account to cover the estimated cost of congressional information products and services as authorized by law. This represents an increase of \$6,233,000 more than the level provided by the current continuing resolution.

Of the increase, \$1.4 million is estimated to be required for work to support the 2013 Presidential Inaugural and \$1,390,000 is required to fund the shortfall in this appropriation carried forward from fiscal year 2009. The balance of the increase, or \$3,443,000, includes \$2,909,000 for estimated volume increases in certain work categories—principally the Congressional Record, business calendars, and hearings—offset by estimated volume decreases in other categories, primarily miscellaneous publications and bills. It also includes \$534,000 for price level changes averaging 0.6 percent that are attributable to existing wage contracts and projected cost increases for materials and supplies.

Salaries and Expenses Appropriation of the Superintendent of Documents

We are requesting \$42,173,000 for this account to support public access to congressional and other Government information products through the GPO’s statutory information dissemination programs, primarily the Federal Depository Library Program. Our request represents an increase of \$1,262,000 more than the level approved in the current continuing resolution.

Included in the increase is \$196,000 for mandatory pay costs (pertaining only to within-grade increases) and price level changes, \$262,000 for the level of the GPO overhead required to be distributed to salaries and expenses programs, and \$304,000 for FDSys annual operating costs attributable to Superintendent of Documents programs. In addition, we are requesting \$500,000 to continue legacy systems migration and modernization costs, as well as historical digitization projects approved by the Joint Committee on Printing and involving collaboration with the LOC.

As noted above, there is an unexpended balance of \$2.5 million in the salaries and expenses appropriation from fiscal year 2006 that could be transferred to the revolving fund under current law. If the transfer is approved by the Appropriations Committees, it would reduce our request for new funding to the salaries and expenses appropriation by that amount.

Revolving Fund

We are requesting \$6.3 million for this account, to remain available until expended, to fund essential investments in information technology development. These

include \$5 million to continue developing FDSys and \$1.3 million for support for our Oracle-based enterprise infrastructure. The GPO has requested these funds as additions to the revolving fund's working capital to enable the fund to continue financing other investments in upgrades of technology, equipment, and plant modernization.

Mr. Chairman, Senator Hoeven, and members of the subcommittee, this concludes my prepared statement. We look forward to working with you and the subcommittee in your consideration of our appropriations request for fiscal year 2012.

[From the Congressional Record, March 4, 2011]

150TH ANNIVERSARY OF THE GOVERNMENT PRINTING OFFICE

(By Senator Charles E. Schumer)

Mr. SCHUMER. Mr. President, I rise today as the chairman of the Joint Committee on Printing to recognize the Government Printing Office, GPO, on the occasion of its 150th anniversary. GPO opened its doors on March 4, 1861, the same day that President Abraham Lincoln took the oath of office for his first term. Since that time, the agency has used constantly changing technologies to meet the needs of the Congress, Federal agencies, and the public. During GPO's early days, employees relied on ink and paper to publish the text of President Lincoln's Emancipation Proclamation. Today, as another President from Illinois leads the Nation, GPO employees are using the latest digital technology to document the activities and decisions of our Government and to fulfill GPO's founding mission, which is "Keeping America Informed."

While GPO's past has been about printing, its present and future are being defined by electronic publishing. GPO has been investing for more than a generation in digital production and dissemination technology, an investment that has yielded significant improvements in productivity, capability, and savings for the taxpayers. The GPO estimates that converting to electronic, digital technology has resulted in a savings of 66 percent on the cost of congressional printing alone. Deploying such technology has also reduced the number of employees to fewer than at any time in the past century. And it has reduced dramatically the number of copies of official documents that are printed.

GPO's partnership with the printing industry supports tens of thousands of jobs. At the same time, by using GPO as a central procurement agency, the Federal Government reduces substantially the cost of these contracts to the taxpayers.

GPO now has a range of products and services that could only have been dreamed of 30 years ago: Online databases of Federal documents with state-of-the-art search and retrieval capabilities available to the public without charge, Government publications available as e-Books, and a public presence not only on the Web but also on Twitter, Facebook, and You Tube. No longer is GPO primarily a publisher of printed government documents, but a fully integrated electronic publisher and clearinghouse whose products are available in many Internet-based locations. In addition, the State Department relies on GPO to provide highly secure U.S. passports containing sophisticated smart chips. GPO does this in conjunction with the private sector, which supplies certain critical components.

Another key function of GPO is its partnership with more than 1,200 Federal depository libraries across the country. These libraries, established by statute in all 50 States, make Federal documents available to millions of students, researchers, businesses, and others every year in both digital and print formats.

In short, GPO is responsible for the production and distribution of information products and services for all three branches of the Federal Government, including U.S. passports for the Department of State as well as the official publications of the Congress, the White House, and other Federal agencies. In addition to publication sales, GPO offers permanent public access to Federal Government information at no charge through GPO's Federal Digital System—www.fdsys.gov—and through partnerships with approximately 1,200 libraries nationwide that are part of the Federal Depository Library Program.

I ask my colleagues to join me in congratulating the GPO on its 150th anniversary and on its contributions to keeping the public informed.

Mr. BOARMAN. Mr. Chairman, thank you very, very much, and I will be happy to answer any questions that you have.

Senator NELSON. Thank you.

Dr. Elmendorf.

CONGRESSIONAL BUDGET OFFICE

STATEMENT OF DOUGLAS W. ELMENDORF, Ph.D., DIRECTOR

Dr. ELMENDORF. Thank you, Mr. Chairman.

I appreciate the opportunity to present the CBO's budget request for fiscal year 2012.

As you know, the CBO's mission is to provide the Congress with objective, impartial analyses of budget and economic issues, including the information and cost estimates needed for the congressional budget process.

There are about 250 people currently working at the CBO. In the coming year, we anticipate a workload of roughly 650 formal cost estimates. It is worth emphasizing that the formal estimates are just the tip of the iceberg because more and more, we are being asked for informal estimates or proposals at early stages of the legislative process. We will do, literally, thousands of those in the coming year.

We also expect to release approximately 100 analytic reports and other publications, covering our budget and economic outlook, analysis of the President's budget, long-term budget projections, monthly budget reviews, and in-depth analyses of a broad range of policy issues, including healthcare delivery and financing, policies for increasing economic growth and employment, tax reform, and proposals to address the country's long-term budgetary imbalance.

In fulfilling our mission, the CBO relies on a highly skilled workforce. Most of our analysts have advanced degrees and are in high demand outside the Government and in agencies in the executive branch. So we need to recruit them and retain them in a highly competitive job market.

CBO BUDGET

As a result, about 90 percent of our budget represents compensation for the agency staff. About 5 percent is for IT equipment and services, and the remainder is for training, office supplies, and other items.

Therefore, the contour of the CBO's budget is closely linked to the agency's staffing level. The staffing level is, in turn, closely linked to the output we can provide to the Congress.

Of course, we do not expect and are not requesting to be spared from the budget stringency facing the rest of the Federal Government. Our proposed budget for fiscal year 2012, prepared a few months ago, is equal to the total resources that were provided to the agency 2 years earlier, in 2010. That represents a scaling back of the multiyear staffing plan that was the basis for our budget request last year.

As you noted, Mr. Chairman, comparing our 2012 budget request with our 2010 resources is complicated by the fact that the agency received a 2009 supplemental appropriation, which was available

for use in 2010 as well. And the figure I think you may have in front of you and is in the written testimony tries to summarize that situation.

SUPPLEMENTAL FUNDS

A small amount of supplemental funds was used in 2009. Most was used in 2010. Indeed, the CBO's regular 2010 appropriation was reduced to take account of the availability of those supplemental funds.

As a result, the CBO's overall resources received little net boost from the supplemental, and the 2010 regular appropriation was artificially low. The CBO's request for 2012, the far right bar in the picture, of \$46.9 million equals our 2010 appropriation of \$45.2 million, plus the \$1.7 million from the 2009 supplemental that was used in 2010.



CURRENT FISCAL YEAR FUNDING

But let me say just a few words about our funding in the current fiscal year. Like the rest of the Government, we have been operating under a continuing resolution so far. The funding for the CBO has been equal to the agency's regular 2010 appropriation, as shown in the figure. But that represents an effective cut in resources relative to last year because only \$45.2 million of last year's funding came from the regular appropriation, with the rest coming from the supplemental.

As a result, if the CBO's funding for this fiscal year remained at the continuing resolution level, we would face a reduction of about 4 percent in our funds relative to last year. If our funding for this year is cut below the continuing resolution level, we would face, of course, a larger reduction relative to last year's resources. For example, if the CBO's funding was cut 5 percent below the continuing

resolution level, we would face roughly a 9 percent cut from the funding provided for 2010.

