

CAO Semiannual Report

January – June 2012



Submitted August 14, 2012

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FROM THE CHIEF ADMINISTRATIVE OFFICER

Teamwork and customer service marked the Chief Administrative Office's (CAO) operations during the first half of 2012.

Charged with running the House's administrative operations, the CAO provides Members and staff with payroll and benefits services, technology support, and cyber security. We manage food services and mail delivery contracts, process purchase orders, refurbish and supply furniture, and offer a range of other services from technical training to graphic design.

I am proud of our continued management of programs and services essential to House operations.

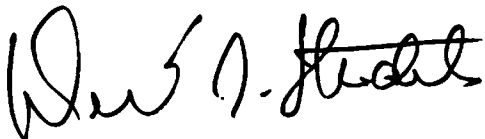
We are especially pleased to have helped the House earn a clean opinion from the Office of the Inspector General on the fiscal year 2011 Financial Statement Audit. Our team remediated material weaknesses identified in previous reports through teamwork and the successful implementation of a comprehensive internal controls program.

We also began our preparations for the 113th Congressional Transition, which requires ongoing cooperation among internal CAO groups, House Officers, and the Committee on House Administration.

The success of our operation is dependent on our close working relationships with the Committee on House Administration, the Appropriations Subcommittee on the Legislative Branch, and other House organizations, including the Clerk of the House, the Sergeant at Arms, and the Architect of the Capitol.

CAO employees are dedicated to providing the best service possible to support Members and staff as they efficiently and effectively do the business of the People's House.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Strodel". The signature is written in a cursive, flowing style.

Dan Strodel

Chief Administrative Officer

EXECUTIVE SUMMARY

CAO business units worked together during the first half of 2012 to launch initiatives aimed at providing the House of Representatives with the highest level of service.

Among other achievements, the CAO helped the House earn a clean opinion from the Office of the Inspector General on the 2011 Financial Statement Audit. We accomplished this by implementing an internal controls program that remediated material weaknesses identified in the two previous audits.

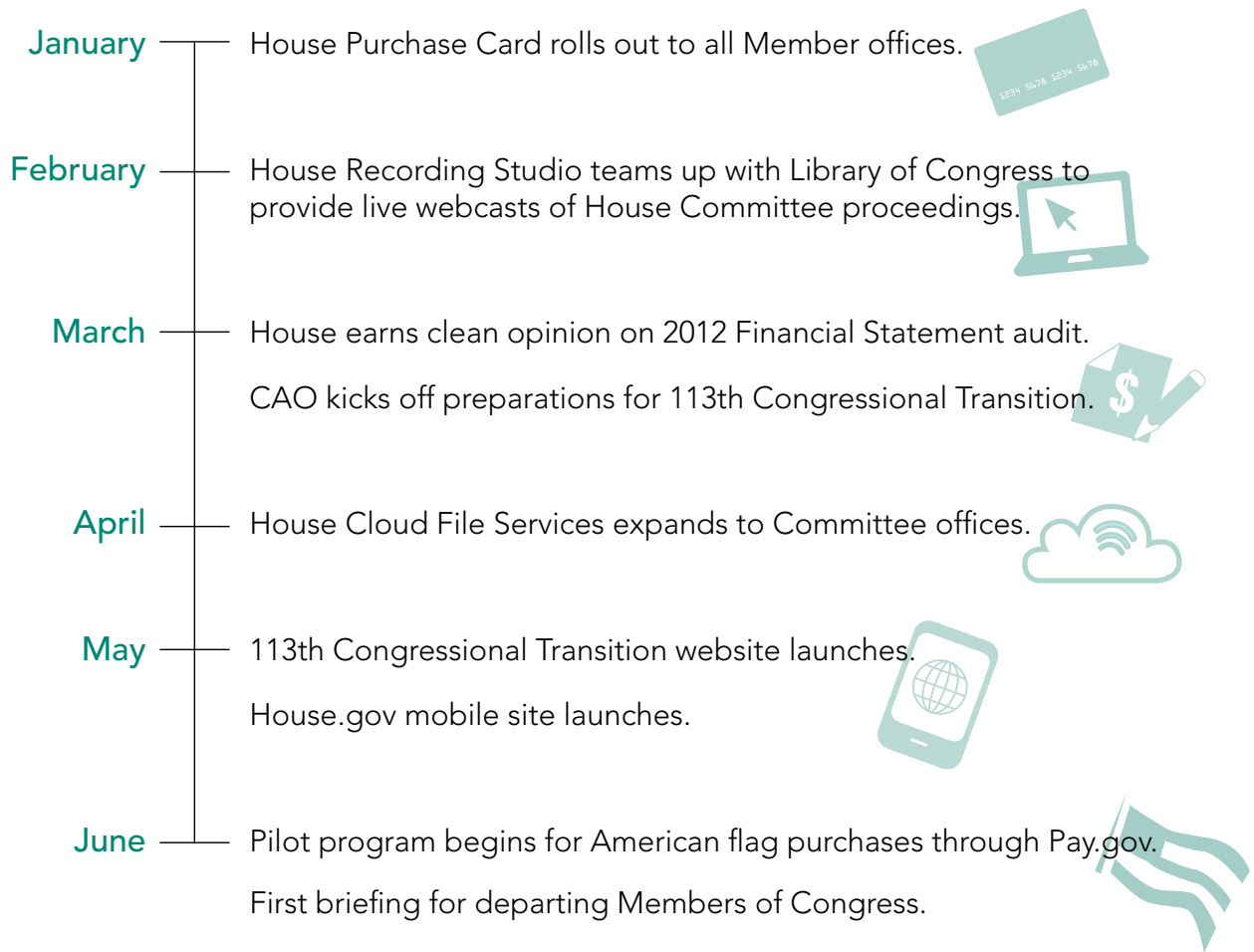
The CAO's largest initiative during the first half of 2012 was our organization-wide effort to prepare for the 113th Congressional Transition. In response to the 2010 census and reapportionment, the CAO developed a policy and procedures to respond to Congressional redistricting. We also produced the 113th Congressional Transition Website, a resource designed to meet the needs of departing, returning, and new Members and staff. Preparations for the 113th Congressional Transition will continue into the fall.

