

# LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 2010

THURSDAY, MAY 21, 2009

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

The subcommittee met at 2:30 p.m., in room SD-138, Dirksen Senate Office Building, Hon. Ben Nelson (chairman) presiding.  
Present: Senators Nelson and Murkowski.

## GOVERNMENT ACCOUNTABILITY OFFICE

### STATEMENT OF GENE L. DODARO, ACTING COMPTROLLER GENERAL

#### OPENING STATEMENT OF SENATOR BEN NELSON

Senator NELSON. The subcommittee will come to order.

Good afternoon to everybody, and welcome. We meet this afternoon to take testimony on the fiscal year 2010 budget request for the Government Accountability Office (GAO), the Government Printing Office (GPO), and the Congressional Budget Office (CBO). We will welcome our ranking member just as soon as she is able to be here.

And I want to welcome our witnesses today—Gene Dodaro, Acting Comptroller General; Robert Tapella, Public Printer; and Doug Elmendorf, Director of the Congressional Budget Office. It is good to have you all here, together with staff, and we look forward to your remarks.

If it is possible to hold those opening statements brief, maybe around 5 minutes, and submit the rest of your testimony for the record, which we will receive, I think we will be able to ask more questions as a result of that.

One thing that we have established at the first two hearings of this subcommittee, and I think it bears repeating, is that we are not eager to increase the overall legislative branch budget this year. We are looking for your guidance in helping us to address your agencies' needs in fiscal year 2010, but this really isn't the year for extras.

The subcommittee received an 11 percent increase in fiscal year 2009, but I seriously doubt that we are going to see anything near a double-digit increase this year. You can almost bet the opposite.

First, Mr. Dodaro, I want to thank you for your service to our country as the Acting Comptroller General of the GAO. I think you have done an outstanding job in this role over the last year. And according to yesterday's Washington Post, GAO ranked among the

best Federal Government agencies to work for in a survey conducted by the Partnership for Public Service.

Congratulations on a wonderful piece outlining what a terrific place it is to work. And I wish you and your colleagues continued success and the continued great relationship.

I especially appreciate the efforts of your agency in assisting Congress during our country's current economic crisis and your oversight of both the Troubled Asset Relief Act and the American Recovery and Reinvestment Act. And of course, I look forward to discussing your latest findings on these activities as well as your fiscal year 2010 budget, which shows an increase of 7 percent over fiscal year 2009 and includes 109 additional full-time equivalents (FTEs).

I also want to welcome Bob Tapella from the Government Printing Office. Your budget total is \$166 million, an 18 percent increase over the current year, which I understand includes large increases for both building repairs and technology upgrades.

And finally, I want to welcome Doug Elmendorf, Director of the Congressional Budget Office. Congratulations on your recent appointment to this position, and your fiscal year 2010 budget total is \$46.3 million, an increase of 5.2 percent and 12 additional FTEs.

And now, it is my pleasure to turn to my ranking member, Senator Murkowski, for your opening remarks. And let me say it has been a pleasure working with you. This is a subcommittee that shows and knows no partisanship, and we want to continue to be able to work that way.

#### STATEMENT OF SENATOR LISA MURKOWSKI

Senator MURKOWSKI. Well, thank you, Mr. Chairman. I appreciate your kind remarks.

I want to welcome the gentlemen before us today, and thank you all for your work in your respective areas.

As you have mentioned, Mr. Chairman, you have talked a little bit about the realities of the budget that we are facing and our efforts to try to be perhaps a little more lean and mean. I don't like the mean part, but nothing wrong with a little leanness here.

And recognizing that the jobs that are requested are difficult, and we have a tendency to complicate probably your lives often times with the requests that come from Members here. But in order for us to do our jobs, of course, we rely on you and what you provide, and we appreciate that.

As you have mentioned, Mr. Chairman, the agencies before us today are requesting a combined total of \$780 million for fiscal year 2010. This is an increase of \$64 million, or 9 percent over last year. Each agency is requesting additional staffing on top of the usual cost-of-living increases, and for the Government Printing Office, significant increases are requested for investments in information technology and systems development, as well as repairs to GPO's buildings.

I do recognize, fully recognize that these three agencies perform very important functions, serve the entire Federal Government, not just the legislative branch. And it is important to keep that in perspective. I do look forward to understanding fully the needs of each

agency, but I would agree with you, Mr. Chairman, that I am skeptical about the need for large increases for the legislative branch.

With respect to the Government Accountability Office, I would like to note that GAO has traditionally performed a very important role for this subcommittee in its oversight of its sister agencies. GAO has done extensive work over the past decade in reviewing management and organizational issues at the Capitol Police, at the Architect of the Capitol, as well as the Library of Congress. And this work has been invaluable, particularly to this subcommittee, as we attempt to promote the improvements in each of these agencies, and I would certainly hope that that would continue.

Staff discussions have been underway in recent weeks regarding the Capitol Police overtime and their staffing issues, and I would hope that GAO would place a high priority on this work as we wrestle with the need for Capitol Police staffing requirements.

There have also been discussions in the past year on the Architect of the Capitol's prioritization of its construction work, with particular emphasis on the impact of the Office of Compliance citations. We had a very interesting hearing on that a couple of weeks ago. We will need to continue to have GAO's assistance to ensure that we allocate funds to these projects so that we truly do get the most bang for the buck. So we appreciate that.

Again, appreciate the good work that is done and want you all to know that we value the important work that you do, look forward to your comments here this afternoon.

Thank you, Mr. Chairman.

Senator NELSON. Thank you.

Now we will proceed, first, to Mr. Dodaro, who will be followed by Mr. Tapella, and last, but not least, Dr. Elmendorf.

Mr. Dodaro.

#### SUMMARY STATEMENT OF GENE L. DODARO

Mr. DODARO. Thank you very much Mr. Chairman, Senator Murkowski. It is a pleasure to appear before you this afternoon to discuss our 2010 budget request.

First, Mr. Chairman, I want to thank you for your kind words and the recognition of GAO as the number two best place to work in the Federal Government. We are very proud of that, and making GAO a good place to work helps us serve the Congress better. So we are very committed to doing both.

And Senator Murkowski, among the work that we consider to be a high priority is our work that supports the legislative branch and its important activities. So I can assure you that we will continue to give that work high priority.

I would like to thank the Congress and the subcommittee for the support that we had received in 2009. That has helped us be in a good position to help support the Congress. Our 2010 request is intended to help ensure that we are in the best position possible to help all the committees throughout the Congress tackle very important national issues, as well as some difficult challenges.

#### SUMMARY OF GAO WORKLOAD

We support every standing committee in the Congress and about 80 percent of the subcommittees. Now among the difficult chal-

lenges, as you mentioned, Mr. Chairman, is the work that we are doing to help in the financial markets and with the economic downturn. In addition to providing reports every 60 days on the implementation of the Troubled Asset Relief Program, we are also the auditors, as of last year, of the Federal Housing Finance Administration, which is now the conservator and the regulator for Fannie Mae and Freddie Mac.

And we are also working on proposals to help the Congress make decisions on how those entities ought to go forward once they come out of conservatorship status. We are also the auditors of the Bank Insurance Fund, and of course, they have had a lot of difficult challenges, some of the most difficult since the savings and loan crisis in the 1980s and 1990s.

We have also done work on the need to modernize our outdated and fragmented regulatory system. We added that on the high-risk list for Congress so that it receives congressional attention. We have issued reports. It is very important for us to continue to help the Congress modernize the financial regulatory system so we address the root causes of how we got into this situation in the first place and make sure it doesn't happen again.

Part of our request for additional resources is directed toward helping us bolster our capability to help Congress decide what system should be put in place, but also that it works effectively and that there is adequate monitoring going forward. So, that is a very important role for us.

Also, on the American Recovery and Reinvestment Act, we have a range of responsibilities that the Congress has assigned to us, including bimonthly reviews of the use of the funds by selected States and localities. We have picked 16 States and the District of Columbia, which will receive over two-thirds of the funds being provided to State and local governments. We will be doing a longitudinal study over the next 2 or 3 years, as the Recovery Act funds are distributed to the States and localities, to assess how they use the money and whether or not the act is achieving its objectives over time.

Our request is also intended to support a wide range of other issues, ranging from the U.S. efforts in Iraq, Afghanistan, and Pakistan to the 2010 census to healthcare issues to energy issues and across the full breadth of the Federal Government's activities going forward.

#### SUMMARY OF GAO REQUEST

As you mentioned, Mr. Chairman, we are asking for a 6.9 percent increase. This would allow us to increase our staffing by 109 FTEs, or 3.5 percent, in order to help respond to the estimated 1,200 requests that we receive from the Congress every year. The Congress was very kind to us last year. We were able to increase our staffing a bit, but we are still near the lowest level we have ever been in GAO's history at a time where our services are being required more and more.

#### PREPARED STATEMENT

We believe our request is a prudent one. We have carefully thought about it. I understand perfectly the situation that you are

in. I know you will give careful attention to our request. I appreciate that very much, and I look forward to responding to any questions that you may have.

[The statement follows:]

PREPARED STATEMENT OF GENE L. DODARO

Mr. Chairman, Ranking Member Senator Murkowski, and Members of the Subcommittee, I appreciate the opportunity to be here today to discuss the U.S. Government Accountability Office's (GAO) budget request for fiscal year 2010. At the outset, I want to thank the subcommittee for its support of GAO. We appreciated your efforts in appropriating a fiscal year 2009 amount that provides GAO with the resources to better allow us to assist the Congress in a timely way to address the many difficult challenges facing the Nation. I also want to acknowledge the professionalism, talents, and dedication of our GAO workforce in supporting the Congress and improving government for the American people.

In fiscal year 2008, GAO delivered advice and analyses to the Congress in response to requests from all of the standing committees of the House and the Senate, as well as over 80 percent of their subcommittees. The hard work of our staff yielded significant results across the government, including expert testimony at over 300 congressional hearings, hundreds of improvements in government operations, and billions in financial benefits.

I submit for your consideration a request for a fiscal year 2010 appropriation of \$567.5 million to support 3,250 full-time equivalent (FTE) staff. This request represents an increase of \$36.5 million, or 6.9 percent, over our fiscal year 2009 funding level, which would support a 3.5 percent increase over our 2009 FTE level. Importantly, almost 70 percent of our requested increase is needed for mandatory pay and uncontrollable cost increases. While our fiscal year 2009 funding level allows us to make progress in responding to new congressional requests sooner, our fiscal year 2010 request would enable GAO to make greater progress in addressing the issues of greatest interest to the Congress and the American public during these challenging times, which is our highest priority. I am also requesting authority to use \$15.2 million in offsetting collections, as detailed in our budget submission.

