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Chairman Kilmer, Vice Chairman Graves and Members of the Select Committee, I am honored to appear before you today in my capacity as the Inspector General of the House.

My office plays an important role helping to ensure the integrity of House financial and administrative processes and identifying improvement opportunities. Our focus is on the back-office operations of the House. We spend our time working with the House Officers and the Committee on House Administration, examining operational functions, and identifying risks that could adversely affect the institution. This includes identifying areas where inefficient practices and processes impair the effectiveness of the House. This institution, like any organization, will always have areas where operations can be continually improved.

Members are sent to Congress to represent their constituents and legislate. When they arrive in Washington, however, they suddenly must hire staff and operate offices both in DC and their respective Districts. As an independent employing authority, each Member office is responsible for a wide range of general administrative functions paid for by staff time and Member Representational Allowance (MRA) dollars. For example, Members must manage general human resources activities, procure goods and services, pay bills, perform or contract for Information Technology (IT) services and support, and manage the office budget. Each hour of staff time and each dollar expended from the MRA to support administrative activities is a resource that could be otherwise utilized to support constituent or legislative work. Overall, I think it is vitally important to minimize this administrative burden with the goal of providing Members and Committees as much time and money possible to do the legislating and constituent support that only they can do.

Historically, there has been movement in the direction of providing more support to Member and Committee offices. Examples of these efforts include: consolidating network user sign-on and authentication in Active Directory, converting constituent letters into electronic form, offering virtual servers to offices and Committees, assisting offices with I-9 compliance for new hires, and creating programs like the Secure Configuration Management Program (SCMP) to help ensure offices are complying with information security policies. I believe these are all moves in the right direction and these types of services should continue to expand and evolve.

This Select Committee has already made a number of recommendations that I agree would improve the efficiency of House operations. Today, I focus upon three specific topics that I believe present opportunities for the House to enable Members and staff to devote more of their resources to legislating for the nation and helping constituents. The three topics are:

- Increasing financial administrative support for the Members and Committees,
- Centralizing procurement for commodity items, and
- Standardizing user technology operations and support.

Financial Administrative Support

Members must manage their office finances and account for every MRA dollar that is spent. Their spending is made accessible and transparent to the public via the publication of the quarterly statements of disbursements (SOD). It is important that *spending is proper,* and that *spending is properly recorded and reported*. Achieving this can be challenging given it requires a thorough understanding of the House's complex set of rules, operational policies, and procedures. To address this challenge, the typical approach is to task internal office staff to manage the financials (for whom this is likely a "secondary duty") or hiring a "shared employee" to manage the books for the office. Both approaches cost Members and Committees money (staff time) that otherwise could be applied to other activities.

When it comes to preparing and submitting MRA disbursements and paying bills, potential policy changes could help reduce the amount of time Member offices spend documenting and submitting expenses. Travel expense reimbursement is a complex and time-consuming activity. One way to reduce paperwork and time spent preparing vouchers would be for the House to utilize a "per diem" model for meal and incidental expenses (M&IE). The Executive branch, through the General Services Administration (GSA), was authorized to establish and develop a per diem processes back in 1986. Each year, the GSA researches costs and publishes a per diem rate for cities and locations across the United States. Rather than travelers collecting and itemizing receipts for each meal and incidental expense (M&IE), they are given a flat, pre-determined M&IE allowance determined by the destination. Using a per diem to reimburse official travel has also been adopted by many other governmental, higher education, and private sector entities. In fact, organizations that use a per diem typically leverage the allowance rates published by GSA. The specifics on how a per diem works is already outlined in the Federal Travel Regulations. The House could leverage the policies outlined in the Federal Travel Regulations in implementing a per diem model.

To illustrate the potential time savings, consider the time spent on a travel expense report for the:

- Traveler to gather, organize, copy, and document M&IE receipts.

- Office financial administrator to create an itemized voucher and properly assign expense codes.
- Traveler to review and sign the voucher.
- Supervisor to review the documentation and approve the voucher.
- Member or delegated staff to review the voucher and authorize payment.
- Office of Financial Counseling to review and ensure supporting documents for M&IE are present and properly recorded.
- Input and processing of the actual reimbursement.

Many receipts today are now electronic and not easily obtainable in hard copy form. It is conceivable that the process of documenting and reviewing expenses for a single trip could take an hour or more. This is time lost for other activities. Under a per diem model, calculating the M&IE allowance is as simple as multiplying the number of days by the predetermined rate. This also assists with budgeting as the office knows ahead of time exactly what the traveler will be reimbursed based upon the length of the trip and location. No receipts are needed since the traveler is reimbursed a fixed rate – regardless of what was actually spent. From a transparency perspective, these expenses would still be listed in the SOD just as they are today.

