



Testimony

Before the Committee on Administration,
House of Representatives

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GOVERNMENT PRINTING OFFICE

Technological Changes Create Transformation Opportunities

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Highlights of [GAO-04-729T](#), a testimony before the Committee on Administration, House of Representatives

Why GAO Did This Study

Advances in technology have led to more organizations making information available over the Internet and the World Wide Web rather than through print, significantly changing the nature of printing and information dissemination. Government Printing Office (GPO) management recognizes that the new environment in which it operates requires that the agency modernize and transform itself and the way it does business. To assist in this transformation, GAO has been performing a comprehensive review of government printing and information dissemination and of GPO's operations.

In this testimony, GAO summarizes the result of its work to date, for which GAO convened a panel of experts on printing and dissemination (assembled with the help of the National Academy of Sciences) to develop options for GPO to consider in its transformation, and surveyed executive branch customers regarding their practices and preferences for printing and dissemination, as well as on their interactions with GPO. The testimony reports on how changes in the technological environment are presenting challenges to GPO and on its progress in addressing actions that GAO's work indicates could advance its transformation effort.

www.gao.gov/cgi-bin/getrpt?GAO-04-729T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Linda Koontz at (202) 512-6240 or koontzl@gao.gov.

GOVERNMENT PRINTING OFFICE

Technological Changes Create Transformation Opportunities

What GAO Found

The changing technological environment is creating challenges for GPO. Specifically, the agency has seen declines in its printing volumes, printing revenues, and document sales. At the same time, more and more government documents are being created and downloaded electronically, many from its Web site (GPO Access). The agency's procured printing business, once self-sustaining, has experienced losses in 3 of the past 5 years, showing a net loss of \$15.8 million. The sales program lost \$77.1 million over the same period. In addition, these changes are creating challenges for GPO's longstanding structure for centralized printing and dissemination and its interactions with customer agencies.

The Public Printer recognizes these challenges and in response has embarked upon an ambitious transformation effort. To assist in this effort, the panel of printing and dissemination experts GAO convened suggested that in its planning, GPO should focus on dissemination, rather than printing. The panel also provided specific options for it to consider as it transforms itself, presented in the table below. GPO officials welcomed the options presented, commenting that the panel's suggestions dovetail well with their own assessments. In addition, these officials stated that they are using the results of the panel as a key part of the agency's ongoing strategic planning process.

In addition, in October 2003, we reported that under the Public Printer's direction, GPO had taken several steps that recognize the important role that strategic human capital management plays in its transformation, including establishing and filling the position of Chief Human Capital Officer. At that time, we made numerous recommendations on the further actions it could take to strengthen its human capital management. In response, GPO is beginning to address these recommendations. For example, it has reorganized its human resources office into teams responsible for each of its divisions, serving as a "one-stop shop" for all of a division's human resource needs. It also plans to conduct a skills assessment of its workforce and is initiating a pay for performance pilot.

Options for GPO to Consider in Planning for Its Future

Recommended option	Description
Develop a business plan	Focus its mission on information dissemination as the primary goal, rather than printing, such as by upgrading GPO Access.
Demonstrate value	Collect data to show customers the value that can be provided, such as through competitively priced printing and expert assistance in electronic dissemination.
Establish partnerships	To help establish itself as an information disseminator, improve and extend partnerships with agencies, particularly other dissemination agencies.
Improve internal operations	Ensure that internal operations—including technology, how it conducts business with its customers, management information systems, and training—are adequate for efficient and effective management of core business functions and for service to its customers.

Source: Expert panel assembled by the National Academy of Sciences and GAO.

Mr. Chairman and Members of the Committee:

I am pleased to be here today to participate in this oversight hearing on the Government Printing Office (GPO). As you know, technological advances during the past decade have significantly changed the nature of printing and information dissemination. In response, the Public Printer has begun a multiyear effort to transform the agency to provide value in this changing environment. Subsequent decisions made over the next few years will significantly affect how government information is published and disseminated to the public.