GAO DELIVERS RESULTS ON AN INCREASING RANGE OF FEDERAL PROGRAMS

The Congress continues to rely on GAO's nonpartisan, objective analysis and recommendations and has given us new responsibilities and opportunities to play key roles in addressing a number of emerging issues. We are addressing challenges in the financial markets and broader economy through our work overseeing the Troubled Asset Relief Program (TARP), created in 2008. We continue to monitor and report, every 60 days, on the status of the implementation of TARP, and we plan to conduct an annual financial audit of the \$700 billion authorized for the program.

Additionally, GAO is carrying out a range of responsibilities overseeing spending related to the 2009 American Recovery and Reinvestment Act (ARRA)—including bi-monthly reviews of how selected States and localities across the country are using the billions of dollars of funds provided to them—and providing targeted studies in several areas, such as small business lending, education, and expanded trade adjustment assistance.

Over the next several years, our work will encompass critical areas, including

- reviewing progress in implementing key activities for the 2010 Census;
- helping to support the Congress's consideration of changes in the regulatory structure for financial markets and institutions, including the establishment and implementation of controls to help avoid a future financial crisis of the magnitude the Nation faces today;
- reviewing the revised governance structure for the housing market and providing targeted analyses to inform decision makers working to restore the functioning of the mortgage market and resolve the ultimate disposition of Fannie Mae and Freddie Mac;
- supporting health care reform efforts and control of health care costs through analysis of expenditures and payment structures in Medicare, Medicaid, the State Children's Health Insurance Program, and other health programs;
- reviewing the impact of drawing down our resources in Iraq, providing more resources in Afghanistan, and retooling our operations in Pakistan;
- providing balanced and objective assessments of the use of emerging technologies in the context of Federal programs and public policy issues, such as green energy, energy efficiency, health information technology, homeland security technologies, climate change, science and math education programs, as well

- as the technical challenges of developing sophisticated space and defense systems;
- reviewing initiatives to enhance protection of cyber assets;
- assessing contractor management, sourcing strategies, and contracting reforms; and
- helping the Congress tackle both new and continuing high-risk areas, such as protecting public health through enhanced oversight over medical products, food safety, and toxic chemicals.

Finally, as part of fulfilling our commitments under the Presidential Transition Act, as amended, GAO is serving as a key resource for the Congress and the administration on major challenges needing the attention of the 28 largest departments and agencies across government, as well as 13 other issues facing our Nation that require urgent attention and continuing oversight. In addition to those already mentioned, these include

- preparing for public health emergencies,
- improving the U.S. image abroad,
- protecting the homeland,
- caring for service members, and
- defense spending and readiness.

Our work receives great interest not only from the Congress but from the American people. For example, while our reports routinely receive media and public interest, in the first half of fiscal year 2009, 12 GAO reports were downloaded over 10,000 times each from our external Web site, [www.gao.gov](http://www.gao.gov). These reports covered an array of important issues, including

- veterans' health care and the challenges of recruiting and retaining inpatient nurses,
- Medicaid outpatient drug reimbursements and comparisons with retail pharmacy acquisition costs,
- private equity and the risk of leveraged buyouts,
- the outdated financial regulatory system and the need for a modernized framework, and
- defense logistics and the need for better analyses and cost data to support performance-based decisions.

In addition to our work in response to congressional requests, GAO also issues products that provide agencies with guidance and best practices, or that otherwise support greater accountability and oversight in government. In the first half of fiscal year 2009, 13 of these products were downloaded over 10,000 times each from our external Web site. The top five picks were (1) special publications on the principles of appropriations law, (2) the 2009 high-risk update, (3) updated guidance on government auditing standards, (4) the GAO cost estimating and assessment guide, and (5) highlights of our May 2007 health care forum focusing on steps needed to meet future challenges.

I am pleased by the recognition GAO receives from ordinary Americans and civil servants alike as a continuing source of reliable, unbiased information about how government operations can be improved.

#### HIGH CONGRESSIONAL DEMAND FOR GAO SERVICES

GAO is an invaluable resource for helping the Congress provide oversight, accountability, and transparency in government. The demand for GAO services continues to remain high as a direct result of the high quality of our work, and this high demand is an indication of the Congress's desire for timely and objective analyses and professional advice. In each of fiscal years 2007 and 2008, GAO received over 1,200 requests and mandates. The number of congressional mandates, our highest-priority work, more than doubled from fiscal year 2007 to 2008. In addition, as evidenced above, our work covers more and more complex issues across a broad range of Federal programs, requiring more in-depth analysis to complete.

This congressional demand for GAO studies also has affected our ability to respond promptly to congressional requests. For instance, in fiscal year 2008, GAO delayed starting work on 21 percent of our accepted requests due to staff unavailability. The average time we took to initiate congressionally requested engagements was almost 5 months in the first half of 2009, compared with less than 3 months in fiscal year 2005.

In addition, GAO is providing testimony at an increased number of congressional hearings. We testified at 304 hearings in fiscal year 2008. This was the second highest number for GAO in the last 25 years.

We expect to continue receiving a high volume of requests related to either the Nation's new challenges, such as the recent developments in the financial markets

and economy, or to the many emerging initiatives of the Congress and the administration. Moreover, all Senate committees are required to review programs within their jurisdiction to root out fraud, waste, and abuse in program spending—giving particular scrutiny to issues raised in GAO reports—and develop recommendations for improved government performance. Also, recent changes to House rules require each standing committee or subcommittee to hold at least one hearing on any issue raised by GAO that indicates that Federal programs or operations authorized by that committee or subcommittee are at high risk for fraud, waste, abuse, or mismanagement.

Our January 2009 issuance of the biennial, High-Risk Series: An Update, which identifies Federal areas and programs at risk of fraud, waste, abuse, and mismanagement, as well as those in need of broad-based transformations, identified 30 at-risk Federal programs. Issued to coincide with the start of each new Congress, our high-risk updates have continued to help to focus and sustain attention to these programs so that executive branch officials who are accountable for each program's performance, as well as members of the Congress, have the information needed to complete their oversight responsibilities. The high-risk update report is available on our Web site at <http://www.gao.gov>.

#### GAO'S FISCAL YEAR 2010 BUDGET REQUEST

With the increased capacity included in our fiscal year 2010 appropriation request, we can continue to assist the Congress with oversight over a broad range of Federal programs. As a knowledge-based organization, about 80 percent of GAO's budget funds staff compensation and benefits, with much of the balance of our budget funding mandatory operating expenses, such as security services and other critical infrastructure services necessary to support our ongoing operations. For this reason, a significant portion of our requested funding increase is not discretionary.

- Our requested increase for fiscal year 2010 of \$36.5 million seeks funds to cover
- mandatory pay increases resulting primarily from annual across-the-board and performance-based increases, as well as pay raises required by the GAO Act, including the annualization of prior fiscal year compensation costs;
  - uncontrollable inflationary increases imposed by vendors as part of the cost of doing business;
  - nonrecurring fiscal year 2009 costs resulting from program improvements, which can offset about one-third of our mandatory and inflationary changes;
  - strengthening our staff capacity to provide timely support to the Congress in confronting the broad array of critical challenges facing the Nation, including
    - helping to support the Congress's consideration of changes in the regulatory structure of financial markets and institutions,
    - providing targeted analyses to inform decision makers working to restore the functioning of the mortgage market,
    - supporting health care reform efforts and the control of health care costs, and
    - providing assessments of technologies in the context of Federal programs and public policy issues, and
  - program changes supporting critical investments to (1) provide employee development and benefits, (2) implement technological improvements, and (3) strengthen our infrastructure.

TABLE 1.—FISCAL YEAR 2010 SUMMARY OF REQUESTED CHANGES

[Dollars in thousands]

Budget category	FTEs	Amount	Cumulative percentage of change fiscal year 2009 to fiscal year 2010
Fiscal year 2008 actual .....	3,081	\$498,548	.....
Fiscal year 2009 revised estimate .....	3,141	531,000	.....
Fiscal year 2010 requested changes .....			.....
Mandatory pay .....		19,475	3.7
Inflationary cost increases .....		5,714	4.7
Nonrecurring fiscal year 2009 costs .....		(8,338)	3.2
Staff capacity .....	109	16,826	6.3
Program changes .....		10,407	8.3
Increase in offsetting collections .....		(7,587)	6.9

TABLE 1.—FISCAL YEAR 2010 SUMMARY OF REQUESTED CHANGES—Continued

[Dollars in thousands]

Budget category	FTEs	Amount	Cumulative percentage of change fiscal year 2009 to fiscal year 2010
Subtotal—requested changes .....	109	36,497	.....
Appropriation .....	3,250	567,497	6.9

Source: GAO.

## CONCLUDING REMARKS

I believe that you will find our budget request well-justified as it will ensure that GAO has the necessary staff and resources to strengthen our capacity to provide timely assistance to the Congress to confront the difficult challenges facing the Nation and help improve government for the American people.

With your support of our 2010 budget request, we will continue rewarding the confidence you place in us by maintaining a strong return on this appropriation investment as we help to improve services to the public, change laws, and improve government operations.

We are grateful for the Congress's continued support of our efforts to help improve government performance, accountability, and transparency. GAO remains committed to providing accurate, objective, nonpartisan, and constructive information to the Congress to help conduct effective oversight and fulfill its constitutional responsibilities.

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

## GOVERNMENT PRINTING OFFICE

### STATEMENT OF ROBERT C. TAPPELLA, PUBLIC PRINTER

Mr. TAPPELLA. Mr. Chairman, Senator Murkowski, thank you for inviting me today to discuss GPO's appropriation for fiscal year 2010. And I will take your advice and speak very briefly.

First, I would like to express my deep appreciation to the subcommittee for the support we received for GPO's fiscal year 2009 appropriations request. More specifically, I would like to commend your staff, Nancy Olkewicz and Carrie Apostolou, for the time they took to really understand GPO's needs. They asked a lot of tough questions, but at the end of the day, they really helped us to move forward.