During the past six months, the CAO also:

- ◆ Rolled out the House Purchase Card Program for all Member offices.
- ◆ Expanded the House Cloud File Service to Committee offices.
- ◆ Cooperated with the Library of Congress to provide live webcasts of House Committee proceedings.
- ◆ Launched the mobile website for House.gov.

Many of these initiatives involved joint efforts among several business units, and all of them were aimed at improving service to the House community.

TIMELINE



2011 Financial Statement Audit

After a concerted effort to strengthen internal controls over financial reporting during the 2009 and 2010 fiscal years, the House earned a clean opinion from the Office of the Inspector General (OIG) on its 2011 Financial Statement Audit. Committee on House Administration Chairman Dan Lungren commended Chief Administrative Officer Dan Strodel for his “swift corrective action” that helped restore “the House’s good financial standing.”

The House transitioned to a new financial management system for fiscal year 2011 which “significantly improved the processes and controls over financial management of the House,” according to the report. During this transition, the House retained an unqualified opinion on its financial statements for the fourteenth consecutive year. The OIG considers this “a noteworthy achievement for the House, particularly in a year of a major financial system conversion.”

113th Congressional Transition

In anticipation of the transition to the 113th Congress, the CAO is working with the Committee on House Administration and other House Officers to ensure that the needs of departing, returning, and incoming Members and staff are met. This began in early March when the CAO held its 113th Congressional Transition Kickoff Meeting which established the organizational structure and workflow procedures for the CAO Transition Team and set deadlines for several essential projects.

As a result of the 2010 census, 12 House seats will shift among 18 states in the 113th Congress. Based on this reapportionment and new boundaries for Congressional districts, the CAO developed a policy and procedures to dispose of, move, and assign existing equipment and furniture inventories. The Committee on House Administration approved this policy with the goal of ensuring a smooth transition for Members.

The CAO also produced the 113th Congressional Transition Website (113Transition.House.Gov). Designed and built by House Information Resources (HIR) with input from the House community’s subject matter experts, the website is an all-inclusive resource providing the important instructions and contact information Members and staff need to successfully navigate and prioritize transition related tasks.