To assist the Public Printer in this transformation effort, Senate Report 107-209 mandated that we perform a comprehensive review of the current state of printing and dissemination of government information and report on strategic options for GPO to enhance the efficiency, economy, and effectiveness of its printing and dissemination operations. In addition, the Chairman and Ranking Member of the Legislative Branch Subcommittee, Senate Committee on Appropriations, requested us to conduct a general management review of GPO's operations. As a result of our efforts to date on the mandate and request, we prepared a number of interim briefings, which we have presented to staff of this committee. We also issued a report in October 2003 on GPO's strategic human capital management.¹ We are continuing our review of GPO's operations, and later this year, we intend to issue a final report to fully respond to the mandate and provide the results of the general management review.

In my testimony today, I will first describe how changes in the technological environment are presenting challenges to GPO. I will then summarize GPO's progress in addressing actions that our work to date indicates could advance its transformation effort.

¹ U.S. General Accounting Office, *Government Printing Office: Advancing GPO's Transformation Effort through Strategic Human Capital Management*, [GAO-04-85](#) (Washington, D.C.: Oct. 20, 2003).

In performing the work on which this testimony is based, we collected and analyzed key documents; interviewed officials from GPO and other agencies; surveyed GPO's customers in the executive branch; and contracted with the National Academy of Sciences to convene a panel of experts on printing and publishing technologies, information dissemination technologies, the printing industry, and trends in printing and dissemination. The panel discussed (1) trends in printing, publishing, and dissemination and (2) the future role of GPO. Our work on human capital management is based on our October 2003 report.

Further details of our scope and methodology are provided in attachment 1.

Results in Brief

The changing technological environment is creating challenges for GPO. Specifically, the agency has seen declines in its printing volumes, printing revenues, and document sales. At the same time, more and more government documents are being created and downloaded electronically, many from its Web site (GPO Access). The agency's procured printing business, once self-sustaining, has experienced losses in 3 of the past 5 years, showing a net loss of \$15.8 million. The sales program lost \$77.1 million over the same period. In addition, these changes are creating challenges for GPO's longstanding structure for centralized printing and dissemination and its interactions with customer agencies.

The Public Printer recognized these challenges and in response has embarked upon an ambitious transformation effort. To assist in this effort, a panel of printing and dissemination experts we convened provided a number of suggestions for GPO to consider as it transforms itself. The panel suggested that GPO do the following:

- Develop a business plan focused on information dissemination as its primary goal, rather than printing.

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- Collect data to demonstrate that the services it provides—printing and publishing as well as information dissemination to the public through its library system and Web site—add value.
 - Establish partnerships with other agencies that disseminate information and enhance the partnerships that it already has.
 - Ensure that its internal operations—including technology, how it does business with its customers, management information systems, and training—are adequate for efficient and effective management of core business functions and for service to its customers.

GPO officials have responded positively to these results, commenting that the panel's suggestions dovetail well with their own assessments. In addition, these officials stated that they are using the results of the panel as a key part of the agency's ongoing strategic planning process.

In addition, in October 2003, we reported that under the Public Printer's direction, GPO had taken several steps that recognize the important role that strategic human capital management plays in its transformation, including establishing and filling the position of Chief Human Capital Officer. At that time, we made numerous recommendations to GPO on the further actions it could take to strengthen its human capital management. In response, GPO has taken or plans to take steps that address these recommendations, but these efforts are still in early stages. For example, it has reorganized its human resources office into teams responsible for each of its divisions, serving as a "one-stop shop" for all of a division's human resource needs. It also plans to conduct a skills assessment of its workforce, and is initiating a pay for performance pilot.

Finally, GPO is also taking steps to put greater emphasis on customer needs. Based on executive agencies' responses to our surveys, we provided observations and suggestions for action to GPO. For example, we suggested that the agency consider (1) addressing the few areas in which executive branch agencies rated its products, services, and performance as below average and (2) re-examining its marketing of electronic services to ensure that agencies are fully aware of them. GPO is responding through several

initiatives including taking a new direction regarding sales. For example, it is establishing national account managers who work directly with customers to identify their needs and offer solutions.