The fiscal year 2009 funding eliminates the shortfall in congressional printing and binding, allows us to undertake a number of valuable projects supporting electronic information dissemination to depository libraries and other users, brings FDsys closer to completion, repairs our roof, and begins to renovate our elevators.

Second, now that the shortfall has been repaid, for fiscal year 2010 we are able to request a reduction in appropriations for congressional printing and binding of approximately \$3.5 million. For the salaries and expenses of the Superintendent of Documents, we are seeking a modest increase of \$2.2 million to continue transforming the program to a predominantly electronic basis.

For our revolving fund, we are seeking an increase of \$18.5 million to complete the development of FDsys and to carry out a number of critically important information technology (IT) infrastructure projects. We are also seeking \$13.6 million for necessary building maintenance and repairs. I understand there will be limitations on what the subcommittee can recommend for us, and so I am happy to discuss our priorities.

Finally, like many other agencies and many businesses these days, GPO is facing a very different business climate this year, in our case as a direct result of the significant reduction in demand for passports from the Department of State. We are tightening our belt, evaluating all costs and proposed projects, and taking all available measures to ensure we stay within our budget.

I won't kid you. This is going to be a tough year for us. With your understanding and support, our objective is to complete the year on a sound financial basis.

### PREPARED STATEMENT

Mr. Chairman, Senator Murkowski, this concludes my remarks, and I am happy to answer any questions you may have.

[The statement follows:]

## PREPARED STATEMENT OF ROBERT C. TAPELLA

Chairman Nelson, Senator Murkowski, and Members of the Subcommittee on Legislative Branch Appropriations, it is an honor to be here today to discuss the appropriations request of the Government Printing Office (GPO) for fiscal year 2010.

## RESULTS OF FISCAL YEAR 2008

Building on our continuing transformation, GPO recorded another year of positive performance in fiscal year 2008. Much of this was attributable to the production of passports. The State Department's requirement for these documents grew significantly during the year, rising by nearly a third—from an estimated 18 million to approximately 24 million—by year's end. By mid-year fiscal year 2009, however, passport production had decreased significantly due to reduced demand from the State Department.

GPO's support for Congress during fiscal year 2008 was highlighted by work on products required for the Joint Congressional Committee on Inaugural Ceremonies, including invitations, maps, signs, programs, tickets, and other products, most notably secure credentials for law enforcement personnel associated with this event. During the year GPO also began producing the new edition of the U.S. Code, and delivered a number of other important congressional products, including Black Americans in Congress, 1807–2007. For Federal agencies, GPO began procuring work to support the upcoming 2010 Census, built its smart card business to help support State Department and Homeland Security travel documents, and with the Office of Management and Budget GPO coordinated the electronic delivery to Congress of the official version of the Budget of the United States Government for fiscal year 2009, which we authenticated by digital signature.

GPO's electronic transition efforts proceeded apace as we readied our Federal Digital System (FDsys) for its first public release, which occurred in January 2009. This system will replace and improve on the services of GPO Access, which has provided the public with online access to Government information since 1994; funding for FDsys operating costs in the future will be derived from the appropriated funding sources currently supporting GPO Access. FDsys will also serve as GPO's digital platform, with a planned capability to provide for the intake, storage, processing, and output of Government publication content in a variety of forms and formats. With a state-of-the-art search and retrieval capability, FDsys is uniquely positioned to support the new Administration's commitment to providing greater openness and transparency in Government information. During the year GPO also expanded its authentication capabilities. In addition to the Budget, GPO completed work on authenticating selected congressional bills for the 110th Congress and is extending this capability to all bills in the 111th Congress.

Over the past several years, GPO has implemented a variety of green initiatives in its operations: for more than a decade, for example, printing papers used by GPO have met the requirements for recycled content contained in the Resource Conservation and Recovery Act of 1989, as amended, and corresponding Executive Orders. The printing inks used by GPO and its contractors comply with the requirements of the Vegetable Ink Printing Act of 1994. GPO works with the Environmental Protection Agency and the District of Columbia to meet the standards for emissions of volatile organic compounds established by the Clean Air Act.

However, there is more that GPO can do in this field, and during fiscal year 2008 sustainable environmental stewardship was the focus of a concentrated effort at GPO. In my view, the future of sustainable environmental stewardship means being proactive and making changes so that GPO becomes a more efficient operation that makes better use of the resources under our control. During fiscal year 2008, we articulated a vision for the entire lifecycle of what GPO produces, from how we source the raw materials to how we produce our products, to what happens to the products when consumers are done with them.

For GPO, this means a variety of initiatives, including development of a plan for moving from web offset presses to digital equipment to reduce paper consumption; accelerating the re-engineering of business processes in production, procurement, documents dissemination, and administration to take advantage of the efficiencies offered by digital technology; conducting energy audits throughout our facilities to reduce our energy demand; using more environmentally responsible paper; reducing hazardous waste through solvent recovery systems, and reducing the total amount of waste generated by our operations; and installing a "green" roof on our building, in targeted areas, to double the life expectancy of the roof and reduce heating demands in the building. During fiscal year 2008, GPO made significant progress in these fields and laid the groundwork for continued sustainability improvements in the coming year.

## FISCAL YEAR 2010 APPROPRIATIONS REQUEST

For fiscal year 2010, we are requesting a total of \$166,307,000, to enable us to:

- Meet projected requirements for GPO’s congressional printing and binding and information dissemination operations during fiscal year 2010;
- Provide investment funds for necessary information dissemination projects in the Federal Depository Library Program;
- Complete the development of FDsys and implement other improvements to GPO’s information technology infrastructure; and
- Perform essential maintenance and repairs on GPO’s buildings.

## CONGRESSIONAL PRINTING AND BINDING

	Amount
Fiscal year 2009 Approved .....	\$96,828,000
Fiscal year 2010 Request .....	93,296,000
Change .....	(3,532,000)
Change includes:	
Price level changes .....	2,362,000
Volume changes .....	3,273,000
Elimination of shortfall .....	(9,167,000)

We are requesting \$93,296,000 for this account, representing a decrease of \$3,532,000 from the level approved for fiscal year 2009.

Funding for fiscal year 2010 congressional printing and binding requirements includes price level changes averaging 2.7 percent that are attributable primarily to existing wage contracts, as well as estimated volume changes in certain workload categories based on historical data. GPO projects an increased volume for the daily Congressional Record, business and committee calendars, miscellaneous printing and binding, hearings, document envelopes and document franks, and Congressional Record indexers. These workload increases will be offset by reductions in volume for committee prints, miscellaneous publications, bills, resolutions, and amendments, committee reports, and other workload categories. The funding provided for fiscal year 2009 eliminated the shortfall in this appropriation that was accumulated in fiscal year 2007 and fiscal year 2008.

## SALARIES AND EXPENSES OF THE SUPERINTENDENT OF DOCUMENTS

	Amount
Fiscal year 2009 Approved .....	\$38,744,000
Fiscal year 2010 Request .....	40,911,000
Change .....	2,167,000
Change includes:	
Mandatory Requirements .....	1,094,000
Investment Requirements .....	1,073,000

We are requesting \$40,911,000 for this account, representing an increase of \$2,167,000 over the level approved for fiscal year 2009. The increase is to cover mandatory pay and price level changes, and to continue improving public access to Government information in electronic formats by implementing a series of projects and hiring additional program specialists.

As GPO continues to perform information dissemination through the Federal Depository Library Program (FDLP) on a predominately electronic basis, as mandated by the conference report accompanying the Legislative Branch Appropriations Act for Fiscal Year 1996, we need to make continuing investments in this program’s technology infrastructure and supporting systems. Included in our request for fiscal year 2010 is funding to cover additional data storage, the migration of legacy applications to updated service functions, miscellaneous materials for digitization projects, survey and data analysis, legacy application integration for the FDLP desktop, and hiring 10 additional full-time equivalents to perform acquisitions, classification, cataloging and indexing, and related requirements.

REVOLVING FUND

	Amount
Fiscal year 2009 Approved .....	\$4,995,000
Fiscal year 2010 Request .....	32,100,000
Change .....	27,105,000
Change includes:	
Investments in information technology infrastructure and systems development .....	18,500,000
Building maintenance and repairs .....	13,600,000

We are requesting \$32,100,000 for this account, to remain available until expended, to fund essential investments in information technology infrastructure and systems development, as well as needed maintenance and repairs to GPO's buildings.

Our request includes \$18,500,000 for investments in information technology infrastructure and systems development. The key projects covered under this heading are \$8 million to complete the development of FDsys; \$9.5 million to replace GPO's automated composition system, implement an automated manufacturing workflow system, continue implementing GPO's Oracle business systems, and fund related projects; and \$1 million for continuity-of-operations (COOP) improvements to GPO's presence at the legislative branch alternate computing facility.

The balance of our request is \$13,600,000 for necessary repairs and maintenance to GPO's buildings, including continuing elevator replacement and renovation, window replacement for energy conservation, and related projects. Our request includes \$1.7 million for various green and environmental initiatives. The funding provided for fiscal year 2009 will pay for a new roof as well as contribute to elevator repairs and FDsys development.

Chairman Nelson, Senator Murkowski, and Members of the Subcommittee, we look forward to working with you, and with your support we can continue GPO's record of achievement. This concludes my prepared statement, and I would be pleased to answer any questions the Subcommittee may have.

## CONGRESSIONAL BUDGET OFFICE

### STATEMENT OF DOUGLAS W. ELMENDORF, DIRECTOR

Dr. ELMENDORF. Thank you, Chairman Nelson, Senator Murkowski. I appreciate the opportunity to testify today about the CBO's budget request for fiscal year 2010.

As you know, I became CBO Director just 4 months ago. I am honored to have been appointed to that position and to be making the case today for CBO's proposed budget. As you said, Mr. Chairman, our total request is about \$46 million, which is a \$2 million, or 5.2 percent increase over funding for the current year.

#### MISSION

Since CBO's launch in 1975, our mission has been to provide Members of Congress and their staffs with the information you need to make effective budget and economic policy. We are committed to providing information that is objective, insightful, timely, and clearly presented and explained.

#### STAFF

In providing this information, CBO's most important asset has always been its staff. We have about 240 people, mostly with Ph.D.s in economics or master's degrees in public policy. And I can't resist noting that in the competition for good places to work, among the small agency category in which CBO competes—not with our friends and colleagues at GAO, but in the small agency category—CBO was tied for third place among Federal agencies.