In recognition of the possibility of a cut relative to the continuing resolution level, we have stopped hiring, except for a small number of key management positions that have come open. We have delayed purchases of IT equipment and other things, purchases of data for our analysis, canceled our summer internship program on its paid basis, and cut back sharply on travel and training.

Without new hiring, attrition will lead to a reduction in the size of the CBO staff. Still, because the continuing resolution level is already below last year's funding, a further significant cut relative to the continuing resolution level would probably require a more rapid decline in staffing than can be achieved through attrition alone.

PREPARED STATEMENT

In closing, I want to thank the subcommittee for the support you provide to the CBO, enabling us to carry out our responsibilities to provide budgetary and economic information to the Congress.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF DOUGLAS W. ELMENDORF

Mr. Chairman, Senator Hoeven, and members of the subcommittee, thank you for the opportunity to present the Congressional Budget Office's (CBO) budget request for fiscal year 2012.

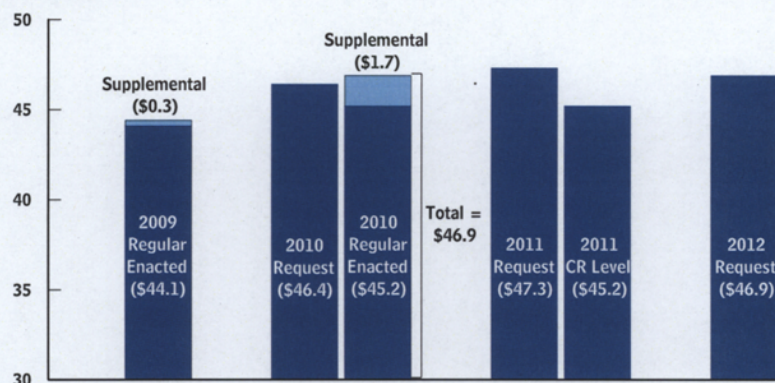
The CBO's mission is to provide the Congress with objective, impartial analyses of budget and economic issues, including the information and cost estimates needed for the Congressional budget process. In fulfilling that mission, the CBO depends on a highly skilled workforce. Roughly 90 percent of the CBO's budget represents compensation for the agency's staff, about 5 percent is for information technology (IT) equipment and services, and the remainder is for training, office supplies, and related items. Therefore, the contours of the CBO's budget and the agency's staffing level are closely linked.

The CBO's proposed budget for fiscal year 2012—\$46.9 million—is equal to the total resources that were available to the agency 2 years earlier, in 2010. This proposal incorporates a scaling back of the multiyear staffing plan that was the basis for the agency's 2011 budget request. Even with a reduction in proposed staffing, supporting the work of the agency in 2012 with the same resources provided in 2010 would be possible only by significantly restraining salaries and spending on IT. Neither of those two actions can be sustained indefinitely without diminishing the support that the CBO provides to the Congress.

Comparing the CBO's 2012 budget request with its 2010 resources is complicated by the fact that the agency received a 2009 supplemental appropriation, which was available for fiscal year 2010 as well. In fact, most of it was used in 2010, and the 2010 appropriation was reduced to take account of the availability of those supplemental funds. As a result, the CBO's overall resources received little net boost from the supplemental appropriation, and the 2010 appropriation was artificially low. The CBO's request for 2012 equals the agency's 2010 appropriation of \$45.2 million plus the \$1.7 million from the 2009 supplemental appropriation that was used in 2010.

The Congressional Budget Office's Appropriations and Staffing

(Millions of dollars)



FTEs					
2009 Plan	250	259			
2012 Plan ^a	242	250	258	254	254

Source: Congressional Budget Office.

Note: CR = continuing resolution; FTE = full-time equivalent.

a. Actual figures shown for 2009 and 2010.

RECENT FUNDING HISTORY

Between fiscal year 2001 and fiscal year 2008, the number of full-time-equivalent positions (FTEs) at the CBO averaged 230, and the number varied little from year to year. In 2008, however, the CBO became concerned that it did not have sufficient resources to analyze policy changes regarding the delivery and financing of healthcare that were emerging as a critical issue in the Congress. In addition, the agency was delivering an increasing number of testimonies and formal cost estimates and engaging in a growing amount of informal communications with congressional staff on a wide range of topics, so shifting a significant number of positions from other areas in order to analyze healthcare proposals did not seem feasible.

Accordingly, the CBO proposed to the Congress a multiyear plan to boost the size of the agency to 259 FTEs, an increase of a little more than 10 percent. The Congress approved the first leg of the proposed increase in the CBO's fiscal year 2009 budget, and the agency averaged 242 FTEs that year. As expected, analyzing competing healthcare proposals absorbed a huge share of the CBO's resources. At the same time, the financial crisis led to a jump in the Federal Government's involvement in the financial sector (including the creation of the Troubled Asset Relief Program, the conservatorship of Fannie Mae and Freddie Mac, and expanded activities of the Federal Reserve and the Federal Deposit Insurance Corporation), which increased congressional demand for analyses, budget projections, and cost estimates in that area. Consequently, during the course of fiscal year 2009, the Congress approved a 2-year supplemental appropriation of \$2 million, aimed particularly at enhancing the CBO's ability to analyze complex health proposals. Of that amount, the CBO used about \$0.3 million during fiscal year 2009 and remaining \$1.7 million in 2010.

For fiscal year 2010, the Congress approved an appropriation of \$45.2 million for the CBO. That amount was \$1.2 million less than the agency's request for that year, reflecting the availability of funds from the 2009 supplemental appropriation. The total funding of \$46.9 million—\$45.2 million from the regular appropriation and \$1.7 million from the earlier supplemental appropriation—was intended to support an additional 12 FTEs “to increase CBO's capacity to analyze healthcare policy, fi-

nancial and housing markets, and other areas of high Congressional interest.” Accordingly, the CBO averaged about 250 FTEs during fiscal year 2010.

For fiscal year 2011, the CBO requested \$47.3 million in funding to support 258 FTEs, which would have essentially completed the multiyear increase that the agency proposed 3 years ago. The enactment last year of significant healthcare legislation has made the CBO’s regular budget projections and analyses of most healthcare proposals much more complex and labor-intensive than had previously been the case. Moreover, the demand for analysis of major new healthcare proposals has abated only a little. In addition, the depth and duration of the economic downturn, as well as the surge in Federal debt and projected deficits, have led the Congress to ask the CBO for more analyses on a range of economic and budgetary issues.

Like the rest of the Federal Government, the CBO has been functioning under continuing resolutions so far in fiscal year 2011. The funding for the CBO has been equal to the agency’s regular 2010 appropriation—but that represents an effective cut in resources, because only \$45.2 million of the CBO’s \$46.9 million in 2010 funding came from the regular appropriation. If the CBO’s funding for 2011 remained at that continuing resolution level, the agency would have about \$1.7 million less to work with this year than in 2010—a reduction of about 4 percent.

If the CBO’s funding for 2011 was cut below the continuing resolution level, the agency would face a larger reduction relative to its 2010 resources. For example, if the CBO’s funding was cut 5 percent below the continuing resolution level, the agency would face roughly a 9 percent total cut from the funding provided for 2010. In recognition of the possibility of a cut relative to the continuing resolution level, the CBO has stopped hiring (except for a small number of key management positions that have come open), is delaying purchases of IT equipment and other things, has canceled its paid summer internship program, and has cut back sharply on travel and training. Without new hiring, attrition will lead to a reduction in the size of the CBO staff. Still, because the continuing resolution level is already below last year’s funding, a further significant cut relative to the continuing resolution level would probably require a more rapid decline in staffing than could be achieved through attrition alone and therefore would probably require a reduction in force.

SOME DETAILS OF THE CBO’S FISCAL YEAR 2012 BUDGET REQUEST

In fiscal year 2012, the CBO will continue to focus on its core functions of providing nonpartisan budgetary and economic information and analyses to the Congress, including budget and economic outlook reports, an analysis of the President’s budget, long-term budgetary projections, cost estimates, mandate statements, and scorekeeping reports. In addition, the CBO will continue to prepare in-depth analyses of a broad range of program and policy issues, as requested by committees or Members. The specific issues that the Congress will be addressing in 2012 will, of course, depend on circumstances at the time, but the CBO’s analyses are likely to include work on healthcare, policies for increasing economic growth and employment, energy policy, tax reform, immigration issues, infrastructure, defense policy, the Government’s role in financial markets, and proposals to address the long-term budgetary imbalance. The agency will devote effort to further improving its long-term analyses of legislative proposals for healthcare, Social Security, and broad fiscal policy changes by continuing to develop its budgetary and economic models.