Other transition activities included the first in a series of briefings on transition services provided by the House, where subject matter experts answer questions from transitioning Member office staff. In addition, the Human Resources’ Office of Employee Assistance (OEA) offers individual counseling and career planning sessions.

All of this work is being done with the aim of delivering a seamless Congressional transition to Members and their constituents.

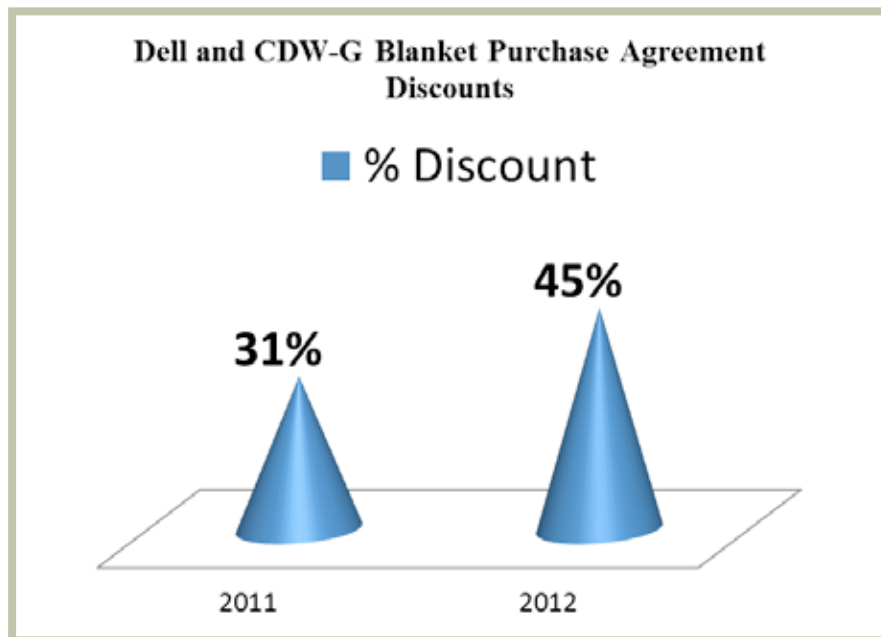


Contracts

The CAO successfully negotiated several contracts and service agreements during the first half of 2012. Here are some highlights:

SAVING HOUSE OFFICES MONEY ON IT EQUIPMENT

- ◆ Exercised renewal options for information technology blanket purchase agreements with Dell and CDW-G at prices discounted up to 45 percent, an increase in the previous maximum discounted rate of 31 percent. (See chart below.)



IMPROVING VOICE AND DATA INFRASTRUCTURE

- ◆ Awarded a contract to obtain materials and services necessary to install and maintain the voice and data cabling infrastructure in the House office buildings, the House side of the Capitol, the Capitol Visitors Center, the Fairchild Building, the U.S. Botanic Garden, and other House-leased spaces.
- ◆ Awarded a contract for the installation of voice, data, and CATV cabling for Federal Office Building 8.

MODERNIZING HOUSE FINANCIAL SERVICES

- ◆ Awarded a contract to implement e-Voucher, a digital voucher submission and document management solution for House offices.

NEW AND EXPANDED INITIATIVES

Live Webcasts of Committee Proceedings

In a collaborative effort between the Committee on House Administration and the Library of Congress, the CAO's House Recording Studio helped develop and provide live webcasts of House Committee proceedings. Today, live webcasts and archives of past proceedings are publicly available via THOMAS, the legislative search engine for the Library of Congress. This initiative aims to meet the House's goal of greater transparency.

Expanded Purchase Card Program

Beginning in January 2012, the CAO made the House Purchase Card available to all House offices. Authorized House staff can use the credit card to buy official goods and services. This is an improvement over the alternative acquisition practices because it streamlines and expedites office purchase procedures.

The card is valid for in-store, Internet, and phone transactions for official goods and services. It can be used to cover one-time purchases, such as office supplies or town hall meeting space rentals, and recurring charges, such as utilities and subscriptions. All participants must complete online or in-person training to understand both the benefits and restrictions of the card prior to use.

Additional Transparency in Statement of Disbursements

In an effort to maintain transparency on charges against the Members' Representational Allowance, the Office of Finance will begin publishing merchant information for all House Purchase Card transactions in the Statement of Disbursements (SOD).