And that is important, as Gene Dodaro noted, it helps us to serve you. It helps us to attract the best people and to create an environment in which the people are doing their best work.

#### PHASED INCREASE

CBO has operated with about 235 people for the past decade, has increased only a little in size since its founding more than 30 years ago. Last year, my predecessor as Director, Peter Orszag, proposed to you a 2-year plan to increase the CBO staff from 235 to about 260, a phased increase of 10 percent.

Peter quantified the increased number of testimonies and the cost estimates that CBO has been asked to provide, as well as the growing amount of informal communication between CBO staff and Hill staff, and he argued in particular that CBO needed to increase its capacity to analyze policy changes regarding healthcare delivery and financing. We are very grateful that you and your colleagues approved the first leg of that increase, and our budget for next year requests additional funding to move closer to that goal.

## ADDITIONAL FUNDING FOR HEALTH

As you know, we also have been asked to identify the steps we might take if additional funds were provided immediately to shorten the timetable for providing cost estimates of major health legislation. We have identified several steps, including acquiring additional high-speed computer hardware and software, purchasing actuarial and other expert consulting services, purchasing additional data on prescription drugs, providing additional compensation to certain CBO staff, and increasing the size of CBO staff.

The analysts that we have previously hired in the health area are playing a critical role in our current work. Of course, faced with very intricate proposals to make fundamental changes to one-sixth of the U.S. economy, we are working very hard to analyze the proposals, provide the information that Members of Congress need to make decisions about what to do.

As a result, all of our health analysts are working flat out to meet the demands we face, and still we are always adding to the list of crucial questions that we need to address. Therefore, our budget includes funding for additional staff members in the health area.

## FINANCIAL AND HOUSING MARKETS

Our budget also asks for funding for additional staff to analyze the financial system and housing market. The financial crisis and the Government's responses to it have greatly boosted demand for our work. The legislation authorizing the Troubled Asset Relief Program (TARP) requires CBO to review the administration's reports on the TARP.

In addition, our budget projections must include assessments of the cost of the TARP of dealing with Fannie Mae and Freddie Mac and of the dramatically expanded activities of the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve. More generally, our evaluation of the impact and cost of alternative financial and housing policies requires us to monitor and model the financial system to a degree we have not done before.

## SUPPORT REQUIREMENTS

Beyond the health and financial areas, we are also requesting several additional staff in the editorial and information technology functions, which are critical to our ability to produce and disseminate our findings.

I should mention, too, that the additional people will need someplace to sit, as Peter Orszag discussed last year. And we have begun discussions about how to meet that need.

I also want to emphasize that CBO has been responding to rising demands in some areas by shifting positions away from topics that become less central for the Congress. However, our scope for doing so is limited by the breadth of Congress' interests in climate change, in energy policy, in national defense, in discretionary appropriations, in monitoring economic conditions, and much more.

## PREPARED STATEMENT

In closing, let me thank the members of the subcommittee for your strong support of CBO's work in the past. Your support of our budget request for next year would help us continue to do our job to the high standard that you and we expect.

Thank you. We will be happy to answer any questions you have. [The statement follows:]

## PREPARED STATEMENT OF DOUGLAS W. ELMENDORF

Mr. Chairman, Senator Murkowski, and Members of the Subcommittee, thank you for the opportunity to present the fiscal year 2010 budget request for the Congressional Budget Office (CBO).

CBO's mission is to provide the Congress with timely, objective, nonpartisan analyses of the budget, the economy, and other policy issues and to furnish the information and cost estimates required for the Congressional budget process. In fulfilling that mission, CBO depends on a highly skilled workforce. Approximately 88 percent of the agency's appropriation is devoted to personnel, with the remaining 12 percent for information technology (IT) and other equipment, supplies, and purchases of other items.

The proposed budget for fiscal year 2010 totals \$46,365,000, a \$2.3 million or 5.2 percent increase over the funding for fiscal year 2009. The net increase is the result of offsetting factors:

- An additional \$2.2 million for rising mandatory pay and related costs for existing staff;
- An additional \$1.4 million to expand CBO's staff by 12 full-time-equivalent positions (FTEs), from 242 to 254; and
- A reduction of \$1.3 million in nonpay resources, partly because CBO plans to use some of its additional FTEs instead of contractors to analyze the Troubled Asset Relief Program and other government actions in response to turmoil in the financial markets.

## GROWING DEMAND FOR CBO'S ANALYSES

The substantial budgetary and economic challenges facing the Nation, both short-term and long-term, and the major policy issues currently before the Congress have created a growing demand for CBO's analyses. Some of the issues—like health care and climate change—are very complicated and require intensive analysis involving many staff members. Often, committees and Members seek CBO's analyses very early in the process of developing legislation and then engage in an iterative process to refine the legislation in light of its projected budgetary impact. For significant legislation, simultaneous work may be required on multiple proposals—for example, ones by both the majority and the minority, the House and the Senate, or multiple committees of jurisdiction.

The 12 additional FTEs (representing a 5 percent increase) that CBO requests for fiscal year 2010 would be used to help meet increased demand for analyses in several areas:

*Health Care Issues*

Growing costs for health care continue to be a key contributor to the Nation's fiscal imbalance, and major health care legislation is on the agenda for the 111th Congress. However, the agency's current staffing in this area is insufficient to provide all of the analyses sought by the Congress, which are often needed on a very compressed schedule. CBO is increasing its work on options to expand health insurance coverage, long-term trends in the growth of health care costs, and potential areas of cost savings. It anticipates substantial work analyzing the impact on the Federal budget and on health care spending generally of several broad proposals to modify Federal health care programs and the broader health care system—a process that is well under way already. (The CBO staff is currently engaged in an intensive effort in support of the Senate Committees on Finance and on Health, Education, Labor, and Pensions as they begin the process of developing broad health legislation.)

Four of the additional FTEs would continue an expansion of the agency's capabilities to analyze health care issues. That expansion began in fiscal year 2009, but because of the duration of the continuing resolution, CBO was not able to increase its staffing at the rate originally anticipated in the fiscal year 2009 budget request. As

a result, CBO is reflecting these FTEs as new in the fiscal year 2010 budget request.

A number of Members of Congress have inquired as to what steps CBO might take to improve its ability to provide timely and accurate estimates to the Congress on major health legislation if additional funding was made available in fiscal year 2009. In response to those inquiries, CBO identified several steps that could be taken to accomplish that objective: acquiring additional high-speed computer hardware and software; purchasing actuarial and other expert consulting services; purchasing additional data on prescription drugs; providing additional compensation to certain CBO staff; and increasing the size of CBO's full-time staff by six more people than the number currently planned. In total, implementing those steps would cost about \$2.5 million over fiscal years 2009 and 2010. If such supplemental funding was provided and made available through 2010, there would be no impact on the agency's fiscal year 2010 budget request. If additional funding was provided but made available only through September 30, 2009, the cost of additional staff (about \$1 million) would need to be added to the fiscal year 2010 budget request.

#### *Financial and Housing Markets*

CBO will continue efforts begun in fiscal year 2009 to analyze the financial and housing markets, including analysis to meet requirements under the Economic Stabilization Act. That law authorizes the Treasury, through the Troubled Asset Relief Program, to acquire or insure up to \$700 billion in financial assets. The law stipulates that CBO report semiannually to the Congress with the agency's assessment of reports compiled by the Office of Management and Budget, including a discussion of the costs of purchases and guarantees of troubled assets; the information and valuation methods used to calculate such costs; and the impact on the Federal budget deficit and the debt. In addition, the Federal Reserve, the Treasury, the Federal Deposit Insurance Corporation, Fannie Mae, and Freddie Mac are engaged in a variety of complex financial transactions aimed at stabilizing the financial markets, the banking system, and the housing market. Those transactions involve trillions of dollars, and CBO does not currently have the capacity to fully monitor and assess the impact of those activities.

Analyzing complex financial transactions with a sufficient degree of rigor requires supplementing the agency's current staff with several analysts with expertise in financial modeling, some of whom will probably also have previous experience with institutions in the financial sector. Given the wide array of assets that may ultimately be purchased or guaranteed by the government and the difficulty of attracting highly skilled financial market analysts at government salaries, specialized outside consultants with experience in particular financial markets may also be necessary.

Five FTEs would be devoted to this additional work on the financial and housing markets, including the requirements associated with the Economic Stabilization Act. Some of that work was, of necessity, done by contractors in fiscal year 2009 because of the lead time that it takes to hire experts in the financial arena.

#### *Related Mission Support*

CBO's editorial and publications staff are important in making the results of the agency's analyses readily usable by the Congress and the public. With more output, additional staff in this area will be required to maintain the timely production of reports, testimonies, and other published materials. In addition, with the expansion of the agency, additional IT resources are required to meet greater needs for operational support.

Therefore, to support the expanding analytic staff and mission, three additional FTEs would be devoted to providing editorial and publishing services and meeting IT requirements.

#### CBO'S WORK

CBO assists the Congress in exercising its responsibilities for the budget of the U.S. Government and for other legislation. Under the 1974 Congressional Budget Act, the agency's primary duty is to support the Committees on the Budget of both Houses. The agency also supports the Congressional budget process by providing analyses requested by those committees; the Committees on Appropriations; the House Committee on Ways and Means; the Senate Committee on Finance; other committees; and, to the extent that resources permit, individual Members. In particular, CBO:

- Reports on the outlook for the budget and the economy to help the Congress prepare for the legislative year;

- Constructs baseline budget projections to serve as neutral benchmarks for gauging the effects of spending and revenue proposals;
- Prepares long-term projections of Federal spending and revenues to help the Congress assess the impact of rising health care costs and an aging population;
- Assists the Committees on the Budget in developing the Congressional budget resolution by providing alternative spending and revenue paths and estimating the effects of various policy options;
- Analyzes the likely direct effects that the President’s budgetary proposals will have on outlays and revenues, their economic implications, and any effects that those economic changes will have on the budget;
- Provides estimates of the cost of all appropriation bills at each stage of the legislative process, including estimates for numerous amendments considered during that process;
- Reports on all programs and activities for which authorizations for appropriations were not enacted or are scheduled to expire;
- Provides estimates of the cost of many legislative proposals, including formal cost estimates for all bills reported by committees of the House and Senate and detailed explanations of components of cost estimates and the estimating methodology;
- Estimates the cost of intergovernmental and private-sector mandates in reported bills and other legislative proposals;
- Conducts policy studies of governmental activities having major economic and budgetary impacts;
- Provides testimonies on a broad range of budget and economic issues, addressing the agency’s budget projections as well as specific issues related to national security, health care and climate change policy, alternative means of financing infrastructure spending, economic and financial conditions, and numerous other program areas;
- Helps the Congress make budgetary choices by providing policy options, but not policy recommendations, for how it might alter Federal outlays and revenues in the near term and over the longer term;
- Analyzes Federal spending and revenue totals each month; and
- Constructs statistical, behavioral, and computational models to project short- and long-term costs and revenues of government programs.