The CBO anticipates a workload of roughly 650 formal cost estimates (most of which include both estimates of Federal costs of legislation and assessments of the cost of mandates in the legislation that would affect State, local, and tribal governments or the private sector) and thousands of informal estimates; approximately 100 analytical reports along with other publications; and a substantial schedule of congressional testimonies. The formal estimates are just the tip of the iceberg because, more and more, the CBO is being asked for informal estimates of the budgetary impact of proposals at early stages in the legislative process and of potential floor amendments.

Recognizing the stringency of the Government’s budget situation, the CBO proposes to cut short the planned multiyear increase in the CBO staff and to continue with the currently budgeted number of 254 FTEs for fiscal year 2012. In addition, consistent with the rest of the Federal Government, the CBO is not providing any across-the-board increase in salaries for employees in calendar years 2011 or 2012 and has reduced the size of performance-based pay raises.

Specifically, the CBO’s request supports the following:

- \$32.2 million for personnel compensation;
- \$10.4 million for personnel benefits; and
- \$4.3 million for services, equipment, training, and supplies.

Funding at this level would enable the CBO to continue to provide the kinds and quantity of estimates and analyses that the agency has been producing for the Congress during the past 2 years.

In closing, I would like to thank the subcommittee for the support it has provided the CBO, enabling the agency to carry out its responsibilities to provide budgetary and economic information to the Congress.

Senator NELSON. Thank you.

The votes were supposed to begin at 3 p.m. They have moved it up.

But let me ask a couple of questions first before I go. Mr. Boorman, I heard from a colleague that we are now into paperless production of information. Therefore, we don't need a "printing office." Perhaps we ought to consider changing the name of your office to something "communications" or whatever it is to avoid having that happen because, obviously, it is not simply about printing. Certainly not just printing on paper, although obviously that is one of the major things that we have.

Not everybody is IT trained or able to pull everything up. So we are still going to be stuck with paper in some areas. Can you tell me what percentage of your budget might be used in paper communication? Is that possible?

Mr. BOARMAN. Well—

Senator NELSON. Just a rough estimate.

PRINTING COSTS

Mr. BOARMAN [continuing]. Yes. Using the Congressional Record as an example, about 70 percent of it is the IT side, or the prepress. Getting it prepared, to putting it up online every night so that—

Senator NELSON. You would have that expense anyway?

Mr. BOARMAN. Exactly. And so, the 30 percent left for printing is the smallest piece of it because once the press starts to run, I mean, the first impression might cost you \$250 a page. After that, it is about a penny.

I have met with a number of Members of Congress who have raised the very issue you did. Actually, I had a chairman of a committee say, you know, I have got a bunch of new Members who don't like Government, and they don't understand why we have printing. And when I explained to him, well, do they know that we have the digital platform, that we produce all of the information electronically every night, he said, "No, they don't know that."

So we are going to try to educate Members so that they understand that the GPO is the only agency that provides the information so that you can go paperless. Now, if you decide to do that, I am sure there are going to be people printing copies out in their office. That is the thinking that is going on.

And when you do that, it is nearly 7 cents a page to do it on your office printer. We can do it for 5.5 cents a page. And when a document gets above 64 pages, the cost per page drops to 4 cents a page. And we print on both sides of the page. We print on recycled paper. We use vegetable oil-based ink, which is good for the environment and saves a lot of money.

This is last night's Congressional Record. It is about a half an inch thick, printed on both sides. If you printed this out on an office printer, it would probably be this thick at 7 cents a copy. And

so, when I talk to Members and staffs, both in the House and Senate, they say we don't know how we could function without our Congressional Record.

Let me just give you a couple of statistics. In 1994, we printed 20,000 copies of the Congressional Record every day. Today, we only print a little more than 3,700 a day. And of that, the House gets 950 copies, and the Senate gets 1,100, and the rest are distributed to depository libraries, the White House, and others. We get about 30 copies in our office for indexing.

So we have dropped from 20,000 to 3,700 daily copies. And once the press starts to run, after we have done all of the infrastructure of building the platform to run it, it is very inexpensive to continue to print small quantities. I hope that answers your question.

Senator NELSON. That does. And I think we need to get that information out.

I will go vote and be right back.

Thank you.

We will continue.

Your fiscal year 2012 budget request totals \$148.5 million. It is \$1 million above the 2010 enacted level, and is relatively flat. But you have a \$1.4 million for the Presidential Inaugural. What is your timeframe for producing printed materials and credentials for the 2013 Presidential Inauguration?

I know you can't start up the day of the Inauguration. But what kind of a timeframe are we looking at here? Is it within the parameter that some of this could be held off until the following year, or is it necessary to print documents well in advance, which would mean that it would be included in this budget?

INAUGURAL PRINTING

Mr. BOARMAN. Well, historically, Mr. Chairman, I think that for each Inauguration, the money is asked for and appropriated in this particular cycle. And so, I am told that it needs to be in this budget.

A lot of people don't understand that the Inauguration is a congressional event. They think of the parade and balls. But the Congress pays for the actual swearing-in ceremony, and I think this is a small portion of what you are actually going to lay out. But we do credentials. We do all the invitations and programs. We do all the tickets and signs for entry to the area for the Inauguration.

And I think at some point, the Joint Congressional Committee on Inaugural Ceremonies will be coming together in fiscal year 2012, and they will be spending money. And so, my understanding is, that is why it is there.

Senator NELSON. And I hope that in putting the preparations together, I know it is not all your responsibility to direct. You have got security issues. You have got other things.

Mr. BOARMAN. Right.

Senator NELSON. This is essentially the documentation or anything that is related to that?

Mr. BOARMAN. Right. And of course, we did do credentials last time. We had probably the most secure credentials in the history of the Inauguration, the GPO did. But my understanding is the

Capitol Police did pay for that, and so it came out of the legislative branch, but it was not out of the GPO's budget.

Senator NELSON. When it comes to Capitol improvement costs that are being appropriated through the revolving fund, you request \$6.3 million for two Capitol improvement projects: one, FDSys at \$5 million and, two, the GPO Business Information System at \$1.3 million.

Why are these costs separated out for a specific appropriation rather than being factored into and charged to all agencies as part of the cost of doing business?

INVESTMENT FUNDS

Mr. BOARMAN. Well, these are essentially additions to working capital for our revolving fund, which is where our monies for investment come from. And we do have money in that fund from other agencies. For instance, the State Department allocates money to our capital improvement fund, but it can only be used, obviously, for capital improvements for passport issues and State Department issues.

This digital technology is so expensive. I had a meeting with Congresswoman Jo Ann Emerson from Missouri yesterday, and she is a member of the Legislative Branch Appropriations Subcommittee on the House side, and she also serves as chair of their Financial Services Subcommittee.

And she was saying to me that the cost of this IT is just out of hand, and you have got to try to get a handle on it. The Congress has made a tremendous investment in the FDSys program. Probably from 1994 on, when GPO first went online, maybe \$100 million. In the last 5 years, maybe \$40 million to get us to where we are.

Now we have to maintain this platform as well as our Oracle system. We can't allow them to collapse. I am not an IT expert, but I have people that are, and they tell me in order for us to make sure that we can authenticate and do the other things that are necessary, this is what it is going to cost.

Additionally, we are working in cooperation with the LOC, and they are helping us digitize a lot of the older documents. Everything from 1994 on, we have been able to digitize. But before that, it all has to be digitized.

So these things are what the money is for, and in view of their importance to the Congress, I think it is appropriate that they are funded by appropriations to the revolving fund.

Senator NELSON. Thank you.

GAO RESOURCES USED TO OVERSEE THE TROUBLED ASSET RELIEF PROGRAM (TARP)

Mr. Dodaro, your fiscal year 2012 budget request totals \$556.8 million in appropriated funding, which is the same as the fiscal year 2010 level and totals the same level of staffing at 3,220 FTEs. Now, in your budget submission, we noted that you have an additional 25 FTEs that are reimbursed by the Department of the Treasury for TARP-related work.

If you know, how much does the Department of the Treasury pay in reimbursement for those 25 FTEs? And perhaps, as well, how

long will these 25 FTEs be dedicated to the TARP-related activities?

Mr. DODARO. As you will recall, when the TARP program was created in October 2008, it was outside of the normal appropriations cycle. So we never built funding for it into our appropriation.

I am told here that it would be approximately \$7.1 million in fiscal year 2011 for 30 FTEs and \$5.2 million in fiscal year 2012 for 25 FTEs that is reimbursed. Now the law requires that we provide reports every 60 days on the TARP program. Given the status of the program now, I am planning to seek legislative relief to provide less frequent reporting, which I think is appropriate given the status of the program.

The Economic Stabilization Act requires us to audit TARP money until the last dollar is repaid. So we are in it for the long haul, until AIG and the automakers repay their loans. The home mortgage modification program is set to expire at the end of 2012, but for other entities that have to repay the money, it could take a significant amount of time.

