



Chief Administrative Officer Budget Request — Fiscal Year 2015

Statement of

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Chief Administrative Officer

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Committee on Appropriations

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Summary

Chairman Cole, Ranking Member Wasserman Schultz and Members of the Subcommittee, I appreciate the opportunity to appear before you today in my new capacity as the Chief Administrative Officer. It is a privilege and an honor to serve the House in this role.

As you know, I have worked closely with this subcommittee in my previous position, and have always appreciated its strong support for the House Officers and other institutional entities that serve the House.

We look forward to working with you on this budget request and on the other issues, initiatives, and challenges that we face during the coming months and in fiscal year 2015.

The FY 2015 budget request for the Office of the Chief Administrative Officer is \$116,163,350 which is \$3,063,350 or 2.7% above the Consolidated Appropriations Act, 2014 per Public Law 113-76. There is an increase of \$874,000 or 1.4% in personnel which is attributed to the FY 2015



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COLA, longevities, and overtime. There is an increase of \$4,449,350 in non-personnel which is attributed to fully funding annual costs and key projects. These increases are partially offset by a decrease of (\$2,200,000) in no-year funding as the Enterprise Storage Costs are on a 5-year budget cycle and were funded in FY 2014.

Our core mission is providing financial, information technology, logistics, and other support services to the House Community. It is our goal to do this in the most effective and efficient manner possible.

Patient Protection and Affordable Care Act

Under final regulations issued by the Office of Personnel Management (OPM) in October 2013, Members and their designated staff are eligible for employer-provided health plans offered through the District of Columbia's DC Health Link exchange. They are no longer eligible for the Federal Employees Health Benefit Program (FEHBP).

In the months leading up to this past Health Benefits Open Season, staffers in Payroll and Benefits spent countless hours in discussions and meetings with the Office of Personnel Management and the DC Health Link exchange in an effort to provide as smooth a transition as possible to those now covered under the Affordable Care Act in the DC Health Exchange.

To support Members and staff through this transition, the Chief Administrative Office provided detailed resources and hosted multiple live briefings throughout November and December on the healthcare plans available to Washington, DC and District office congressional staff.

These briefings, which were also broadcast live online and on the House cable network, included presentations by OPM, DC Health Link, and the insurance carriers offering plans through DC



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Health Link. In addition, the carriers and DC Health Link assisted staffers at several CAO sponsored open houses and at the annual Health Benefits Fair.

CAO Payroll and Benefits counselors worked evenings, weekends, and through the holidays to assist Members and staff with answers to their questions. Thousands of staffers took advantage of these opportunities to connect with the insurance carriers and DC Health Link.

There were severe problems initially with the DC Health Link website and many staffers were unable to sign up by the deadline. Payroll and Benefits counselors reached out to those individuals and have worked with them to ensure they receive the benefits to which they're entitled with no lapse in coverage.

To date, more than 300 Members and 4,300 staffers have successfully signed up for health benefits through the DC Health Link exchange. Currently, Payroll and Benefits counselors are assisting newly hired designated staff in signing up for their benefits.

Transition

Planning and preparations for the transition to the 114th Congress are well underway. We are working closely with the other House Officers and the Committee on House Administration to finalize a strategic plan for transition services.

Our efforts are centered on providing departing and new Members and staff with clear, concise information that is readily accessible and easily acted upon.

To support this, all CAO personnel with roles in planning and executing the transition are working to improve our operations based on feedback from the 113th transition.



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Transition websites are being updated and Logistics and Support is repairing furniture and ordering supplies to support office moves.

During the last transition, individual meetings with Members-elect on administrative issues and setting up District offices proved successful. We will streamline the information that's passed along and provide additional follow-up opportunities during this transition.

The CAO is working on several initiatives to obtain accurate and complete contact information for persons handling all financial matters for departing offices; provide additional communications regarding terminating utility and telecommunications services; and is reviewing how to obtain W-9 information more expeditiously from the many new vendors added during the transition.

A benefits fair for new staff during the last transition was well received and another is planned for January 2015.

Several dozen Members have already announced they are retiring or running for another office and leaving the House at the end of the 113th Congress. Briefings for departing Members and their staff begin in June. Additionally, for the first time, recorded briefings will also be available 24/7 for staff that cannot attend in person. Counselors in both Payroll and Benefits and the Office of Employee Assistance will schedule personalized meetings for staff in departing offices that request them. More than 100 of these individual meetings were held during the 113th transition.



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Technology

Enterprise Storage Renewal

Each month the House backs up more than one billion data files. This is equivalent to 15-million CD-ROMS full of information. Storage and backup of data is done on an enterprise level using replication technologies connected via Storage Area Networks (SANs) which allow systems to share data effectively, conduct disaster recovery, and efficiently communicate with application servers. The storage and backup environment is divided into three parts: the performance based storage array, the capacity based storage array, and the backup hardware.