#### SOME DETAILS OF CBO’S FISCAL YEAR 2010 BUDGET REQUEST

CBO’s request would allow the agency to build on current efforts. Specifically, the request would fund the following:

- A workload of roughly 700 formal cost estimates (most of which include both estimates of Federal costs of legislation and assessments of the cost of mandates included in the legislation that would affect state and local governments, Indian tribes, or the private sector) and hundreds of informal estimates, approximately 100 analytical reports along with other publications, and a heavy schedule of Congressional testimony;
- 254 FTEs, an increase of 12 (4 to continue the expansion of the agency’s capabilities to analyze health care issues; 5 to devote to CBO’s additional analyses of the financial and housing markets, including new requirements under the Economic Stabilization Act; and 3 to support the expanded mission of the agency);
- A projected 8 percent (or \$2.3 million) increase in base pay, of which \$1.1 million would support the 12 new FTEs and the balance of \$1.2 million, a combination of across-the-board increases, promotions, performance bonuses, and merit increases for current staff (the across-the-board increase is budgeted at 2.9 percent for staff earning a salary less than \$100,000, which is consistent with the pay adjustment requested by other legislative branch agencies);
- A projected 14.7 percent (or \$1.3 million) increase in the cost of benefits, of which \$0.4 million would go toward the 12 new FTEs and the balance (\$0.9 million), toward existing staff and employees who will fill vacant positions;
- The replacement of obsolete office equipment, desktop computers, and network servers, at \$0.9 million—a decrease of \$154,000, made possible because start-up requirements for the new staff are funded in fiscal year 2009 and do not recur;
- Expert consulting, at \$0.7 million—a decrease of \$1.3 million, which is made possible in part by shifting from contractor support to full-time staff to meet new requirements under the Economic Stabilization Act and to conduct other analyses in the financial and housing markets;

- Purchases of office supplies and subscriptions, at \$0.6 million—a decrease of \$138,000, made possible because some costs in fiscal year 2009 are non-recurring;
- A contribution toward the activities of the Federal Accounting Standards Advisory Board at a normal operating level of \$0.5 million—an increase of \$58,600 based on inflation, as projected by the Government Accountability Office;
- The acquisition of commercial data necessary for CBO’s analyses, at \$352,000—an increase of \$7,000;
- Financial management services, including support for payroll and financial systems, at \$318,000—an increase of \$39,900, primarily because of anticipated price hikes when renewing option-year contracts;
- IT system development, at \$304,000—a decrease of \$10,500 based on anticipated requirements;
- Essential software purchases, at \$268,000—an increase of \$8,000;
- Equipment maintenance, at \$237,200—an increase of \$2,000 based on current contracting data;
- Travel, at \$229,800—an increase of \$56,000, including costs to support new FTEs and added training;
- Telecommunications and telephone services, at \$203,600—an increase of \$8,100;
- Management and professional training, at \$170,000—an increase of \$21,500, of which \$14,000 would be for the new FTEs, with the balance restoring training to roughly the fiscal year 2006 funding level;
- The completion of the redesign of the agency’s Web-based information services and platforms, at \$125,000—a project to update the agency’s obsolete external and internal Web sites to enhance their usefulness, with improvements in content, functionality, and the timely delivery of various work products to the Congress; and
- Independent audit services, at \$102,900—an increase of \$4,900, which is based on contract award data.

I am pleased to report that CBO received its fifth consecutive clean opinion in the latest audit of its financial statements. The agency’s sixth audit (of fiscal year 2008 financial statements) is ongoing.

Finally, I would like to thank the Committee for the funding provided this year, enabling CBO to carry out its responsibilities to provide information and analysis to the Congress as it grapples with the critical issues facing the Nation.

Senator NELSON. Thank you.

Should we do 5 minutes first round here?

#### LEGISLATIVE BRANCH OSHA ENFORCEMENT PROVISIONS

Mr. Dodaro, at our hearing a couple of weeks ago, we discussed the Office of Compliance’s Occupational Safety and Health Administration (OSHA) oversight of the legislative branch as set forth in the Congressional Accountability Act, and we found that perhaps the legislative branch was being held to a higher standard than the executive branch. And while I don’t want to be in competition with a race to the bottom, or anything of that sort, it does seem that some parity might make some sense.

Could you explain what you think about the legislative branch enforcement provisions for the OSHA, why they are different from the executive branch? I mean, if there is some justification we don’t understand, we would certainly like to pick it up.

Mr. DODARO. My understanding, based on the work that we have done for the legislative branch over the years, is that one of the areas we were asked to look into a few years ago was the Office of Compliance and its management practices. With regard to the OSHA provisions, my understanding is that while the provisions about the type of safety requirements are on par with the executive branch and the private sector standards, the Congressional Accountability Act required a specific timeframe for violations to be fixed and funded that is different and, if you will, a little bit tough-

er standard than what applies to the executive branch and the private sector.

And I am sure, without speaking for the congressional intent here, it was intended to make sure that the identified deficiencies were rectified over a certain period of time. But it does not provide a lot of flexibility that is provided in the executive branch and the private sector.

So, if you would like, we could look at how to make it on a par with the executive branch and suggest some legislative language for you to consider.

Senator NELSON. That is where I was going to go, and I appreciate your anticipating that because, clearly, we ought not to have tied our hands more than others have tied their hands. Because when addressing the requirements for fixing the defects that the citations reflect, we ought to do it in a rational, reasonable, and appropriate fashion. And so, I would be very anxious to see what kind of language you might recommend for us to consider.

Mr. DODARO. Yes, we will do that.

Senator NELSON. And I think it might also be helpful for us to have some evaluation of the kind of requirements that are being imposed with open staircases in the old, historic buildings, and not just as to the cost, but what this can do to the structure that represents the history of our country.

I don't want us to start seeing fire doors in the middle of these buildings, particularly where we understand in some cases there is a considerable amount of sprinkler systems in place. That if one of our buildings was being treated differently than it would have been treated under the executive branch. We will get you some information on that as well.

Mr. DODARO. Okay. Yes, we would be happy to take a look at that issue. Certainly, the historical character of the Capitol and buildings is a very important issue, and that needs to be balanced with safety issues in place and some creative thinking about how to achieve both within a reasonable cost. We would be happy to take a look at that.

Senator NELSON. Well, we are certainly on the same page, and I appreciate that very much.

#### GAO'S STRATEGY TO MEET RECOVERY ACT RESPONSIBILITIES

On the stimulus funding, you received \$25 million in the stimulus funding to be able to do your oversight. Can you update the subcommittee on what you are doing with those funds and how you are spending them? What you are doing to gear up to provide the oversight?

Mr. DODARO. Yes. The \$25 million was provided to us, and it is available through September 30, 2010. There are timeframe parameters on it. We are hiring additional people to help us. We have employed, I believe, a very creative approach to do this because you are never sure that you have the money to sustain those people after that period of time when the funding is available.

So two-thirds of the people we are going to hire are going to be people who have retired from GAO that we are bringing back for specific periods of time. Some of them live in the States that we are evaluating which will save us a lot of travel cost.

We are also bringing back or hiring people on term appointment, so they will be here for a limited period of time. And then the other one-third of the people we are going to hire at the entry level, and we will be able to absorb those people likely through normal attrition over the next couple of years.

So we believe this serves the intent for the limited amount of funding that is available. Our work, given the spend-out rates for the stimulus bill, will extend beyond 2010. We will build that into our normal budget request going forward because most of the money will be outlayed to the localities in 2010, 2011, and some of it goes out a little bit further. But the bulk of the money is in those periods of time.

We think we have got a very good plan to meet our responsibilities under the act and appreciate Congress' support.

Senator NELSON. Thank you.

Senator Murkowski.

Senator MURKOWSKI. Let me follow up on that. The individuals that you have indicated that you are going to be bringing on to be responsive to oversight with the Reinvestment Act, how many of the 109 additional staff that you are looking for in this budget are actually going to be focused on this aspect, on the American Recovery and Reinvestment Act?

#### GAO'S FTE REQUEST

Mr. DODARO. Very few, if any of the 109 additional FTEs in our 2010 budget request would be for the Recovery Act purposes. Now we might have to supplement the proposed staffing as things progress and new requirements come up because we are beginning to receive requests on the Recovery Act beyond the current statutory requirements. So the additional staff requested could help support those, but it is not intended to do that, Senator Murkowski.

The 109 FTEs are intended to help us in several key areas. First is in the areas of financial markets and community development. As Doug Elmendorf mentioned, the financial system and the housing markets really need a lot of attention. And so, we think we can help Congress tackle some difficult issues there and bring about some needed reforms. But we need additional people.

Also, in the science and technology area, we are being asked to look at more sophisticated weapon systems, satellite systems, and a lot of, as you are well aware, solutions to our environment and energy issues, require the application of technologies. Congress has asked us to do technology assessments in the past. So we plan to bolster staff in these as well as help in a range of other areas. But it is not for the Recovery and Reinvestment Act primarily.

Senator MURKOWSKI. It seemed, as you were going through earlier, you mentioned that it would be to help monitor and follow and produce the reports that are requested under TARP, auditors for Fannie and Freddie for the Bank Insurance Fund, and then the Recovery and Reinvestment Act, and the 2010 census. All of these are, hopefully, short-term initiatives.

You are asking for 109 additional staff. What is the magic in that number? You have indicated that you are at the lowest staffing level that you have been in some time. How much of what you are asking for now is to provide for these very targeted focuses? Will

this 109 be here for a period of a couple of years while we work on these projects, or do they become part of the base of the staffing level?