Background

GPO's mission includes both printing government documents and disseminating them to the public. Under 44 U.S.C. 501, it is the principal agent for printing for the federal government. All printing for the Congress, the executive branch, and the judiciary—except for the Supreme Court—is to be done or contracted by GPO except for authorized exemptions.² The Superintendent of Documents, who heads GPO's Information Dissemination organization, disseminates these government products to the public through a system of 1,200 depository libraries nationwide (the Federal Depository Library Program), GPO's Web site (GPO Access), telephone and fax ordering, an online ordering site, and its bookstore in Washington, D.C. The Superintendent of Documents is also responsible for classification and bibliographic control of tangible and electronic government publications.

Printing and related services. In providing printing and binding services to the government, GPO generally dedicates its in-house printing equipment to congressional printing, contracting out most printing for the executive branch.³ Table 1 shows the costs of these services in fiscal year 2003, as well as the source of these printing services.

² Departments, agencies, or their components may be exempted from the provisions of Title 44 by having (1) their own authorized printing plant approved by the Joint Committee on Printing, (2) a statutory exemption, or (3) a waiver to procure printing without going through GPO.

³ Among the printing it performs in house for executive agencies is the *Federal Register*.

Table 1: Printing, Binding, and Related Services Provided to the Congress and Federal Agencies, Fiscal Year 2003

Printing source	Cost of services for the Congress (millions)	Cost of services for federal agencies (millions)
Produced at in-house printing plant	\$72.6	\$94.9
Procured from private sector	\$1.4	\$474.7
Total	\$74.0	\$569.6

Source: GPO.

Printing and binding for the Congress are funded by appropriations; in fiscal year 2004, this appropriation was \$90.6 million, and the amount requested for fiscal year 2005 is \$88.8 million. Documents printed for the Congress include the Congressional Record, hearing transcripts, bills, resolutions, amendments, and committee reports, among other things. GPO also provides publishing support staff to the Congress; these support staff mainly perform print preparation activities, such as typing, scanning, proofreading, and preparation of electronic data for transmission to GPO.

In addition, GPO provides electronic copies of the Congressional Record and other documents to the Congress, the public, and the depository libraries in accordance with the Government Printing Office Electronic Information Access Enhancement Act of 1993.

GPO generally provides printing services to federal agencies through contracting. GPO procures about 83 percent of printing for federal agencies from private contractors and does the remaining 17 percent at its own plant facilities. Most of the procured printing jobs (85 percent for the period from June 2002 to May 2003) were for under \$2,500 each.

There is no appropriation to cover federal agency printing services. Instead, GPO levies a service charge to federal agency customers of its procurement services. The service charge is GPO's only

authorized source of funds to pay for the services it provides to agencies.⁴

The service charge is intended to cover the cost of specialized printing procurement services that GPO provides to agencies. These services include developing printing specifications and providing quality assurance functions, both of which require printing expertise that agencies often do not have. Procuring printing is more specialized than general procurement, because all printing jobs are custom: that is, printing cannot be bought “off the shelf,” like furniture or office supplies. Developing printing specifications requires specialized knowledge of paper and ink qualities, printing presses, and printing processes, for example.

Besides printing, GPO provides a range of related services to agencies, including, for example, CD-ROM development and production, archiving/storage, converting products to electronic format, Web hosting, and Web page design and development.

Dissemination of government information. The Superintendent of Documents is responsible for the acquisition, classification, dissemination, and bibliographic control of tangible and electronic government publications. Regardless of the printing source, Title 44 requires that federal agencies make all their publications available to the Superintendent of Documents for cataloging and distribution.