Information Security

Digital and electronic security of the House network remains a top priority as intrusion attempts and spyware detected by the CAO's Information Systems Security Office remains high.

The CAO's House Information Security program provides two types of services: back office and customer facing. Back office services include firewall protection, intrusion detection, malware threat mitigation, web filters, patch management, technology review and evaluation, compliance and audits, and incident management. Customer facing services include: security and awareness training; SecurID services; foreign travel mobile device scanning; and defining, publishing and communicating policies and standards.

Information Security systems address an ever changing threat environment and therefore must be updated more frequently to ensure continued operations of the network and its protections. Additional funds have been requested for on-going Information Security support for the coordination of required certification and accreditation (C&A) activities related to applications



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and general support systems, system security plan updates, increasing Cyber Security demands, and Forensics requirements.

Business Continuity/Disaster Recovery (BC/DR)

The House's ability to respond to threats and disruptive events is strengthened by a strong working relationship between the Sergeant at Arms, the Office of the Clerk and other legislative branch agencies.

Our budget requests reflect the importance of ensuring the House can carry out its constitutional duties if interrupted. House Members, leadership, committees, and institutional offices use the services provided by the BC/DR program on a daily operational basis, as well as for disaster recovery. Beginning in FY 2014, BC/DR will begin executing its life cycle replacement plan for equipment at the end of its useful life or before vendors cease support.

Mail

The offsite mail processing center and the House digital mail program not only enhance the efficiency and delivery of physical mail, but it makes it more secure. Total participation in the digital mail program is up to 236 Member offices. All freshman Members of the 113th Congress were automatically enrolled and participation is optional for Members elected prior to the 113th Congress.

Negotiations with the mail vendor, Novitex, and realignment of usage costs with the Library of Congress enabled the Acquisitions Management team to reduce the cost of the first option period by \$789,000. The current contract expires on August 31, 2015 but can be extended until 2019 with two optional two year extensions that include small cost increases.



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Internal Controls

The CAO established its first organization-wide internal controls program in 2011. A primary focus thus far has been on addressing information technology weaknesses identified in prior years. As we work to further enhance our internal controls program, I have made clear that a top priority must be given to a rigorous review of the CAO's systems for managing millions of dollars of House inventory – including furniture, IT hardware and software, telecommunications and other equipment. I am determined to ensure that our people, processes and systems are up to that critically important job.

PeopleSoft Upgrade

The CAO upgraded the PeopleSoft system in three stages during 2013. The last phase was completed in October. PeopleSoft 9.1 upgrades were accomplished within the scope of the budget and within the approved timeframe.

The upgrade continued the integration of PeopleSoft with the E-Voucher and office content management systems. This feature lets authorized administrators enter vouchers directly into PeopleSoft. Benefits of this function include faster processing, remote submissions, delegation of authority, electronic approval, expanded visibility into the status of all vouchers, and the elimination of signed paper vouchers.

The CAO acquired the Hyperion Budget & Planning suite of software along with the PeopleSoft purchase. The Hyperion solution has several advantages that will allow the CAO to save both time and money. Under Hyperion, the CAO can consolidate multiple budget systems, streamlining the budget process to save staff time and allow them to better allocate their resources. The increased accuracy of Hyperion will result in real dollar savings, on the order of



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\$100,000 annually, enabling us to eliminate spending on other budget tools. Additionally, the CAO will retire CAPS (Congressional Accounting & Personnel System) because of the advantages of Hyperion.

Cannon Renewal

The Cannon renewal project moves into high gear during 2014 with the relocation of staff to the Ford and O'Neill buildings. The first of five phases of construction on Cannon begins in 2015.

The CAO is working closely with the Architect of the Capitol to coordinate budgetary requirements for any additional operational costs. Specifically, while telephones and computers are included in the project budget, a memorandum of understanding is pending regarding the cost of moving and installation of furniture and furnishings.

Cost Sharing

The CAO mission to provide support services to the House offices creates efficiencies and synergies that could not otherwise be accomplished. This is especially true in the areas of financial reporting, technology, IT security, mail security, digital mail, and Business Continuity and Disaster Recovery.

In other areas the CAO has extended extra support to offices in tight financial times, such as with enterprise subscriptions to the National Journal and Roll Call; and in sensitive situations such as the recent email blocking by third party vendor, and in collaborative ways to save money and energy with the House Cloud.

Moving forward, the CAO will develop and evaluate prospective cost sharing models for various services provided to individual offices.



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Closing Remarks

Thank you for the opportunity to testify today. The entire CAO team is more committed than ever to providing House Members and staff the tools and resources they need to work efficiently and effectively in a secure environment.

I look forward to working with the Committee and would be pleased to answer any of your questions.