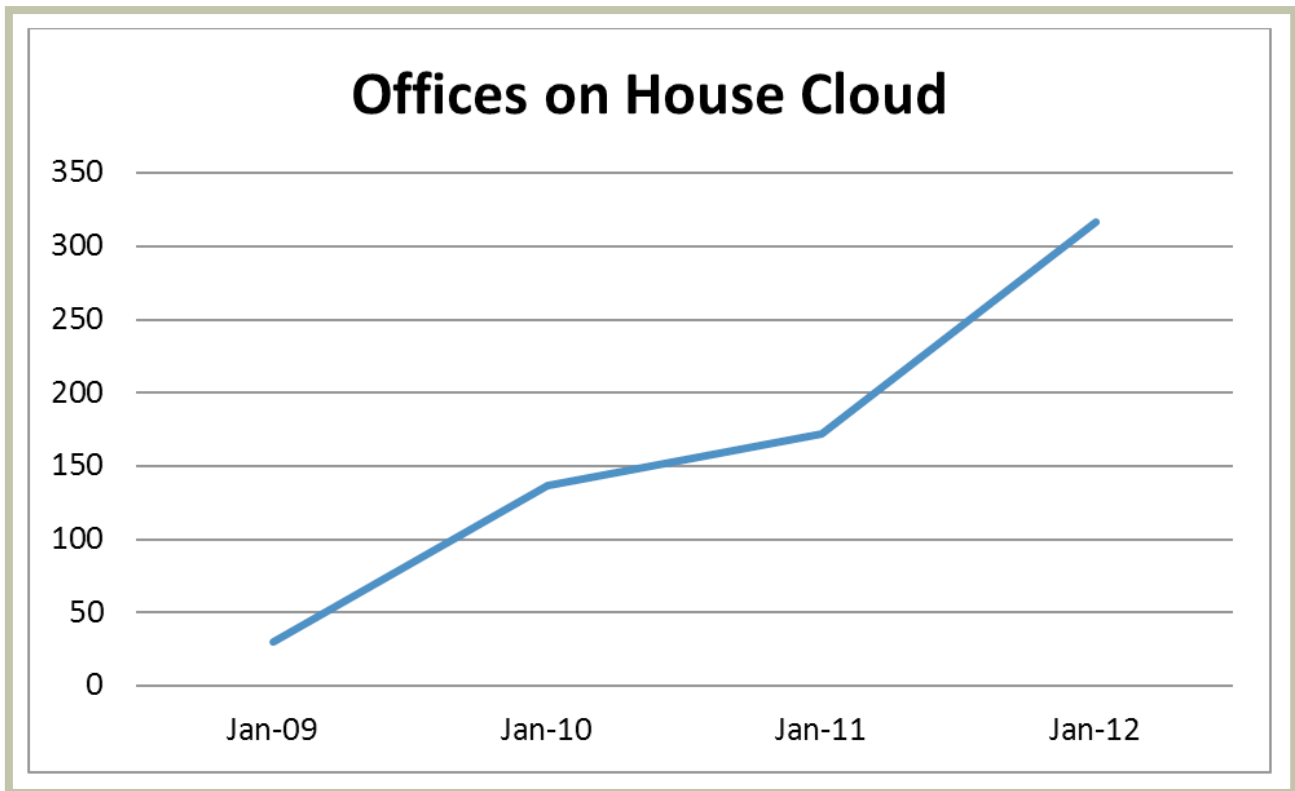
Specific merchant and vendor names will be reported as the payee and published starting in the October – December 2012 SOD issued in February 2013.

Expansion of House Cloud File Services

In April, the CAO expanded the House Cloud File Service to Committee offices. Through this service, the CAO now offers a secure way for Committees to back-up files remotely.

In addition, the CAO continues to successfully migrate Member offices to the House Cloud, with more than 75% currently taking advantage of the service. This cost-effective alternative to traditional file servers saves Members an average of \$6,000 in annual maintenance and lifecycle replacement costs.

The chart below describes House Cloud migration since the service's inception:



New e-Voucher System

The CAO's Enterprise Applications Directorate and Office of Finance are working together to develop an electronic voucher (e-Voucher) submission and document management solution. This new product, which will work seamlessly with the PeopleSoft financial system, will make managing accounts payable easier for Member and Committee offices.