Mr. DODARO. Right. I mentioned the TARP initiatives and the American Recovery and Reinvestment Act as areas of new responsibilities for GAO. They will be limited over time, although I don't know how long the TARP program would be, particularly if the Government procures the toxic assets and holds them to maturity over a period of time. That could go on for an extended period of time, and the American Recovery and Reinvestment Act will be several years.

However, those areas are still relatively a small part of GAO's overall service to the Congress among the 1,200 requests we have. So the 109 FTEs are really intended to be part of the base to address the wide range of issues from all committees in the Congress that we receive, including a lot of the work we do in the defense area on defense capabilities and management and acquisition reform. We do work in cyber security. So everything the Federal Government is involved in, we are doing work on.

The 109 FTEs are intended to help in that work because we can't get to all the requests we receive from the Congress in as timely a fashion as I would like and that many of the committees would like.

Senator MURKOWSKI. Is 1,200 requests from Congress about average? Are we seeing an ever-increasing number of requests?

Mr. DODARO. It has increased since 2005 by about 15 percent, and it has held steady at 1,200. We work with each committee to reprioritize those requests to make sure that we are working on the top priorities.

#### GAO'S STAFFING LEVEL TRENDS

Senator MURKOWSKI. So if, in fact, you have seen an increase of 15 percent since 2005, what has your staffing level been since 2005?

Mr. DODARO. For 2009, it has only increased by 60 full-time equivalents (FTEs). It actually had been going down. And so, we had a situation where the requests were going up in 2006 and 2007, and the staffing usage was going down. Last year, I asked for a 150 FTE increase. We got about one-third of that, and are now coming back to ask for more.

I firmly believe if the 109 FTEs are addressed, that will be the right size for GAO—assuming there are no further unusual events in our economy, and let us hope not.

Senator MURKOWSKI. Everything is unusual.

Mr. DODARO. Yes, but at this time, I think that is the right level for us to serve the Congress. So I don't see us coming back every year and asking for additional funding. I think this will get us up to a level that we can provide quality service to the Congress across the breadth of committees in a timely fashion.

Senator NELSON. They did call the vote. So we will take about a 10-minute break. Be right back.

The vote has been accomplished. And with any luck and good fortune, we won't have another interruption for a while. So appreciate your forbearance.

## GAO'S HIRING STRATEGY

Mr. Dodaro, on the 109 new FTEs, is that a number that is easily absorbed within a year? In other words, within 12 months, or would it be safe to say that you could do it over a 2-year period if you had 50 and 50 or roughly some number?

But is it doable to bring on 109 people conceivably on the first day of the budget if you have an annualized appropriation rather than feathering them in over a period of time?

Mr. DODARO. Mr. Chairman, we have an ongoing recruiting process. Each year, we replace about 10 percent of our organization, which is over 300 people, just to replace normal attrition. That has held pretty steady, although we are down a little bit this year due to the economy. Not everybody is retiring as what they originally planned.

But in the past we have brought in over 400 people in a year. If the Congress acts before the end of the fiscal year and we have a budget going into the fiscal year, rather than have a continuing resolution, we believe we can do that. We can bring in staff to replace attrition, and increase 109 FTEs.

Senator NELSON. And absorb it all at the same time?

Mr. DODARO. Yes, with qualified people.

Senator NELSON. Of course. Of course.

## GPO'S BUILDING REPAIRS

Mr. Tapella, you are asking for \$13.6 million in fiscal year 2010 to maintain and repair your buildings, but it is my understanding that you are also pursuing the idea of relocating to a smaller building in the near future. And is there an inconsistency in wanting to spend money on a facility that you may be leaving, or is this a facility other than the one that you would be leaving?

Mr. TAPELLA. Thank you for the question, Mr. Chairman.

GPO would like to build a new, modern manufacturing facility on our back lot. We have approximately 7 acres, 5 blocks here from the Capitol, and we have enough land to build a new facility immediately behind our current facility. That is our goal.

And in doing so, we would not only free up the 1.5 million square feet that is currently in our existing facilities, but we would be able to create a modern manufacturing facility on one level. We would be able to meet all of our needs in terms of office space and be able to build an additional 1 million square feet of space that could be available to the legislative branch should it need it, in addition to the 1.5 million square feet that we would be vacating.

In answer to your question about whether it is inconsistent, I don't believe it is, sir. We have been trying to get a new building for 5 years. Prior to my time at GPO, there was a decade where there was a lot of deferred maintenance, and we are now dealing with safety and health issues.

We have got elevators in particular—we are moving material and people up and down eight stories all day long. My highest priority item is elevator repair within that \$13.6 million.

Senator NELSON. You have been optimistic in the past with a little bit of deferred maintenance, and now you may not be quite as

optimistic about the new building, and so let us take care of the old building, just in case. Is that fair?

Mr. TAPPELLA. Well, I don't know that it is necessarily whether it is optimistic or—

Senator NELSON. Oh, I was just having a little fun.

Mr. TAPPELLA. Oh, okay. Quite honestly, you can only defer maintenance for so long, and then things die. And at this point, I have got three elevators that are completely out of service because they are not safe to be operated.

#### GPO SECURITY

Senator NELSON. I understand. I also understand that GPO does some rather complicated security work for us, and you rely on your own police force, and you have contract guards as well. What are the differences in responsibilities of the contract guards versus your own employees who serve as your security?

Mr. TAPPELLA. Thank you for that question as well.

We have 52 uniformed police officers, or we are budgeted for 52 uniformed police officers and currently have 8 vacancies. We also run anywhere between 46 and 44 special police officers (SPOs), which are contract officers.

Now, the mission of our police force and the combined security force is actually twofold—one, access control and the other protecting GPO's assets, such as the United States passport and other work in progress.

We are looking at our total security posture, and it is a mixture of the two. The special police officers handle just access control. They are standing at magnetometers, working employee entrances, and greeting employees and visitors.

Our uniformed police force, with the exception of protecting the asset of the United States passport, is there to respond to incidents and other issues. So when an alarm goes off, the uniformed police officers respond.

Senator NELSON. Would there be much difference in the training of these individuals?

Mr. TAPPELLA. There is a difference in training. All of our uniformed police officers, which are the Federal officers, go down to Glynco, the law enforcement training center facility down in Georgia, to be fully trained. And they are full police officers.

The special police officers have less training. They have firearms training. They have access control training, crowd control training, and the basic needs that fit what they do.

Senator NELSON. And what about a differential in the cost? Is there a differential? Do you save money by having the two different security forces?

Mr. TAPPELLA. Yes. The SPOs are anywhere between one-third and one-half the cost of somebody of the uniformed police branch by the time that we include all of the benefits for the Federal officers.

Senator NELSON. Have you had a study to establish that the level of security that you get from these two security forces is the kind that you truly want? In other words, that there is no diminution of security because some are contracted out versus some are employed?

Mr. TAPPELLA. Any time you are talking security, you are looking at two things—cost and risk. And you can always have more security, but you will have an intended cost, and you have to look at what that risk is of an incident occurring.

In fact, GAO just completed a study of GPO's security, and briefed the Appropriations Legislative Branch Subcommittee on the House side as well as our oversight committee. In their report, they said, "GPO generally conforms to key practices in Government facility protection."

I believe that we have the right mix. I am not a security expert. However, I do have security experts on staff that are running our entire security systems. It involves not just our officers. It involves alarms. It involves intrusion detection. It involves cameras and a general presence.

In fact, just last week, the District of Columbia recognized the GPO police force and our security services. They did a 500-foot radius around 732 North Capitol Street, and the amount of crime in that area has been reduced significantly over the last 3 years since we have implemented the combination of uniformed police officers and special police officers.

Senator NELSON. Well, it is hard to believe that the House got ahead of us, but they did. Because I was going to suggest Mr. Dodaro do that very thing in evaluating your police, but for once, the House has gotten ahead of the Senate. So we won't have to ask for that.

Thank you.

#### SUPPLEMENTAL APPROPRIATIONS BILL

Dr. Elmendorf, the Senate version of the fiscal year 2009 supplemental appropriations bill—we talked about this earlier, but I would like to get it for the record—includes that \$2 million for CBO to address Congress' growing demand for work. Would you explain to us how that is going to happen?

And let me say that what my colleague was bringing out, it seems like Congress asked you to do more work and then gives you fits because you want to charge and put in your budget for that work. It doesn't seem quite fair that you get squeezed at both ends. "Give us more. We want to give you less." But maybe you can tell us a little bit about the \$2 million?

Dr. ELMENDORF. We appreciate your concern, Mr. Chairman, for that position. When we formulated our budget request for fiscal year 2010 a few months ago, we put forth what we viewed as an important, but modest request for additional funding.

Starting a few weeks ago, some of your colleagues in the Senate became concerned that CBO might be unable to deliver estimates of the effects of health reform proposals as quickly as was desirable. I want to be clear we have delivered a tremendous amount of analysis. We have delivered preliminary estimates of more than 100 specific health reform items to the relevant committees, and we have delivered preliminary estimates of several full-scale reform proposals, overhauls of the insurance system to several committees.

So we have done a tremendous amount. And as I mentioned in my remarks, our health staff is working around the clock. But it is undoubtedly the case that the committees would like more anal-

ysis faster. The complexity of the proposals they are considering and the variance on the proposals and the variance on the variance will, indeed, overwhelm our ability to do that.

So we were asked what we might do, if funds were provided immediately, to accelerate the process of providing analysis. I tried to be clear to everybody who has asked or who has to sit and listen, that doing more health analysis does not amount to going down to the temp agency and just checking the box on 12 new people and bringing them back to the office and lining them up, and then new results come out.

On the other hand, we do understand the urgency that Congress feels for these analyses. So we put together a collection of steps we might take with additional funding.

#### HIGH SPEED COMPUTERS

The supplemental has \$2 million for us in it, and the purposes to which we have said we would put that are, first, to acquire high-speed computer equipment, a very basic point. But the proposals we are now analyzing are much more complicated than the ones we have done in the past, and just the computing time is slowing us down. And new computers that we could have in place within weeks of getting the money would accelerate that process. We would spend \$300,000 on new computer equipment.

#### ACTUARIAL AND EXPERT SERVICES

We also propose spending \$400,000 to purchase actuarial and other expert services from private agencies. When we estimate, for example, the cost of various health reform proposals, judging the health and, thus, the likely health spending for people in certain pools is an important part of the estimate. And we have some of those skills in-house and can do that ourselves with time, but could do it much more accurately and quickly with outside services.