But we are hoping our costs go down, and we are also required to do an annual financial audit of the TARP funds, which we do.

Senator NELSON. One would hope that when we are down to the last dollar, we wouldn't still have the need for 25 FTEs. So I am assuming there will be some point in time when the numbers become less significant and we might be able to find another way to do this, which wouldn't add to the total cost with a significant number of FTEs?

Mr. DODARO. I expect that figure to go down gradually as the money is repaid. And if I can get legislative relief from the 60-day reporting requirement, that would further reduce the costs.

Senator NELSON. Well, keep us posted on how you are doing in terms of getting legislative relief because we certainly would be supportive of every effort to do that, recognizing that you are still going to have a need for a certain number. But hopefully, that would reduce the requirement.

Mr. DODARO. Yes, it would. I would note also in the Wall Street Reform Act that was passed last July, there were 44 new mandates for GAO work, and very few of those involved reimbursement.

Senator NELSON. Expect that to happen in your spare time.

Mr. DODARO. Yes.

Senator NELSON. Thank you.

METHODOLOGY BEHIND GAO'S REPORT ON PROGRAM DUPLICATION—
GAO-11-318SP

We are looking at your March 1 report on redundancy in Government. I am going to pay close attention to it because I think it is important that if we are going to be cutting our budget we need to be aware of where there is redundancy and how we can root it out and save the taxpayers money. Because that is, at the end of the day, what we want.

So you highlight this report. Can you tell us a little bit about your methodology and how you came about to actually producing this report? Did you consult with the CBO or the Office of Management and Budget (OMB)? At the end of the day we are all inter-

ested in the same thing, but maybe you can help me understand how the GAO went about doing this?

Mr. DODARO. We first did research on existing GAO studies where we had tackled this issue across the Federal Government. In fact, many of the items covered in the report we had already looked at as a result of requests from more than 60 percent of the committees in the Senate and in the House.

We also looked at other reports—the CBO, the OMB, what was in the President's budget submission—as opportunities to reduce overlap and duplication. We did literature reviews on studies by think tanks and others to gather an inventory. We tapped into our institutional knowledge of the Government to do initial work going forward.

The original concept was to cover the entire Federal Government over a 3-year period. This was our first installment. We are doing our planning activities right now for year 2 and year 3, and we are going to create a methodology to make sure that we cover all areas where there are potential for overlap and duplication.

We also had extensive consultations with the Congress. While the legislation did not require us to report to specific committees, we focused on the Appropriation Committees, the Budget Committees, and our oversight committees in the Congress. We had extensive consultations with them to get their ideas and to discuss our work plans with them. I felt that we did a very thorough job.

Now we also added to the report, beyond overlap, duplication, and fragmentation, other ideas we had about cost-savings opportunities and revenue enhancements to help provide a fuller menu for the Congress to look at, because they all have the same objective—how to reduce cost, and enhance Government revenues. And so our recommendations were based upon previous GAO work that we updated for the report.

And we are also planning in future reports, Mr. Chairman, to include a listing of what actions were taken as a result of the prior year's report so there is a clear scorecard going forward.

Senator NELSON. You were anticipating where I was going perhaps because that was my next point. It would be helpful to develop a scorecard because I suspect that as you went back and looked at other reports, some of the things that were suggested in the past were still not done and questions still not answered.

So it would be helpful to know, as things are considered and as we move forward, whether or not your recommendations are being considered. And I am sure some of them will be objectionable to some folks, but not all of them. So, hopefully, that scorecard would help us see how we are doing in rooting out the redundancies.

Mr. DODARO. Yes, we will definitely do that.

Senator NELSON. Dr. Elmendorf, I know you are concerned about making certain that we get it right with respect to your budget. And so, we are focused on that. I think we internally understand the discrepancies between numbers and years.

So I suspect that if we don't get it quite right, we would ask for a CBO study to help us get that in order.

Dr. ELMENDORF. We trust you entirely, Mr. Chairman.

Senator NELSON. In 2012, we notice that you have increased funding for your staff levels by 6.6 percent above fiscal year 2010

enacted level, and you proposed to reduce funding for IT infrastructure by \$1.2 million, or 51 percent below fiscal year 2010 enacted.

IT RESOURCES

While other agencies are using technology to improve their efficiency, you are actually cutting your IT. And I am not opposed to cutting. My question is what IT projects are you cutting, and how are you finding some efficiencies there to be able to do that perhaps could be shared with others as well?

Dr. ELMENDORF. I think what you are seeing there, Mr. Chairman, is principally a cycle in the replacement of aging equipment. For a number of years coming up to now, we did not have sufficient funds to keep up with the pace of advancing technology. We were able to direct a piece of our appropriated funds in the past few years, though, to catching up in a way.

That is very important. One of the simple uses that we put that supplemental appropriation to was buying faster computers that could—which we could use to run our complicated models of the health insurance system more rapidly. So we are very attentive to the need to maintain high-level technology to keep our productivity high.

But having made that investment now in the past few years, we see less need for that in the coming year or two, and we don't want to just buy new computers because they are new and out there. So we have deliberately scaled back on that. As we say in the budget, that is not sustainable for the long run. There will come a need to do that replacement later.

STAFFING LEVEL

But in order to maintain the staffing level, which we think we need to provide the service we provide to the Congress, in the face of a competitive labor market for the people that we are trying to attract and retain while keeping the overall funding level for the agency in 2012, as we proposed it the same as it was in 2010, requires us to spend somewhat more on those people. And we have been able to do that in our proposal by squeezing down on the money we spend in other areas.

COST ESTIMATES

Senator NELSON. Now you are anticipating a request for roughly, 650 formal cost estimates in fiscal year 2010, in addition to the thousands of informal estimates, and approximately, 100 analytical reports. If you could, help me understand what does it cost for a typical CBO analysis?

Let us first take the formal request and then perhaps the informal. Of the formal requests, do you have sort of a ballpark number of what the cost is internally?

Dr. ELMENDORF. No I don't. Partly because there is a tremendous variation in the complexity in the cost estimates.

Senator NELSON. And there probably is no average, right?

Dr. ELMENDORF. I think that is right. I mean, we do a lot of estimates that are a page or two pages. A single analyst might spend a few days talking to the various Government agencies or people

in the private sector or whatever is necessary to learn enough to do the estimate well. So that would be just one analyst for a few days.

Then we do other estimates, for example, of healthcare reform, where we had dozens of people working for months. So it is just tremendous variation. We haven't tried to calculate an average. I am not sure it would be very helpful.

Senator NELSON. And in addition to having your own internal costs, don't you engage specialists outside to come and help where perhaps you don't have that level of expertise or you are looking for a second approach?

Dr. ELMENDORF. Yes, we do exactly that. We reach out to a lot of people on the outside who will help us for free. We talk to analysts and universities and analysts in the private sector, many of whom will just talk with us because they recognize that it is an opportunity for them to be helpful in important work.

But on the other hand, there are some services we do need to pay for. We have a contract with actuaries. And when we do our work on health insurance, when we first started doing work on financial issues, the CBO did not have a very deep bench in that area. And as the Government plunged in to more and more large financial transactions, we initially hired some of those services from the outside.

As we gained the capacity and built the capacity internally to deal with that, we stopped those contracts. We think, in many cases, over time we can acquire the knowledge ourselves, and that is a little cheaper. But when it is necessary for us to learn from outside people, we don't want to pretend we have all the knowledge in-house because we don't.

REQUEST FOR STUDIES

Senator NELSON. When you are requested for a study, I know you have to prioritize what you currently have versus what you are being asked to do. Can you give me some idea of how, I am not asking who you put highest in priority, but how you prioritize, in general, other than by who is asking?

Dr. ELMENDORF. Well, so the who is asking is part of it. The Congressional Budget Act that established the CBO set our priorities as working first for the Budget Committees, then for the Ways and Means and Finance and Appropriations Committees, then for other committees and Members, to the extent time allows. So that does matter.

We also try to focus on the proposals that are receiving the most attention in the Congress. In order to be the most helpful to the most Members that we can, we direct more energy to proposals that are moving through the legislative process that seem to be headed for action by committees, votes on the floor of the Senate or the House.

And we consult with the Budget Committees, with the other main committees I mentioned, with the leadership in the Senate and the House on a regular basis to try to be sure that we are working on the projects that are most helpful. It is often hard to be sure what will be helpful.

One recent example, when the House was debating on the floor H.R. 1, the continuing resolution, they had an open amendment process. I think there were more than 600 amendments that were filed. We produced cost estimates of more than 300 of them in the space of a frantic week.