The new e-Voucher system will also reduce administrative costs and increase efficiency within the CAO's Office of Financial Counseling. The Committee on House Administration has approved the project and the selected vendor. Project design is underway.

Mass Mailings / Communications Submission

During the first half of 2012, the Office of Financial Counseling introduced a new online interactive form for submitting the Quarterly Mass Mailings and Mass Communications report. This single form streamlines the old reporting process for offices and accurately maintains information that is published in the quarterly Statement of Disbursements. Benefits of the new form include:

- ◆ Improved accuracy through automatic calculation of data.
- ◆ Faster submission through automatic population of Member name and mailing account.
- ◆ Email confirmations of quarterly submissions.

New Flag Purchasing System Pilot Program

In June 2012, the CAO launched a pilot program that enables constituents of participating Members to purchase American flags flown over the U.S. Capitol via an online Treasury service called PAY.gov. If successful, this program could replace the current system that requires constituents to fill out a form, print it, and mail it along with a check to their Representative.

This project required significant coordination. Working on behalf of the Committee on House Administration, the Office of Finance took the lead on functional requirements with feedback from Member offices. Meanwhile, House Information Resource's CAO Advanced Business Solutions group took the lead on the technical and accounting side. The House's Office Supply Store, a part of the Office of Logistics and Support, supplies the flags for purchase.

New Mobile Site for House.gov

In May of 2012, the House Information Resources group launched the mobile version of House.gov. The site provides mobile users a quick way to connect with Members of Congress and locate public events in the House. The mobile version (m.House.Gov) works on nearly all smartphones.



New CAO External Site

In March of 2012, the CAO launched its new external site (CAO.House.Gov). Designed by House Information Resources and the CAO Communications team, the new site provides the Wounded Warrior Program with improved visibility on the Web, and delivers better information about CAO business units to the general public. It was produced entirely by CAO staff at no additional cost to the House.



ADDITIONAL HIGHLIGHTS / ACHIEVEMENTS

Wounded Warrior Program

The CAO hired 14 Wounded Warrior Program (WWP) fellows during the first half of 2012, with 13 assigned to Member offices and one placed in the WWP office.

Since the program's 2008 inception, the CAO has assigned 82 veterans to fellowships within House offices. Thirty seven fellows were employed by the Wounded Warrior Program as of June 2012.

Several graduates of the program have secured full time employment with Member offices, the Department of Veterans Affairs, various non-profit organizations that advocate for veterans, and private enterprises.

In May 2012, the WWP was represented at the semi-annual Segs4Vets presentation, a program aimed at providing wounded veterans with Segway mobility devices. WWP was also represented at several veterans' career fairs sponsored by the U.S. Chamber of Commerce and the Department of Defense.

CAO Helps Committee Honor Missing Servicemen

At the request of the House Committee on Veterans' Affairs, the House Upholstery Shop, part of the Office of Logistics and Support, designed and manufactured a custom POW-MIA flag slip cover for a chair which honors the memory of the more than 83,000 missing veterans. During Committee hearings, the chair will remain empty as a reminder of the tens of thousands of service members who have not returned home.



This chair will remain empty during hearings of the House Committee on Veterans' Affairs in honor of missing veterans.

Voucher Processing

The Office of Financial Counseling processed more than 90,000 vouchers for Member, Leadership, Committee, and other offices during the first half of 2012. The office processed these vouchers in fewer than six business days on average, which meets its service level goal of processing in five to seven business days.

Training & Development

The Training and Development group continued to add significant value to the House community by offering a host of live courses at the House Learning Center. Between January and June of 2012, more than 1,800 students attended classes and more than 13,000 staff took online courses. In addition, the Training and Development group:

- ◆ Expanded training offerings to District staff on casework operations and scheduling for District directors using HouseConnect to stream interactive live webinars.
- ◆ Partnered with the House Historian to stream interactive, live webinars for the “Black Americans in Congress” and “Women in Congress” lecture series.

Service to the House

The Business Continuity / Disaster Recovery (BC / DR) group continues to safeguard CAO functions and services against potential disruptions. The group worked on House continuity planning, including testing and refining procedures needed to ensure House technology and support services can continue in the event of an emergency.