The Superintendent of Documents manages a number of programs related to distribution, including the Federal Depository Library Program (FDLP), which designates libraries across the country to

⁴ The normal service charge is 7 percent of the cost of the job, plus a flat processing fee of \$7.50. However, under a pilot program, the service charge for certain jobs is reduced to 3 percent.

receive copies of government publications for public use.⁵ Generally, documents distributed to the libraries are those that contain information regarding U.S. government activities or are important reference publications. GPO evaluates documents to determine whether they should be disseminated to the depository libraries. When documents are printed through GPO, it evaluates them at the time of printing; if documents are not printed through GPO, Title 44 requires agencies to notify it of these documents, so that it can evaluate them and arrange to receive any copies needed for distribution. A relatively small percentage of the items printed through GPO for the executive branch are designated as depository items.

Another distribution program under the Superintendent of Documents is the Document Sales Service, which purchases, warehouses, sells, and distributes government documents. Publications are sold by mail, telephone, and fax; through GPO's online bookstore; and at its bookstore in Washington, D.C.

The Superintendent of Documents is also responsible for GPO's Web site, GPO Access, which is one mechanism for electronic dissemination of government documents to the public through links to over 240,000 individual titles on GPO's servers and other federal Web sites. More than 1.6 billion documents have been retrieved by the public from GPO Access since August 1994; almost 372 million downloads of government information from GPO Access were made in fiscal year 2002 alone. About two-thirds of new FDLR titles are available online.

⁵ Examples of other distribution-related programs are the International Exchange Service, which exchanges U.S. government publications for foreign government publications, which can then be made available to the public; the By-Law Distribution program, which supports the requirements of executive agencies and the Congress by providing publications prescribed by statute free of charge to authorized recipients; and Agency Distribution Services, which support the requirements of executive branch agencies for distribution of publications through the performance or procurement of mail list distribution or order-fulfillment services.

Trends in Printing and Information Dissemination

Current industry trends show that the total volume of printed material has been declining for the past few years and that this trend is expected to continue. A major factor in this declining volume is the use of electronic media options. More organizations are creating electronic documents for dissemination or publishing their information directly to the Web. The reason for the switch to electronic publishing and dissemination is that once a document is created electronically, the costs associated with reproducing and distributing paper copies of it are greater than the costs of providing online access to it. Therefore, many organizations are making information available electronically and printing fewer documents, moving away from print-centric processes.

The move to electronic dissemination is the latest phase in the electronic publishing revolution that has transformed the printing industry in recent decades. This revolution was driven by the development of increasingly sophisticated electronic publishing (or “desktop publishing”) software, run on personal computers, that allows users to design documents including both images and text, and the parallel development of electronic laser printer/copier technology with capabilities that approach those of high-end presses. These tools allow users to produce documents that formerly would have required hand work, professional printing expertise, and large printing systems.

These technologies have brought major economic and industrial changes to the printing industry. As electronic publishing software becomes increasingly sophisticated, user-friendly, and reliable, it approaches the ideal of the print customer being able to produce files that can be reproduced on the press with little or no intervention by printing professionals. As the printing process is simplified, the customer can take responsibility for more of the work. Thus, the technologies diminish the value that printing organizations like GPO add to the printing process, particularly for simpler printing jobs. Nonetheless, professional expertise remains critical for many aspects of printing, and for many print jobs it is still not possible to bypass the printing professional altogether.

The advent of the Web and the Internet, however, permits the instantaneous distribution of the electronic documents produced by the new publishing processes, breaking the link between printing and dissemination. As the Web has become virtually ubiquitous, the electronic dissemination of information becomes not only practical, but more economical than dissemination on paper.

As a result, many organizations are changing from a print to an electronic focus. In the early stages of the electronic publishing revolution, organizations tended to prepare a document for printing and then convert the print layout to electronic form—in other words, focusing on printing rather than dissemination. Increasingly, however, organizations are changing their focus to providing information—not necessarily on paper. Today an organization may employ computers to generate plates used for printing as well as electronic files for dissemination. Tomorrow, the organization may create only an electronic representation of the information, which can be disseminated through various media, such as Web sites.⁶ A printed version would be produced only upon request.