Understanding the applicable rules and accounting policies at the House can be challenging, particularly for a new Member or staffer. Expanding the services of the Office of Financial Counseling (OFC) to more directly assist offices with financial management and voucher preparation is worth considering. Ideally, this would significantly reduce the need for office staff or shared employees to prepare paperwork and submit bills for processing. Offering this type of centralized, specialized service would also improve the consistency and accuracy of accounting information. These tasks would be completed by centralized staff with the requisite knowledge and experience whose sole responsibility would be financial support and processing. Offices would then be able to focus on other areas.

Centralized Procurement for Commodity Items

Regular analysis of House spending can highlight opportunities to negotiate better pricing for offices and therefore, the House overall. In 2018, we found that offices spent about $267 million on goods and external services. Member offices generally make routine purchasing decisions independently and, in many cases, end up ordering the same items from the same vendors. Regular analysis of spending patterns and working with key vendors would allow the House to better leverage its buying power and reduce costs. Areas we identified in our analysis were:

1. Publications and Reference Material: In calendar years 2015 and 2016, the House spent an average of $9.75 million on publications and reference materials. 50% of this spending was with 5 vendors.
2. Bottled Water: Offices paid $623,000 to bottled water vendors in 2016. There were 184 different suppliers but 60% of the expense was with one vendor and the top four suppliers accounted for 85% of this spending.
3. Office Supplies: The House has several purchase agreements for general office supplies, paper, and toner (including the House office Supply store.) Based on 2016 spending data, however, offices regularly utilize other vendors. During this period, the House spent a total of $5.6M with 576 different office supply vendors.

Negotiating House-wide contracts or purchasing services for all offices centrally rather than independently could save the House money. For example, the CAO has negotiated with CQ/ Roll Call for a one-price, single subscription that covers all House offices. It is conceivable that this could be further expanded to cover other items.

The final area with potentially the greatest opportunity for saving money and improving efficiency is the standardization and centralized purchasing of House information technology. Today, House offices have a great deal of latitude when purchasing IT support and equipment. While Members and their staff may have differing and often strong preferences about the types of IT equipment they should use, this can be costly for the House from a financial perspective and makes supporting and securing the House networks more challenging. I think there is tremendous opportunity to reduce technology costs by establishing a small set of standard devices in key categories (e.g., computers, monitors, printers) and directing procurement through one organization (e.g., the Office of Acquisition Management). Negotiating larger purchases with a smaller number of vendors would allow the House to leverage its buying power and reduce costs. I saw this first hand when my office purchased monitors in conjunction with the CAO. We were all able to lower the cost per unit for both organizations by combining our purchase.

Technology Operations and Support

This Select Committee has already made some recommendation on how to modernize and revitalize House technology. I would like to expand on this important topic. House Information Resources (HIR) is funded to provide House offices with information technology (IT)support. In addition, offices often obtain additional contracted IT support. Sometimes this is based upon historic practice, sometimes it is based on past support experiences, and other times it may be based on the perceived level of service needed. Member offices spend considerable MRA money for IT support. In some cases, *the support services offered by HIR and by contracted vendors significantly overlap*. In 2012, House offices spent an estimated $6 million to hire vendors for IT support. Strengthening the existing centralized HIR IT support and ensuring it meets the needs of Members could eliminate the need for offices to pay for adjunct support.

As I outlined earlier, if the House had greater standardization within the computing environment, there should also be a reduction in support and operational costs. Less complexity breeds efficiency. For example, operating systems become standardized, laptop/ desktop base images are the same, and systems used to distribute software and monitor systems for malware may need less configuration and management. End-user support also becomes easier and less expensive when there is greater standardization. From a House perspective, this would mean:

- Significantly less burden for offices to manage their IT resources by reducing staff time and MRA dollars paid for IT support.
- Easier support and compliance with IT and information security policies.
- The increased ability to better protect the computing environment given a reduced number of device types and operating systems on the network.

The question to consider is, would it be better if the House just provided administrative support *and* IT systems to Members just like office space, utilities, and furniture?

As I stated at the beginning of my testimony, Members come to the House to serve their constituents and to legislate. The House is a complex entity with lots of rules and polices that govern its operations. I believe the current model puts a great deal of administrative overhead on each Member office. I think the institution entities should be positioned to better serve the Members and help alleviate this burden.

Mr. Chairman, my thanks to you, the Vice Chairman, and the Members of the Select Committee for this time to discuss opportunities to improve efficiency and effectiveness of House operations. My staff and I look forward to continuing our role of providing value-added advice and counsel to the House and focusing on issues of strategic importance to the House.

At this time, I would be happy to answer any questions you may have.