We tried to do the ones that seemed to be attracting the most attention among House Members. I am sure we didn't get that exactly right. We did the very best that we could, but the limitation on resources, of course, affects the amount of the product that we can provide to the Congress.

ENTITLEMENT ANALYSES

Senator NELSON. Well, assuming that the Congress gets totally serious about dealing with entitlements and chooses to do all the entitlements at the same time, will your staff, at the current level, be able to deal with the requests that are going to be very obvious, such as, the analyses that are going to be requested for Social Security, Medicare, and perhaps on some other areas as well, Medicaid?

Dr. ELMENDORF. We will do our absolute best to keep up with the Congress. It is challenging. In the space of the last month or two, as we have worked on our updated baseline estimates and analysis of the President's budget that we will be releasing tomorrow, actually, we have had to put aside work on a variety of proposals that various committees in the Senate and the House wanted very much for us to move ahead on, and we told them that we can't do that now.

So we are always setting priorities. We have lost a number of health staffers who I think basically were worn out by the events of the past 2 years. We have been able to hire some replacements. But we have stopped hiring now, given the budget situation. So we are leaner than I would like us to be, and I am more worried about that.

But you and your colleagues should have confidence that we will work desperately hard to provide you what we can, given the resources that remain available to us.

STAFFING AND HIRING

Senator NELSON. And that you will be totally candid about what your needs are at that time. Either you are adequately staffed for the requests, or if you are not, what the delay would be or what the cost to meet those requirements might be.

Dr. ELMENDORF. We try to be straightforward about that. As you understand, part of the problem is that one can't create the capacity overnight. So, for example, in the economist job market, much of the hiring happens in the winter. We had lined up a number of promising candidates to work in key areas that we expect the Congress to be pressing us for analysis in.

We did not make job offers to those people. We cut that process off in midstream because of the uncertainty about this year's budget and next year's budget. It is not easy to hire those people now, in a sense. We have, for a number of those people, we basically passed on this entire annual cycle, and our next chance to hire many of those people will be next winter.

It is just a peculiarity of the way this particular job market works. Other areas, we can hire more readily throughout the year. But even then, people don't come in with all the expertise usually that we need. We hire people who are terrifically well-trained and have various different experiences, but not necessarily doing the precise sort of work that we do.

So we can't really ramp up overnight. And that is part of what concerns me is, given the freeze that we have on hiring now, that we will end up with attrition in areas that may not be—well, there is no good place, but maybe in the areas that would be of particular interest to the Congress. And if we don't have the funds to replace those people, then I am worried that we will not be able to do as much as we otherwise would be able to do.

Senator NELSON. Thank you.

GAO BALANCES RESOURCES WITH PRIORITIES

Mr. Dodaro, would that be true in your case as well with the accountability requirements that are constantly being asked from you?

Mr. DODARO. Definitely. Our highest priorities are statutory requirements, either in law, conference reports, or committee reports because they are an expression of a broader congressional interest. By law, we also have to respond to requests from chairs of committees where we have the competency to do so. We treat ranking members the same to maintain our nonpartisan status, and then requests from Members of Congress.

We haven't been able to respond to a request from an individual Member of Congress for many years because of the workload demands. But when unusual circumstances come up, as in the case of the TARP program, I thought it was reasonable to ask the Congress to have that reimbursed since it was outside of the appropriations cycle.

The American Recovery and Reinvestment Act was a similar situation. The Congress gave us one-time funds of \$25 million to help as we deployed people across the country to track the money.

So when unusual requirements arise, I am not bashful in asking the Congress for help. Our base appropriation, if our request is granted, would be enough, I believe, to work with the committees on their highest-priority needs as we know them now.

Senator NELSON. Mr. Boarman, what about yours? Obviously, you are affected by things that go on in the Congress. If priorities change or suddenly there is a workload increase, you are affected by that as well. How does that impact you, your budget, and your thinking about the future?

GPO STAFFING

Mr. BOARMAN. Well, when I came onboard, Mr. Chairman, we had around 2,300 FTEs, and we are down to nearly 2,200. And so, in anticipation of a flat budget or less, we haven't hired anybody.

But I am concerned on the operations side of the house where all the work is done and where the chargeable hours are, we are very, very slim in staffing. And these are the people that mostly work on the nightshift that come in and respond to the overnight needs

of the Congress, and we are down to almost 800 people in that area.

I mentioned earlier in my testimony, we had 8,000 people working there when I worked there back 35 years ago. And just in the division that I worked in, we had 1,600. Today, we have 800 in all of these different divisions—bindery, press, prepress, IT. So, obviously, I am concerned.

But we get it. We know there is an issue, there is a problem here, and we are going to try to do the best we can with less. I have cut out all travel except what is necessary, and any hires have to come to me and be approved because we have no idea what the Congress is going to do with the budget. But we hope they will recognize that we are a valuable, valuable partner, and we provide, like Dr. Elmendorf and Mr. Dodaro, we provide services that I don't think anybody else could do for the Congress.

I don't think you could operate, open your doors every day without the services we do. And I just hope that the Appropriations Committee will keep that in mind because we do work hard for you.

Senator NELSON. Well, I will ask all three of you, is there something I should have asked that I haven't.

Dr. ELMENDORF. Well, Mr. Chairman, as usual, your questions were right on point.

Senator NELSON. Well, thank you.

Dr. ELMENDORF. I think, I guess, the final thing I would say is that I think we are already doing as much as we can with the resources that we are provided. We strive every day to work hard and give the Congress the best value that we can for the resources we were provided with.

And if the Congress decides that it wants a smaller CBO, that is, of course, the prerogative of you and your colleagues. But I think that should be done with an understanding that it will reduce the output that we can give you. There will be fewer cost estimates. The analyses will be less fully worked out. It will take longer to get things done. And obviously, that is what happens when one has to make hard choices about where to use resources.

But I think cutbacks should not be made with a sense that somehow we will do more with less.

Senator NELSON. Yes.

Dr. ELMENDORF. We are doing all we can. And I think if we get less, then we will, unfortunately, do less.

Senator NELSON. Mr. Boarman.

GPO ESTIMATES OF WORK

Mr. BOARMAN. Mr. Chairman, I think your first question was certainly the most important, and I was happy to have a chance to get that on the record because I think it is important.

But beyond that, I think that what would concern me is that if our appropriation was so low and the Congress continued to order printing beyond what we were appropriated, we would still have to do the work. And then we would be in what is called deficit spending, and that is something that the Congress is trying to get out of.

In our appropriations, we are asking for some additional money because of our estimates. We estimate what we think you are going to do. And it is based on historical data. If it is a Presidential election year, usually the Congress is in less than they are in a non-Presidential election year. And so, we make our best guess, but we are not always right. And so, when we come up short, we ask that we be paid for the work that we did.

And so, if we estimate that you are going to print 700 reports, and then you print 850, which I think was the case in the previous year, we have to print it. The law requires us to do that, and you require us to do that.

So that would be the one thing if you would ask me that, that I would say we will do it. But at some point, it would put GPO in a position where the comptroller or the chief financial officer, who is sitting behind me, would be tapping me on the shoulder, saying, "You know, we have no money to pay anybody. So we have to shut down."

And that would be a terrible thing. So I just ask you to keep that in mind.

Senator NELSON. Well, thank you. You gave me an idea.

Mr. BOARMAN. I didn't intend to do that.

Senator NELSON. No, no. It just struck me that if we are in session less, there would be less paper, less printing, less work.

Mr. BOARMAN. Well—

Senator NELSON. You have to share that with the majority leader. As a matter of fact, if people have wanted us to give them less Government, this would certainly be one way to do it.

Mr. BOARMAN [continuing]. For years, I think Public Printers have told the Congress if you want to reduce your printing budget, you have to talk a little bit less.

Senator NELSON. Never happened.

Mr. BOARMAN. But that has never happened. So I mean, it is not up to me to decide how late the Congress stays in session at night. We stay there. When we see the light on in the Dome, we know we have got to be there all night and late into the morning, and we do whatever we have to do to get the Congressional Record and the bills and the hearings and the calendars and the reports.

I get a report on my BlackBerry every morning from Lyle Green, who is sitting behind me, who is our Congressional Publishing Director, telling me we are going to be on time with this and we are going to be on time with that. And I go, "Whew." Because it is so important that we do these.

The Congress pays for it, and we want to be on time. And most of the times we are.

GAO ASSISTANCE HELPS THE CONGRESS MAKE INFORMED DECISIONS

Senator NELSON. And we appreciate that.

Mr. Dodaro, anything that I haven't asked that I should have?

Mr. DODARO. At the risk of giving you another idea, I would venture two points. One, I certainly understand the desire of the Congress to lead by example in cutting their own operations. But I think that the magnitude of our problems and challenges on the fiscal front are so significant that the Congress also ought to be

asking whether it has the proper information and resources to make informed, difficult choices in the years ahead?