First Call

First Call is the primary “go to” office for House services provided by the CAO. During the last six months, First Call:

- ◆ Matched more than 37 million addresses to constituent names and households to ensure accuracy on mass mailings, saving Members money on paper, printing, and postage costs.
- ◆ Processed over 2,000 passports.
- ◆ Served more than 7,500 walk-in customers in the First Call Customer Solutions Center.
- ◆ Received and forwarded, for processing, requests for more than 4,000 pieces of Member office equipment.

CONCLUSION

We continue to carry out the core mission of the CAO in the most efficient manner possible. It is our goal to help Members and staff efficiently and effectively represent their constituents in the People’s House.

CAO STAFFING CHART

FY 2012 Staffing Chart (as of 06/30/12)

	Current FTEs	Vacancies	Total FTEs
Acquisitions	19	3	22
CAO Immediate Office and Galleries	38	3	41
Finance	95	6	101
House Information Resources	260	37	297
House Recording Studio	46	19	65
Human Resources	20	4	24
Logistics and Support	156	7	163
Wounded Warrior Program	36	14	50
TOTAL CAO	670	93	763

COMPARISON OF BUDGET TO ACTUAL

FY 2011 Budget to Actual Report (as of 06/30/12)

	Adjusted FY'11 Budget	YTD Actuals	Available Balance	% of Budget Remaining
Chief Administrative Officer				
Single-Year Funds				
Personnel	\$ 61,510,481	\$ 61,501,168	\$ 9,313	0.0%
Non-Personnel				
Total Operations	\$ 75,266,737	\$ 74,927,013	\$ 339,724	0.5%
CAO-Wide Resources	\$ -	\$ -	\$ -	0.0%
Total Non-Personnel	\$ 75,266,737	\$ 74,927,013	\$ 339,724	0.5%
Total Single-Year Funds	\$ 136,777,218	\$ 136,428,181	\$ 349,037	0.3%
No-Year Funds				
CAO-Wide Resources	\$ 6,267,142	\$ 2,211,922	\$ 4,055,220	64.7%
Total No-Year Funds	\$ 6,267,142	\$ 2,211,922	\$ 4,055,220	64.7%
Total CAO Budget	\$ 143,044,360	\$ 138,640,103	\$ 4,404,257	3.1%
BCDR				
Single Year Funds	\$ 17,912,072	\$ 17,816,797	\$ 95,275	0.5%
No Year Funds	\$ 9,708,822	\$ 1,014,089	\$ 8,694,733	89.6%
Total BCDR Budget	\$ 27,620,894	\$ 18,830,886	\$ 8,790,008	31.8%

COMPARISON OF BUDGET TO ACTUAL

FY 2012 Budget to Actual Report (as of 06/30/12)

	Adjusted FY'12 Budget	YTD Actuals	Available Balance	% of Budget Remaining
Chief Administrative Officer				
Single-Year Funds				
Personnel	\$ 62,434,298	\$ 43,651,098	\$ 18,783,200	30.1%
Non-Personnel				
Total Operations	\$ 54,547,288	\$ 31,536,012	\$ 23,011,276	42.2%
CAO-Wide Resources	\$ 100,000	\$ -	\$ 100,000	0.0%
Total Non-Personnel	\$ 54,647,288	\$ 31,536,012	\$ 23,111,276	42.3%
Total Single-Year Funds	\$ 117,081,586	\$ 75,187,110	\$ 41,894,476	35.8%
No-Year Funds				
CAO-Wide Resources	\$ 7,992,219	\$ 2,902,781	\$ 5,089,438	63.7%
Total No-Year Funds	\$ 7,992,219	\$ 2,902,781	\$ 5,089,438	63.7%
Total CAO Budget	\$ 125,073,805	\$ 78,089,891	\$ 46,983,914	37.6%
BCDR				
Single Year Funds	\$ 12,112,072	\$ 8,222,728	\$ 3,889,344	32.1%
No Year Funds	\$ 13,694,733	\$ 2,132,365	\$ 11,562,368	84.4%
Total BCDR Budget	\$ 25,806,805	\$ 10,355,093	\$ 15,451,712	59.9%