GPO Has Begun to Restructure and Modernize in Response to the New Environment

GPO's Public Printer—confirmed by the Senate in November 2002—has initiated efforts to modernize and prepare GPO for the 21st century. The Public Printer has initiated a reorganization with a chief executive officer (Public Printer), chief operating officer, and managing directors in addition to the Superintendent of Documents. The Public Printer and his management team also reorganized the agency into three customer-focused functional areas (Customer Services, Information Dissemination, and Plant Operations) and three support areas (Information Technology and Systems, Finance and Administration, and Human Resources).

⁶ Using tools such as the Extensible Markup Language (XML), for example, an organization could prepare one document that would automatically be interpreted to display appropriately on a number of different display devices, including paper. For more information on XML, see U.S. General Accounting Office, *Electronic Government: Challenges to Effective Adoption of the Extensible Markup Language*, [GAO-02-327](#) (Washington, D.C.: Apr. 5, 2002).

According to GPO, this interim restructuring will be used during a 2-year transitional phase. During this time, further decisions will be made about its future and organizational alignment.

According to GPO officials, the Public Printer has also initiated efforts to develop a strategic plan to guide its transformation efforts. These efforts include

- conducting fact-finding activities to support plan development,
- convening meetings of top management to discuss and document the “as-is” state of the organization, and
- finalizing the plan by December 2004.

Technological Changes Present Challenges to GPO

In keeping with overall industry trends, the volume of material provided to GPO to print has diminished in recent years and is creating financial challenges for the agency. According to GPO, its federal agency print jobs at one time generated close to \$1 billion a year. In fiscal year 2003, the amount was just over half of that—\$570 million. Federal agencies are publishing more items directly to the Web—without creating paper documents at all—and are doing more of their printing and dissemination of information without using GPO services. This reduction in demand has resulted in GPO’s procured printing business, which was once financially self-sustaining, experiencing losses in 3 of the past 5 years, with a net loss of \$15.8 million over that period.

Similar changes have affected its sales program. The introduction of GPO Access, which allows downloading and printing of documents at no cost, has contributed to major losses to the sales program in recent years. The availability of free government documents for downloading is a boon to the public, but it clearly affects GPO’s ability to generate sales revenue.

According to the Superintendent of Documents, GPO sold 35,000 subscriptions to the *Federal Register* 10 years ago and now sells

2,500; at the same time, over 4 million *Federal Register* documents are downloaded each month from GPO Access.⁷ The Superintendent also reported that the overall volume of sales has dropped from 24.3 million copies sold in fiscal year 1993 to 4.4 million copies sold in fiscal year 2002.

The sales program has operated at a loss for the past 5 years, with a net loss of \$77.1 million over that period, \$20 million in fiscal year 2003 alone. According to GPO, these losses are due to a downward trend in customer demand for printed publications that has significantly reduced program revenues.

Ongoing technological changes are also creating challenges for GPO's longstanding structure for centralized printing and dissemination. As mentioned earlier, the requirement in Title 44 that agencies notify GPO of their published documents (if they used other printing sources) allows it to review agency documents to determine whether the documents should be disseminated to the depository libraries. If they should be, GPO can then add a rider to the agency's print contract to obtain the number of copies that it needs for dissemination.⁸ However, if agencies do not notify it of their intent to print, these documents remain unknown, becoming "fugitive documents" which may not be available to the public through the depository library program.

In responding to our surveys, executive branch agencies reported that while printing requirements are declining, they are producing a significant portion of their total volume internally, generally on desktop publishing and reproduction equipment instead of large-scale printing equipment. In addition, while most agencies (16 of 21) reported that they have established procedures to ensure that documents that should be disseminated through the libraries are

⁷ Judith C. Russell, U.S. Superintendent of Documents, "The Federal Depository Library Program: Current and Future Challenges of the Electronic Transition," presentation at the American Association of Law Libraries, Seattle (July 15, 2003).