And certainly, cutting both congressional staff and the support office staffs is something that bears a lot of careful deliberation and that consequences because I think the country want the Congress to lead by example, but also to make really well-informed decisions in what is going to be a difficult period for everybody in the country until we can get on a more sustainable path.

The second point that I would make would be that the extent to which we can have some sort of stability over a multiple-year period would really help us properly plan ahead. It is something I really never wanted to become an expert at, but managing under continuing resolutions is not an easy process. While I recognize that this is a difficult issue to deal with, I think that sort of stability would be the other idea I would try to leave you with.

Senator NELSON. Well, your point is well made. In the absence of predictability and stability, no one could run a business. And the absence of that in our case makes it very difficult to continue to function at the level we need to. My hope is that we just voted for the last short-term continuing resolution and that the next effort at the end of this 3-week period we will finish out the rest of the year and the 2012 budget we are working on right now will be treated in the ordinary course of business by regular order.

And I hope that it is where we will be able to function. It certainly is a time when we want business to invest here at home. A stable Government, predictable policy, and predictable regulatory responses are all essential to the decisions to invest here. And where investment occurs is where jobs will be created.

So this is why it is essential that we get out of this rut that we are in and just kicking the can down the road, for whatever purpose.

ADDITIONAL COMMITTEE QUESTIONS

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO GENE L. DODARO

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

GENERAL BUDGET

Question. Considering that the Government Accountability Office (GAO) budget request of \$556.8 million is equivalent to the fiscal year 2010 enacted level and the current fiscal year 2011 continuing resolution, under which the agency has been operating for the last 5 months, would you please tell the subcommittee what steps has GAO has already taken to reduce costs?

Answer. GAO is committed to implementing cost savings and efficiencies without diminishing our traditionally high-quality work that lays the foundation for critical decisionmaking and oversight by the Congress. This will entail difficult tradeoffs as we face increasing workload demands while trying to support the staff capacity of 3,220 full-time equivalents we need to maintain our level of service to the Congress without additional resources.

In fiscal year 2010, we reduced hiring in anticipation of limited funding in fiscal year 2011. In fiscal year 2011, we further reduced hiring and have begun implementing significant reductions across a broad range of programs to streamline our operations, reduce discretionary spending, reduce and defer investments, and lever-

age technology to help us achieve our mission more effectively and efficiently. These areas include:

- limiting hiring to only replace critical staff losses;
- reducing staff travel while leveraging other means of communication, including teleconference and video-conference capabilities, whenever practical;
- limiting contracts related to congressional engagements to those that obtain critical subject or technical expertise;
- limiting external training opportunities to staff who represent the GAO at professional forums or necessary to meet certain professional certification requirements, such as State bar requirements;
- deferring some security clearance upgrades for employees and contract staff;
- reducing the cost of operating our facility, including energy consumption;
- reducing contract support in information technology and other sensitive areas;
- deferring technology enhancements which would improve staff efficiency; and
- deferring investments in critical infrastructure programs to improve aging building systems.

Question. What percentage of GAO’s budget covers staffing? How will reduced funding in fiscal year 2011 and 2012 impact support of congressional requests?

Answer. As a knowledge-based organization, about 80 percent of GAO’s budget funds staff compensation and benefits with the balance of our budget funding mandatory operating expenses, such as operating costs for our headquarters and field facilities, security services, and other critical infrastructure services required for ongoing operations.

While difficult, reducing our costs is necessary to fulfill our goal to balance efficiency and productivity in a tight budget environment. Despite the added challenges, at a fiscal year 2010 funding level GAO will still be able to meet the highest-priority congressional needs in a timely manner. We will outreach to the Congress to understand and set priorities to ensure that we focus on the most important issues for congressional oversight. However, if GAO is funded below the requested fiscal year 2010 funding level, it would negatively impact our ability to provide timely GAO to the range of congressional requests and mandates, increase the length of time it takes us to staff requested assignments, diminish our capacity to conduct engagements, increase the number of pending requests, and adversely impact our ability to effectively assist the Congress in addressing the broad array of challenges facing the Nation.

Question. How many legislative mandates requiring GAO to do work have been written into law in the past year and how many individual legislative requests have been sent directly to GAO? Is this an increase or decrease over the previous year?

Answer. Over the last 4 years, the number of congressional requests and legislative mandates averages almost 1,100 annually. In fiscal year 2010, GAO received 979 congressional requests, including 173 legislative mandates and 806 requests from committees, subcommittees, and Members requesting GAO to do work. In fiscal year 2010, the number of new legislatively mandated studies increased by more than 30 percent more than the prior fiscal year.

We have identified a number of legislative mandates that we believe need to be modified or repealed. For example, many of the mandates impose recurring reporting requirements on GAO. We are outreaching to the appropriate committees to discuss the potential for legislative relief from these mandates. Eliminating these mandates would conserve resources while preserving the option for congressional committees to request GAO work in areas covered by the specific mandates.

DUPLICATION REPORT

Question. How does the first annual GAO report on “Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue”—the “duplication report”—differ from the High-Risk Series that the GAO has issued on a biennial basis since 1990? Is the new report a duplication of effort on the part of GAO?

Answer. The two reports have very different purposes. The primary purpose of the “duplication report” is to identify Federal programs or functional areas where unnecessary duplication, overlap, or fragmentation exists, the actions needed to address such conditions, and the potential financial and other benefits of doing so. From our prior work, we also highlighted other areas of potential cost savings or enhanced revenues. In contrast, the biennial high-risk report identifies Government operations that are at high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges. There are a limited number of areas identified in both reports as an opportunity to reduce potential duplication and as a high risk

based upon one body of work. An example is food safety oversight which is highly fragmented. In addition, the current system has caused inconsistent oversight, ineffective coordination, and inefficient use of resources.

We prepared GAO's first annual report to the Congress in answer to a statutory requirement included in the public debt limit increase that GAO identify Federal programs, agencies, offices, and initiatives, either within Departments or Government-wide, which have duplicative goals or activities. The Congress asked GAO to conduct this work and to report annually on our findings. This work will inform Government policymakers as they address the rapidly building fiscal pressures facing our national government. GAO's most recent update of its annual simulations of the Federal Government's fiscal outlook underscores the need to address the long-term sustainability of the Federal Government's fiscal policies.

In the report, we included 81 areas for consideration based on the GAO's prior and ongoing work. We presented 34 areas where agencies, offices, or initiatives have similar or overlapping objectives or provide similar services to the same populations; or where Government missions are fragmented across multiple agencies or programs. These areas span a range of Government missions:

- agriculture;
- defense;
- economic development;
- energy;
- general government;
- health;
- homeland security;
- international affairs; and
- social services.

Within and across these missions, this report touches on hundreds of Federal programs, affecting virtually all major Federal departments and agencies. Overlap and fragmentation among Government programs or activities can be harbingers of unnecessary duplication. Reducing or eliminating duplication, overlap, or fragmentation could potentially save billions of tax dollars annually and help agencies provide more efficient and effective services. The areas identified in the report are not intended to represent the full universe of duplication, overlap, or fragmentation within the Federal Government. We will continue to identify additional issues in future reports.

Given today's fiscal environment, we also presented 47 additional areas—beyond those directly related to duplication, overlap, or fragmentation—describing other opportunities for agencies or the Congress to consider taking action that could either reduce the cost of Government operations or enhance revenue collections for the Treasury. These cost savings and revenue opportunities also span a wide range of Federal Government agencies and mission areas.

In 1990, we began our high-risk program to highlight long-standing challenges facing the Federal Government. Historically, we designated high-risk areas based on their increased susceptibility to fraud, waste, abuse, and mismanagement. As the program has evolved, we have increasingly used the high-risk designation to draw attention to the need for broad-based transformation to achieve greater efficiency, effectiveness, accountability, and sustainability of key Government programs and operations. This effort, supported by the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform, has brought much-needed focus to problems impeding effective Government and costing billions of dollars each year. To help improve these high-risk operations, GAO has made hundreds of recommendations and the administration and agencies have addressed, or are addressing, many of them and the Congress continues to take actions that are important to helping resolve high-risk issues.

In the past two decades, attention to high-risk areas has brought results. More than one-third of the areas previously designated as high risk have been removed from the list because sufficient progress was made to address problems. Further, progress had been made in nearly all of the areas that remain on GAO's list as a result of congressional oversight and action, high-level administration attention, efforts of the responsible agencies, and support from GAO through our many recommendations and consistent follow-up on the implementation of recommended actions. In three areas—strategic human capital management, managing Federal real property, and Department of Defense support infrastructure management—progress has been sufficient for GAO to narrow the scope of the high-risk issue. However, additional progress is both possible and needed in all 30 high-risk areas to save billions of dollars more and further improve the performance of Federal programs and operations.