#### PRESCRIPTION DRUG DATA

We propose spending \$300,000 on data on prescription drugs, so we can better gauge the cost of plans that would provide drug benefits or would change the way Government purchases drug benefits for individuals.

#### ADDITIONAL COMPENSATION

We would spend \$250,000 in additional compensation to CBO staff, people who are working around the clock and, I think, show a great commitment to public service. But I am concerned that weeks and months of this process will drive them into the ground and that we will ultimately lose their services in the future, and this is a way of trying to make up for some of the dislocation of their lives.

#### ADDITIONAL STAFF

And then we would spend \$750,000 to further increase the size of CBO staff, to hire four additional people to work in the health area. As you know, we have hired very aggressively in this area, I think appropriately so. We, of course, need to hire the right sorts

of people, and other places in the world are also demanding people with expertise in health. So it is not straightforward, but we have been able to hire.

I think we have been very pleased at our ability to put the people we have hired over the past year to effective work. Obviously, people come with a lot of knowledge, but not with all of the knowledge they need. And we have been concerned about our ability to integrate them. But that has worked out, I think, quite well that we have actually—we are getting immediate value out of or nearly immediate value out of the people we have hired.

And we think with additional funding, we could bring on board more people, and that would enable us to do our jobs more effectively and more quickly.

Senator NELSON. I am sure it must seem like the Finance Committee has its foot on your accelerator, and this committee has its foot on your brake.

Dr. ELMENDORF. No, Senator. A number of committees have their feet on our accelerator, but we do not view you as the brake. We appreciate your support very much.

Senator NELSON. Senator Murkowski.

Senator MURKOWSKI. Well, I appreciate the explanation that you have given, Dr. Elmendorf. I will admit that I looked at the request and the supplemental and said why does this have to be in the supplemental? Why the urgency? But I think you have related it does appear that what has been requested in the supp will be spent within this next year.

Dr. ELMENDORF. As I understand the supplemental, the money is available to us for the rest of this fiscal year and through fiscal year 2010. That is important because we can't hire people in August and not pay them in October. But we do expect to spend the money over that period, and I think we will put it to good use.

Of course, it is your choice whether that is the best available use of the money. But we will put it to use for you, no doubt.

Senator MURKOWSKI. Appreciate you responding to that.

#### PRIVATE SECTOR REPORTING ON THE RECOVERY ACT

Mr. Dodaro, I had one more question for you. There was an article in the Post this morning about the review, the online review of the spending of the stimulus dollars under the Recovery Act, and it made reference to a Web site that apparently was not the Government's Web site but was actually doing more of what we had hoped than our Web site. Can you give me a little more background on that?

Mr. DODARO. My understanding is that, and I read the article that you talked about, and it is [recovery.org](http://recovery.org) rather than [dot.gov](http://dot.gov).

Senator MURKOWSKI. Right.

Mr. DODARO. And it seemed to indicate that they were paying people to go through contract documents and public records and things that were done across the country and then taking that information and populating their database with it, as opposed to the approach that will be used by the executive branch, which is to have reports provided by the Federal agencies and then have reports come back from all the recipients that have received Recovery Act funds. They are required to submit quarterly reports.

Now the quarterly reports are not estimated to begin coming into the Federal Government until October. They may have some pilot reports in July. One of the recommendations we made in our first report was to better define the data collection requirements because some of those reports are supposed to outline the number of jobs preserved or created, along with the status of the additional funding.

But the basic difference is that you have a private sector entity that is combing through public records at all levels of Government and putting information together from those sources versus the Federal Government building a Web site from the Federal agencies and then collecting information from State and local and other recipients of the funds.

We have not evaluated the accuracy or completeness of a private sector data source, and we would not have the authority to do that. We do plan to evaluate the Federal Government's Web site.

Senator MURKOWSKI. Which I think is appropriate, and you should be doing. It does make for kind of an awkward comparison, if you will, that, as the Government, we have tasked you to do this and, thus far, there is not much to report, and yet you see that out there in the private sector, they are thumbing through reports and gathering information. It does all come down to the accuracy of it.

Mr. DODARO. Right.

Senator MURKOWSKI. I don't know anything more than what I read in the paper this morning. I hate to get all of my information from the Post, but it is something that I wanted to raise because that question will be asked. Well, why is the Government so slow in responding if private guys can get this information, why are we so slow?

#### GAO'S INITIAL RECOVERY ACT FINDINGS

Mr. DODARO. Part of the problem is the number of funding streams that are occurring at this level, involving many different Federal agencies and programs. Some of them are flowing directly to localities, bypassing the States. Some are going through the States and then allocated down.

And one of our efforts is to focus at the State and local level and to provide that information. So we are tracking that. The programs have different requirements. Some of the money, for example the Medicaid money, paid States retroactively to October 2008. So some of that funding got out a little earlier than the funding for transportation highways.

The 16 States that we looked at had been allocated about \$15 billion. There is only \$3.3 billion that was obligated. In that case, the Federal Government and the States had agreed on about 950 projects. Most of them are still in the bidding process. So in April and May, a couple of States, Mississippi and Iowa, had actually awarded contracts and put them in place. And then the State stabilization fund is even more complicated because most of that goes to education, but 18 percent they can use for a wide range of public services.

So we are trying to track this, and it is in varying stages of development. But I think the real question is the accuracy and the completeness of whatever information is collected. And hopefully,

we will be in a position for the localities we are at to provide insight into that.

Senator MURKOWSKI. And we appreciate the complexity, most definitely appreciate the complexity. I feel my job, as a legislator, now that that money is either out on the street or getting out there, we are charged with making sure that there is that level of accountability. There is that level of transparency. So we do rely on you for that accurate information.

Mr. DODARO. One of the things I might point out is that one of the recommendations that we made is that the administration clarify the amount of money that the States could use to ensure adequate oversight and accountability of the funds. A number of States, as I am sure you are aware, have cut back, because of their own financial stress, on some of the management functions and the auditing functions that they normally have in place to do that, and that was a concern to us.

And so, we made that recommendation, and hopefully, the administration will act on that. They are beginning to clarify that issue. But I think that is a very important point that needs attention.

Senator MURKOWSKI. Mr. Chairman.

Senator NELSON. Thank you.

#### GPO'S REVOLVING FUND

Mr. Tapella, GPO is requesting over \$32 million in fiscal year 2010 for the so-called revolving fund. Could you explain how the revolving fund works, and which items in this request are the most critical for the success of your agency? If you could, just give us some idea of how this works.

Mr. TAPELLA. Thank you, Mr. Chairman.

Our revolving fund is like a business checking account. This year our budget was originally set at \$1.02 billion, of which roughly 12 to 13 percent is direct appropriations from Congress. The remainder we earn by selling products and services to all three branches of the Government, as well as products to the public through the GPO bookstore.

Like any business, we have a checking account, and money comes in and money goes out. For example, the congressional printing and binding fund, when we complete work for Congress, we then bill the appropriation, and the money gets moved from the appropriation account into the GPO revolving fund. And like any business, we keep reserves in our accounts.

In terms of our priorities for our request for the revolving fund, our highest priority is the completion of FDsys, the Federal Digital System, which we released earlier this year, and that is an \$8 million request.

The second priority is the composition systems replacement project, which is \$2 million. And this project is to replace the system that we use to create all congressional work, plus the work we do for the Office of Federal Register and some other customers.

The total cost of that project is roughly, we are guesstimating, around \$5 million. Last year, GPO allocated out of our retained earnings \$2 million. We are asking Congress for \$2 million to cover the congressional proportion of it, and anything beyond that we

will deal with it as we move forward in the project. But we are thinking it could be as much as \$1 million or so beyond the \$4 million, the \$2 million we have allocated and the \$2 million we are asking for.

The third item is what we call GBIS, which is our financial system, and it is an Oracle-based financial system. And we are asking for a \$3 million investment there. Like any business, we have to bill customers, and that is what we do with the Oracle system.

We also have to phase out our R-22 air-conditioning coolants, and that is a requirement from the EPA this year, and we need to fund that at \$200,000. And finally, there is \$3 million for elevator repairs. So out of that money we are requesting for the revolving fund for the projects that are a priority is \$16.2 million.

#### PUBLIC PRINTER'S REPRESENTATION FUND

Senator NELSON. What is the Public Printer's representation fund?

Mr. TAPPELLA. Most Federal agencies have what is called a "rep fund," which is a representation and reception allowance. And in GPO's case, it is not new appropriated money. In GPO's case, it is an authorization to use up to \$5,000 in our revolving fund. We have a limitation by law that we can only spend up to \$5,000 in our revolving fund for representation and reception expenses, subject to restrictions on what these funds can be used for.

Now, unlike most other agencies, we are basically a wholly owned Government business, and we have to sell products and services to other agencies. That is our complete marketing budget for representation and receptions. So it is \$1 billion enterprise, and our complete marketing budget for these costs is \$5,000.

I would like to see, if possible, permission to have that increased up to \$7,500. And basically, this past year—I have been Public Printer now 18 months. In the last calendar year, the \$5,000 was not enough to meet the needs of the business. And personally, I contributed a little over \$20,000 to make certain that GPO could meet its representation and reception needs.

Senator NELSON. If you doubled that or you tripled that, what would it do to your revenues?

Mr. TAPPELLA. Well, one, I hope it would help us to continue in new business development. We have seen a revenue line—our revenue trend has been going upward for the last 7 years. We got a significant spike because of the increase in both the type of passport, the new electronic passport, and the number of passports produced.

But all of our other businesses are growing as well. And when we look at the total cost for the Government Printing Office, we have a lot of overhead, which is our IT, our infrastructure, our buildings. If we do not have business opportunities with other agencies, the demands on our appropriations are going to be significantly greater.

I would like to see us put a significant emphasis into new business development. That is mostly in the areas of security and intelligent documents. For example, we now produce for Customs and Border Patrol, the NEXUS and SENTRI cards, which are the cards that are used for border crossings to Canada and Mexico. We also

do the FAST card. We just got a contract with the Department of Health and Human Services (HHS) to do the Medicare card for Puerto Rico.

We have these significant capabilities, but we need to be able to make sure we are marketing them as much as we can, including through our representation and reception fund. And in my view, these items are inherently governmental. Security IDs and other secure documents ought to be in a Government-owned, Government-controlled facility rather than sent to a private contractor in the private sector.