⁸ Receiving these copies at the rate of the original order is much less expensive than arranging a separate print run.

forwarded to GPO, 5 of 21 did not have such procedures, thus potentially adding to the fugitive document problem.

Responding agencies also reported that although currently more government documents are still being printed than are being published electronically, publishing documents directly to the Web is increasing and expected to grow further in the future. Most agencies reported that documents currently published directly to the Web were not of the type that is required to be sent to GPO for dissemination. However, of the 5 agencies that did publish eligible documents electronically, only 1 said that it had submitted these documents to GPO. As electronic publishing continues to grow, such conditions may contribute further to the fugitive document problem.

Finally, the ongoing agency shift toward electronic publishing is also creating challenges for GPO's existing relationships with its executive branch customers. In responding to our surveys, executive branch agencies expressed overall satisfaction with GPO's products and services and expressed a desire to continue to use these services for at least part of their publishing needs. However, these agencies reported a few areas in which GPO could improve—for example, in the presentation of new products and services. Further, some agencies indicated that they were less familiar with and less likely to use GPO's electronic products and services. Specifically, these agencies were hardly or not at all familiar with services such as Web page design and development (8 of 28), Web hosting services (8 of 29), and electronic publishing services (5 of 28). As a consequence, these agencies were also less likely to use these services. With the expected growth in electronic publishing and other services, making customer agencies fully aware of its capabilities in these areas is important.

GPO Is Making Progress in Its Transformation

The Public Printer and his leadership team recognize the challenges that they face in this changing environment and have embarked upon an ambitious effort to transform the agency. First and

foremost, the Public Printer agrees with the need to reexamine the mission and focus of the agency within the context of technological change that is occurring. To assist in that process, our panel of printing and dissemination experts developed a series of options for GPO to consider in its planning. In summary, these options were as follows:

- *Focus its mission on information dissemination as its primary goal, rather than printing.* The panel suggested that GPO first needs to create a new vision of itself as a disseminator of information, not only a printer of documents. As one panel member put it, GPO should end up resembling a bank of information rather than a mint that stamps paper. Further, the panel suggested that GPO develop a business plan that emphasizes direct electronic dissemination methods over distribution of paper documents. The panel suggested that the plan also address (1) improving its Web site, GPO Access, (2) investigating methods to “push” information and documents into the hands of those that need them, (3) modernizing its production processes to publish electronically and print only when necessary, (4) promoting the use of metadata—descriptive information about the data provided—as a requirement for electronic publishing, and (5) providing increased support for the federal depository libraries’ role in providing access to electronically disseminated government information.
- *Demonstrate value to customers and the public.* The panel agreed that while GPO appears to provide value to agencies because of its expertise in printing and dissemination, it is not clear that agencies and the general public realize this. Therefore, GPO needs to collect data to show that, in fact, it can provide value in printing documents, providing expert assistance in electronic dissemination, and disseminating information to the public.
- *Establish partnerships with collaborating and customer agencies.* According to the panel, GPO should establish partnerships with other information dissemination agencies to coordinate standards and best practices for digitizing documents and to archive documents in order to keep them permanently available to the public. In addition, the panel suggested that GPO improve and expand its partnerships with customer agencies. While most agencies recognize GPO as a resource for printing documents, it

now has the capability to assist in the collection and dissemination of electronic information.

- *Improve internal operations.* The panel suggested that GPO would need to improve its internal operations to be successful in the very competitive printing and dissemination marketplace. For example, panel members suggested that GPO hire a chief technology officer (in addition to its chief information officer), who would focus on bringing in new printing and dissemination technologies while maintaining older technologies.

GPO officials responded positively to these results, commenting that that the panel's suggestions dovetail well with their own assessments. In addition, these officials stated that they are using the results of the panel as a key part of the agency's ongoing strategic planning process.