Question. If the Congress and the executive branch have not had ample time to address the issues detailed in the first report, and policy and funding changes have not been fully implemented, is it reasonable to assume that GAO will be able to produce a valuable duplication report on an annual basis?

Answer. Yes. The original concept was to cover the entire Federal Government over a 3-year period. We are currently planning activities for year 2 and year 3. We plan to create a methodology to ensure that we cover all areas where there is a potential for overlap and duplication. Also, future reports will include a listing of the actions taken as a result of the prior year's report and actions that remain open.

Question. What are the costs to GAO for compiling each of these reports? If committees and Members of Congress are going to continue to ask GAO to produce these reports, and at the same time provide reduced funding for the agency, it would be helpful to know the general cost associated with producing a report so that we might re-evaluate and streamline our own requests.

Answer. As a knowledge-based organization, GAO's most significant resource is its staff. As a result, GAO manages engagements based on the staffing resources needed to conduct the engagement rather than applying a dollar or budget figure to represent the engagement's cost. In addition, we allocate staff resources and measure our performance by strategic goal rather than by engagement, as described in our annual "Performance and Accountability Report". It should be noted that the data GAO collects and analyzes when conducting its work is often used on multiple engagements and because there are so many engagements that share data, it would not be cost-effective—or perhaps even possible—to accurately isolate the cost of any particular engagement.

To produce these reports we draw upon an extensive body of work across GAO, including ongoing and previously completed work. The body of work used in this effort was performed for a wide variety of committees and subcommittees in both chambers, including more than 60 percent of the committees in the House and more than 60 percent of the committees in the Senate. Our first report on overlap and duplication also included updates to prior GAO work and recommendations, and in some cases, required that we complete ongoing work or conduct new work to identify what additional actions agencies may need to take and the Congress may wish to consider, and considered the work of other agencies such as the Office of Management and Budget and the Congressional Budget Office.

Question. What are the benefits to GAO of compiling these reports? What sort of return does GAO's work generate for the taxpayer?

Answer. As a result of the information contained in the GAO's first annual report on duplication and overlap, the Federal Government has the opportunity to save tens of billions of tax dollars annually by reducing or eliminating unnecessary duplication, overlap, or fragmentation and by addressing the other cost-saving and revenue-enhancing opportunities contained in the report.

Solutions to high-risk problems offer the potential to save billions of dollars, dramatically improve service to the public, and strengthen confidence and trust in the performance and accountability of the U.S. Government. In fiscal year 2010, we issued 151 reports, delivered 67 testimonies to the Congress, and prepared several other products, such as briefings and presentations, related to our high-risk work. In addition, we documented nearly \$27 billion in financial benefits and 522 non-financial benefits related to high-risk areas. These results are based on reviews spanning a wide range of issues such as implementing and transforming the Department of Homeland Security, revamping Federal oversight of food safety, executing the 2010 Census, and managing Federal real property.

GAO FIELD OFFICES

Question. When GAO's field offices were established in the 1950s, there may have been a real need for setting these up around the country because of the limited ability to travel, the costs associated with travel, and the inability to gather and share information as easily and quickly as we can now in this instant communication age. Is it still necessary for GAO to maintain 11 field offices?

Answer. As telecommunications, transportation, and access to information has improved, GAO has reduced the number of field locations from 43 to 11. We believe 11 offices are needed at this time. We periodically assess our field structure and believe it is appropriate to maintain field office locations to do original data collection and provide first-hand information on Federal activities and expenditures around the country. This information is obtained through direct observation, interviews, inspections, and examination of activities where the action takes place and Federal funds are spent.

GAO's strategic plan for 2010 to 2015 discusses challenges facing the Nation and issues we plan to address over the next 5 years. Together with its headquarters' office, the GAO's field structure provides excellent coverage of Federal expenditures on such areas as national defense operations; protecting the homeland by securing ports, borders, and critical assets; management of the Nation's natural resources; and hundreds of billions of dollars in Federal aid to States and localities through programs that provide medical assistance, education, child nutrition, income support, and highway investment. Illustrative examples follow:

- Much of GAO's national security work is conducted at military facilities, such as the Aeronautical Systems Center (Air Force Materiel Command) at Wright-Patterson Air Force Base in Dayton, Ohio, which manages most major Air Force aircraft programs. Our Norfolk staff recently completed work at naval commands in Virginia such as the Aegis Training Center in Dahlgren, Virginia and the U.S. Fleet Forces Command in Norfolk, Virginia. In addition, Redstone Arsenal in Huntsville, Alabama is home to the Army Aviation and Missile Command, the Army Aviation Research, Development, and Engineering Center, the Missile Defense Agency, and NASA's Marshall Space Flight Center, and minutes away from our Huntsville field office.
- A majority of our Customs and Border Protection work is performed in the field. For example, our Los Angeles office offers easy access to the Ports of Los Angeles and Long Beach, the Nations' top two ports. It also is proximate to the Mexican border, where much enforcement and interdiction activity is focused.
- A large portion of GAO's healthcare work is done in our field office locations. For example, our Atlanta staff is currently performing work at the Centers for Disease Control, headquartered in Atlanta.
- GAO field staff conduct critical work in our western field offices that are proximate to numerous facilities where nuclear weapons development, nuclear clean-up, and other activities are subject to GAO reviews occur. Maintaining a core group of GAO staff at these field offices that has the necessary security clearances to access sites and that has knowledge of associated programs, allows the agency to accomplish its work more efficiently and help inform multiple engagements simultaneously.
- Most of GAO's oil and gas development and other work on Federal lands occurs in the Western States; having staff positioned in Denver, San Francisco, and Seattle has allowed us easy access to these areas and to Federal and State offices and officials who manage these programs. Ongoing work on oil and gas development in the Gulf of Mexico has also benefited from the participation of GAO staff in Dallas.

Moreover, the ability to draw and retain top talent in locations with less competition for that talent than in Washington, DC allows the GAO to maintain a highly skilled, diverse workforce that lives and works where the Congress' constituents live and work. This provides the GAO the opportunity to recruit from a large pool of academic institutions, bringing diverse perspectives to our work from many regions of the country.

In addition, GAO field staff partner with their accountability professional colleagues through the intergovernmental audit forums across the country with State and local auditors. This allows GAO to develop local, State, and Federal geographically dispersed networks to share information and best practices from all levels of government. These relationships were extremely beneficial when conducting our American Recovery and Reinvestment Act work as we quickly deployed field staff to cover 16 States for a 2-year period. These already established networks provided quick access to the organizational entities we needed to engage and allowed strong collaboration across the multiple layers of government.

Question. Would there be any savings realized by GAO if any, or all, of the field offices were eliminated? Or would eliminating the field offices increase the travel costs for employees?

Answer. GAO has not done a recent analysis to determine what if any savings could be realized through closure of some or all of the field offices. In order to continue to provide the same level of service to the Congress in future years, GAO would need to maintain our staff capacity, which includes subject matter expertise housed in our field locations. Theoretically, we would continue to incur the same types of costs whether staff are located in the field or in headquarters and could potentially increase travel costs as a result of closing offices in close proximity to many sites that we visit to conduct our work.

GAO periodically revisits our field structure, resulting in multiple realignments over the years, specifically undertaking a number of initiatives to realign our field structure in response to changing conditions and workloads. The overriding goal of these initiatives has been to realize long-term efficiencies in the way we do our

work. Most recently, we have taken actions to maximize efficiencies and reduce the costs of travel to maintain our current field structure (e.g., increased videoconferencing capability, virtual meetings, Internet Protocol television (IPTV), document sharing through technology, centralized training hubs, and e-learning.) With these cost-saving initiatives, coupled with the mission-related benefits, we believe that the decision to maintain our field structure is well supported.

Question. I understand that GAO has established a field presence in Iraq and is working with the State Department on similar activities in support of its work in Afghanistan and Pakistan. Why is it necessary for GAO to have a permanent presence in these countries? How many staff will be stationed in these locations? Does GAO receive any reimbursement from the State Department for these activities?

Answer. We currently have three long-term temporary duty staff stationed in the International Zone in Baghdad, Iraq. We plan to continue this level of presence into fiscal year 2012. The staff work on multiple GAO engagements related to U.S. military and civilian activities and afford us a firm oversight presence in the country that has been supported by numerous Members of Congress. We believe it is critical to have a limited number of GAO staff on the ground in Iraq to effectively carry out GAO's mission and to serve the broad interests of the Congress. The State Department and the Chiefs of Mission have afforded GAO excellent support and cooperation in our efforts to access the necessary data, facilities, and representatives of the Government of Iraq and other program implementers in Iraq. Our presence in Iraq is further necessary to address recent congressional mandates to assess the campaign plan for Iraq, review the effect of drawing down resources in Iraq, and evaluate contracting activities there.