Senator NELSON. Thank you.

#### CHANGES AT GPO

Senator MURKOWSKI. Mr. Chairman?

I appreciate your comments, Mr. Tapella, about kind of where or how the GPO is actually changing in terms of what it is dealing with and basically staying current and looking for those business opportunities. You have mentioned security and intelligent ID. What additional changes might you envision within the next, say, 5 to 10 years in terms of what it is that you are doing?

Mr. TAPPELLA. I think it really falls into two buckets. One bucket is in electronic information. GPO currently operates a traditional bookstore. It is on North Capitol Street. We sell tangible books. We also have the authority to sell electronic information products and have had that authority since approximately 1987.

With the release of FDsys, which is our Federal Digital System, which is a repository of authentic Government information and electronic forms, I believe that there are some business opportunities there, particularly in the area of print on demand, as well as in the area of distributing that information in a slightly different way. That is one bucket.

The second bucket is really in the area of secure ID cards. Right now, we produce the passport for the State Department. It has an electronic chip embedded in it. To date, GPO is the single largest chip buyer in the Federal Government. So we have economies of scale.

We are producing and did produce on behalf of the JCCIC, the Joint Congressional Committee on Inaugural Ceremonies, the secure credential card used by 10,000 police officers on the day of the inaugural. And it was a high-tech ID card.

We are in the process of doing the NEXUS and SENTRI cards. We are looking at becoming the backup supplier for the CAC, which is the central access card used by the military, or common access card used by the military.

It also takes advantage of the skilled labor we have at GPO. We are not only a traditional paper and ink manufacturer, we also are in the electronics business. And I would like to see those skills and talents of our employees maximized.

#### DEMAND FOR PASSPORTS

Senator MURKOWSKI. You have mentioned a couple of different times the collaboration between GPO and the State Department as it relates to the passports with the electronic chip. I understand that we have seen a drop-off in demand in terms of the passports

quite noticeably. How has this fluctuation in demand impacted GPO, and are we at the point where the demand for passports has stabilized? Do you see that changing at all? What do you consider there?

Mr. TAPPELLA. Last year, because of the significant demand, we produced 24.5 million passports. The State Department originally anticipated this year that the request was going to be 16.5 million passports, and we built a budget around 16.5 million passports.

We got a surprise the week before Christmas, which was at the end of the first quarter of the fiscal year, where they said, "No, no, this year we will only need 10.5 million passports." That represented roughly a \$75 million decrease in revenue to the Government Printing Office.

When we originally set our budget, we set roughly \$2 million in net income. And that is the money that we use to reinvest in our business. Obviously, we don't have that this year.

And in fact, in December, we were facing a roughly \$36 million budget gap between anticipated revenues and what our expenses were for the year. We have now got that cap down to roughly \$10 million to \$13 million, and over the course of this year, we will end the year, I believe, in the black. But we will probably be lucky if we make \$2 or \$3 million in net income by the end of this year.

We are at the mercy of our customers, just as we are at the mercy of Congress in terms of what Congress does. In last year's appropriation, we had revenue to pay back GPO's revolving fund from money expended to do congressional work because there wasn't enough money previously allocated for such purposes.

And so, we are at the mercy of our customers. So we make the best guesstimates that we can, like any other business, and we run into that difficulty every now and then.

Senator MURKOWSKI. So what is your forecast for the passports for next year?

Mr. TAPPELLA. We have not yet received the forecast from the State Department. I am hoping that it will be larger than this year's. It would be nice if it would get up in the 15 million, 16 million range. We have dedicated nearly 150 employees just to passports, and we have a facility here in Washington, DC. We have a facility in Stennis, Mississippi. I think a lot will have to do with this next deadline for the western hemisphere travel initiative, which goes into effect June 1. That may have an effect.

What we are trying to do is get into new businesses, such as Customs and Border Patrol, the NEXUS, SENTRI cards, to try to make up for potentially less revenue in the passport business.

Senator MURKOWSKI. We have been pushing—we share a border with Canada, and we have been urging Alaskans for the past 18 months to aggressively get your passport now. I think we contributed to some of your business.

But I would imagine that we are probably on that downhill, and I don't know whether it is a stabilization, but I wouldn't expect that we would see a continued increase in requests for passports. I think that the message that we, as lawmakers, were trying to get out, I think they finally got it. And people really did get out, and we saw that bump up. But I wonder whether it is going to continue at that.

Mr. Chairman, I had a question about the facilities issues and the police force, but I understand that you had an opportunity to already ask Mr. Tapella that when I was walking back over here. So I don't have any further questions.

BUSINESS APPLICATIONS AT GPO

Senator NELSON. I don't know that I have any further questions. I guess I would make a comment that maybe that representation fund should be expanded because any business that would be looking at a downturn on one side of their business would be looking for ways to create an upswing on the other side of their business.

And it seems to me that in a day and age when we are looking for more transparency, the data, the information, everything that you have is valuable to countless numbers of groups and others. And it would seem unless you have saturated the market out there already, which I rather doubt it, not with a \$5,000 representation fund, that there would be a market that you could go after.

I don't want to turn the United States Government into a business, but certainly there are business applications that would be appropriate for what you are doing. So I certainly wouldn't be against seeing that fund or that number increasing, if you had any thoughts?

Mr. TAPPELLA. Well, I would agree with you completely. Essentially, we are a business or we operate like a business. And I actually think it is a good thing. I am not opposed to it.

I think it is important that we be lean and mean like other businesses. And there are a lot of opportunities. There are a number of things that I believe are inherently governmental that are currently being done by private sector vendors that are better served in a Government-owned, Government-controlled facility, particularly as it relates to security and credentials.

One of the areas that if we had the authority to do, which we presently do not have, I would love to be able to use our excess capacity in passport production to produce passports for other countries. In order to do that, we would have to have specific authority or have the State Department host the other countries. But that is an area where, for example, we could provide some great value, and it would keep our folks gainfully employed and fully enabled.

Senator NELSON. Well, if you have got excess capacity, one of the best things that you can do is find a use for it. And perhaps you might think about putting a plan of that sort together. I am more than happy to continue to talk to you about it, and perhaps there is something that could be established to do that very thing.

I don't know whether you—Mr. Dodaro would want to take a look at that as well. Certainly, we ought to maximize whatever capacity we have, particularly in a down economy.

GAO'S PASSPORT WORK

Mr. DODARO. We would be happy to take a look at that. We have looked at the security surrounding the passports, both in terms of being able to get them with falsified documents, as well as the securities of the chips that Bob has been talking about. So we will be happy to look at the demand issue as well for you.

Senator NELSON. And come up with maybe some path forward on what kind of authority would be required. We could take a look at it at the very least.

So, well, I want to thank the witnesses.

Yes, Senator Murkowski?

#### GPO INFORMATION TECHNOLOGY

Senator MURKOWSKI. I just realized there was one final question that I had not—

Senator NELSON. Sure.

Senator MURKOWSKI [continuing]. Yet asked. I apologize. And this relates, Mr. Tapella, to the information technology request, the \$18.5 million. It is my understanding that these initiatives that are contained in this IT request have been requested in prior years, but they haven't been funded.

Can you let me know why is it important that we do them now? What the impact of continuing to defer some or all of these to a future year might be? I just want to understand because \$18.5 million is not unreasonable in terms of a technology request. But if you have been able to get by without it, what would be the impact of continued deferral?

Mr. TAPPELLA. Number one, as we have looked at prior year requests, we requested typically the amount for the entire project. And what we have done is we have broken those down, and in many ways, we have funded the first phases of these through retained earnings when we didn't receive direct appropriations for the purposes.

As we look at FDsys, the subcommittee previously had been very supportive by allowing us to use prior year unobligated congressional printing and binding funds and salaries and expenses to fund FDsys. And that is the whole reason that we were able to release it this year.

The remaining \$8 million we need to complete the functionality of FDsys, to take it from where it is today to the complete functionality, we still have a 2-year roadmap of releases for FDsys. And if we don't have the funding, and particularly in GPO's current financial state, we will not have the retained earnings to fund it out of our revolving fund, as we had in some prior years. So FDsys would probably stop with its existing functionality should we not get the funding levels we need.

As it relates to composition replacement system, that is something that we use for both Congress and for the Federal Register. Those are our prime areas. We have already committed the first \$2 million for it from our revolving fund, and it was retained earnings from the products and services we sell to other agencies. We expect the total project to cost \$5 million.

Since we use it significantly for congressional products, or at least 50–50, we believe the Congress should be paying for their share of it. And actually under the law, they really should as well because it falls into the Anti-Deficiency Act in terms of using funds for its intended purpose.

That is going to be done in three releases. The first release will be completed about 1 year after the initial award. And we are ready to go out with an RFP probably within the next month or

so. And we have got enough money for this first phase. If we don't get the money this year to continue it, it is going to go on hold.

As we look at the Oracle system, we are in an interesting situation for our transformation. The transformation began in 2003 really. We are now 6 years into it, and we have had to replace all of our systems. We were on old mainframe systems. They are legacy systems. They are no longer supported. And this year, we are running in duality. We have our new Oracle system. We are still running some mainframe systems. We have the new FDsys. We are still running GPO Access.

When it relates to our financial systems, if we do not have the funding to continue Oracle, we are going to have to continue basically paying double for our overhead in those related areas, and we will not see the benefits of such a system. And I think that is really critical.

As it is, we are probably looking another year or two in duality just with where we are in funding levels. And if we don't get the funding, it is going to be 4, 5, 6 years, which means at the end of the day, you are still paying for it because we are going to have to charge more for congressional printing and binding if we have significantly greater overhead.

And so, it is sort of a win-win, lose-lose, you pay one way or the other.

Senator MURKOWSKI. Thank you. Appreciate that, Mr. Chairman.

Senator NELSON. Thank you.

I want to thank the witnesses today for attending our hearing.

#### SUBCOMMITTEE RECESS

The subcommittee will stand in recess until 2:30 p.m. on June 4, 2009, when we will meet to take testimony on the fiscal year 2010 budget requests of the Library of Congress and the Open World Leadership Center.

We are recessed.

[Whereupon, at 4:01 p.m., Thursday, May 21, the subcommittee was recessed, to reconvene at 2:30 p.m., Thursday, June 4.]