We are currently planning on establishing a presence in Afghanistan to meet congressional mandates and interests in the region. As is the case in Iraq, we believe having staff on the ground will allow us to establish the relationships and have ready access to information and people to be more responsive to concerns raised by the Congress. As in Iraq, we have congressional mandates to assess United States progress toward achieving goals in the integrated civilian-military plan and to evaluate contracting activities in Afghanistan. Having a presence in Afghanistan will enable us to leverage multiple GAO engagements related to United States military operational activities, civilian agency programs, and contract oversight of billions of dollars invested in Afghanistan.

In late 2009, we requested State Department support in establishing a five-person temporary duty presence in Kabul, Afghanistan. We are currently awaiting State Department's approval of our request.

We continue to conduct engagements in Pakistan, but we have no plans to establish a long-term presence at this time.

The GAO does not receive any reimbursement from the State Department for these activities.

QUESTIONS SUBMITTED TO WILLIAM J. BOARMAN

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

CONGRESSIONAL PRINTING AND BINDING

Question. Of the requested increase for congressional printing and binding, \$1.39 million is required to reimburse the Government Printing Office (GPO) for services it provided to the Congress in fiscal year 2009 beyond the funding that was appropriated for this account. Why was the estimated cost to cover congressional printing not sufficient to cover expenses in fiscal year 2009? Does a shortfall of this nature happen often?

Answer. The estimated cost was not sufficient because the volume of printing required was underestimated. Based on past trends, GPO estimated that in fiscal year 2009, the volume of hearings would be about 263,000 pages and the volume of bills, resolutions, and amendments would be about 131,000 pages. The actual volumes were substantially higher, a total of 311,350 pages of hearings and 183,000 pages of bills, resolutions, and amendments were required. There are often estimating variances in this account because GPO does not control the actual volume of work required to be performed. If a shortfall occurs, GPO is obligated to perform the work and temporarily finance the shortfall through its revolving fund. GPO will then seek to have the shortfall funded in a subsequent appropriation.

Question. Almost \$3 million of the requested increase for congressional printing and binding is attributed to estimated volume increases in some work categories,

offset by decreases in other categories. How does GPO calculate the estimation for congressional printing and binding when formulating its budget request?

Answer. The estimation is based on actual historical data for the specific categories of congressional work in past congressional session years and any known special printing requirements for the budget year. For example, in fiscal year 2012, obligations for the 2013 Presidential Inaugural will be incurred.

SALARIES AND EXPENSES OF THE SUPERINTENDENT OF DOCUMENTS

Question. I understand that \$500,000 of the requested increase for salaries and expenses of the Superintendent of Documents is needed for legacy systems migration and modernization, and historical digitization projects that have been approved by the Joint Committee on Printing in collaboration with the Library of Congress (LOC). Please describe for the subcommittee the legacy systems and historical digitization projects that would benefit from this funding. What is the plan for digitizing legacy collections of Federal publications? If the subcommittee is not able to provide the requested funding in fiscal year 2012, what is the impact to these projects?

Answer. The GPO is migrating five critical legacy systems that are not currently supportable to a modern sustainable architecture (the Depository Distribution Information; Acquisitions, Classification, and Shipment Information; Automated Depository Distribution; Item Lister; and Amendment to Item Selection systems). This is called the Library Information System Transformation (LIST) Project, and it is part of an ongoing effort for system modernization that has been funded in the past. Approximately \$400,000 is needed to complete the migration. An additional \$100,000 is required to support an ongoing collaboration with the LOC to digitize historic printed issues of the Congressional Record dating to 1873. Lack of funding will result in project delays, and where legacy systems are concerned, will prolong the vulnerability of these dated systems to malfunction or breakdown.

Question. Of the requested increase, \$304,000 is for the annual operating costs of the Federal Digital System (FDSys). Is this an increase from previous annual operating costs? If so, why has this cost increased?

Answer. The increase is attributable to necessary support tasks that were not initiated in fiscal year 2011, including support for parsers, applications, and development tools that has not been contracted for in fiscal year 2011. The GPO anticipates that an additional \$304,000 will be required to support FDSys to enhance permanent public access and ensure system availability.

REVOLVING FUND

Question. I understand that \$5 million is included in the fiscal year 2012 budget request to continue the development of the FDSys. How much has been spent to date on getting this new system up and running? How much additional funding is necessary to complete the installation of this system? When it is completed, what is the anticipated annual cost of maintaining FDSys?

Answer. FDSys is the successor system to GPO Access, our original Web site, which began operations in 1994 and provided free online access to information from the Congress, Federal agencies, and the courts. FDSys provides free public access to the same range of information and features state-of-the-art content management and information search and retrieval systems that meet the needs of today Government information users. Through February 2011, total spending on FDSys has been approximately \$43.6 million, and the GPO has completed release 1 of the system, which fully replaces GPO Access, including a failover continuity of operations capability. Release 2, which is the submission functionality of the system, is currently being developed. The costs of this work are expected to increase total system development costs to between \$45 million and \$50 million. In addition, annual operating costs are anticipated to be \$3.25 million, including licensing, staffing, and system refresh costs (these costs are anticipated to decrease to the extent we can transfer contractor functions to the GPO staff). Future developmental costs, which are optional, could potentially reach \$4.75 million annually. The funding requested for fiscal year 2012 is to complete development of release 2 and help support annual operating cost requirements.

QUESTIONS SUBMITTED TO DOUGLAS W. ELMENDORF

QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

DECREASE FUNDING

Question. While I appreciate the fact that the Congressional Budget Office (CBO) has presented a budget request for fiscal year 2012 that represents no change from the funding level provided in fiscal year 2010, if the subcommittee is not able to provide the full funding request for fiscal year 2012, what would be the impact to the CBO?

Answer. The impact of a budget reduction in 2012 would depend on the magnitude of the reduction. If it were modest, CBO would try to accommodate that reduction in ways that did not significantly affect the amount of information and analysis we provide to the Congress. As a first step, CBO would reduce its nonpay spending—primarily for information technology—as much as possible without degrading necessary support requirements. But more than 90 percent of CBO's budget represents compensation for the agency's staff. (About 5 percent is for IT equipment and services, and the remainder is for training, printing, furniture, office supplies, and related items.) Therefore, a significant reduction in the agency's budget would necessitate a downsizing of CBO staff—preferably by attrition—but under some scenarios, layoffs might be necessary.

Because the demand for CBO's analysis by the Congress already far exceeds the agency's current ability to provide it, reducing staffing could slow the production of cost estimates and mandate statements for pending legislation, delay analyses of large-scale budget proposals, limit the types and complexity of analyses the agency could undertake, reduce the number and scope of alternative legislative provisions the agency could examine, and decrease the number of amendments to bills on the floor of the House and Senate for which estimates can be generated. CBO would prioritize requirements to meet the most critical efforts required for the Congress to accomplish its mission. However, downsizing accomplished through little or no new hiring to replace departing staff would probably result in an allocation of staff that was not well-matched to Congress's needs.

IMPACT ON ANALYSES

Question. What can the Congress do to change its requirements and expectations of the analyses that CBO provides, given the fact that we may have to decrease funding for the agency?

Answer. Both the timeliness and the quantity of CBO's products could be affected. The agency would work closely with the budget committees to identify the ways to adjust CBO's output so as to maintain the most support possible for the congressional budget process.

As specified by the Congressional Budget Act, much of CBO's work is for committees. They might need to allow more time between when bills are marked up and when they are reported in order to obtain CBO cost estimates and mandate statements for reported bills. (Those are required by the Congressional Budget Act.) Committees might seek less analytical support in drafting legislation in the form of fewer requests for cost estimates for alternative policy proposals and for broad policy studies—and they might need to allow for greater turnaround time on such work. The preparation of testimony is very time consuming; the CBO might need to limit testimony to the highest-priority requests.

When feasible, the CBO also tries to respond to requests for information from individual Members. If the CBO were smaller, Members would need to anticipate that fewer of those requests could be addressed. The CBO also has been doing more and more estimates for floor amendments; the leadership and the Budget Committees might need to allow more time for such estimates or allow for the fact that the CBO might be able to prepare fewer such estimates in the short time that is usually available.

SUBCOMMITTEE RECESS

Senator NELSON. So I appreciate very much your answers and your proposals. Obviously, we are going to continue to try to work together to get this done in a fair and appropriate way.

So thank you all.

With that, we are recessed. Thank you.

[Whereupon, at 3:58 p.m., Thursday, March 17, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]