GPO also has taken a number of steps to address the issues raised by the expert panel. Specifically:

- GPO has established an Office of New Business Development that is to develop new products and service ideas that will result in increased revenues. GPO officials stated that they are using the results of the panel discussion to categorize and prioritize their initial compilation of ideas and, in this context, plan to assess how these ideas would improve operations and revenue.
- Regarding GPO's mission to disseminate information, GPO officials stated that its Office of Innovation and New Technology, established in early 2003, is leading an effort to transform GPO into an agency "at the cutting edge of multichannel information dissemination."⁹ A major goal in this effort is to disseminate information while still addressing the need "to electronically preserve, authenticate, and version the documents of our democracy." In addition, the Public Printer has been added to the oversight committee of the National Digital Information Infrastructure and Preservation Program, a

⁹ The mission of this office is to find new technologies that can help GPO with the challenges of acquiring, authenticating, versioning, disseminating, and preserving digital information. According to GPO, each of these related functions regarding digital asset management is crucial to its future.

national cooperative effort to archive and preserve digital information, led by the Library of Congress.

- Further, to address the adequacy of its internal functions, GPO's Deputy Chief of Staff stated that the agency is in the process of searching for a chief technology officer, with the intention that the current chief information officer will focus primarily on internal business processes, and the chief technology officer will focus on identifying the specific technology solutions needed to support its printing and dissemination mission.

These efforts are valuable first steps that, if properly followed through and implemented, should contribute to the success of GPO's transformation.

GPO Has Taken Steps to Improve Its Strategic Human Capital Management

The Public Printer recognizes that to successfully transform, GPO will have to ensure that it strategically manages its people. At the center of any serious change management initiative are the people. Thus the key to a successful transformation is to recognize the people element and implement strategies to help individuals maximize their full potential in the organization.

In our October 2003 report, we stated that under the Public Printer's direction, GPO also had taken several steps that recognize the important role strategic human capital management plays in its transformation.¹⁰ For example, GPO established and filled the position of Chief Human Capital Officer (CHCO), shifted the focus of existing training, expanded opportunities for more staff to attend needed training, and enhanced recruitment strategies. We also made numerous recommendations to GPO on the steps it should take to strengthen its human capital management in support of its transformation. These recommendations focused on the following four interrelated areas:

- communicating the role of managers in GPO's transformation,

¹⁰ [GAO-04-85](#).

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- strengthening the role of the human resources office,
 - developing a strategic workforce plan to ensure GPO has the skills and knowledge it needs for the future, and
 - using a strategic performance management system to drive change.

GPO has taken or plans to take steps that address these recommendations. According to the CHCO, a performance element and standard is being added to all managers' performance plans to address their role as communicators within GPO. Managers are now required to meet with their employees at a minimum of once a month with key information from these meetings communicated to the CHCO.

In addition, according to the CHCO, the human resources office has been reorganized into teams responsible for a particular GPO division, serving as a "one-stop shop" for all of the divisions' human resource needs. The intention is to fully integrate human capital management throughout the agency's operational divisions. All human resources office employees will be trained as human resource generalists in the full range of human resources activities including change management, strategic human resource planning, position classification, recruitment and placement, benefits, performance management, career development, and labor/employee relations. Training will be provided by a combination of in-house talent and outside vendors to upgrade the skills of current human resources staff. Additionally, GPO has hired a Director of Workforce Development, Education, and Training to manage the expanding training program at GPO. The human resources office plans to survey GPO's operational divisions regarding their level of satisfaction with the new human resources office.

As a first step in GPO's strategic workforce plan, GPO's CHCO plans to conduct a skills assessment of its workforce within the next 6 months. GPO's newly hired Director of Workforce Development, Education, and Training has met with GPO's senior managers, union leaders, employees, and skills assessment consultants to determine the methodology that will be used for the skills assessment. The skills assessment will include a number of measurement tools and methods. Employees will be asked to participate in taking

assessment inventories, skills tests, and electronic and paper-based surveys. While the skills assessments are being completed, GPO's leadership plans to identify the critical skills and competencies that GPO will need for its transformation. As an interim effort, GPO is in the process of surveying its managers to identify skills that are lacking for large groups of employees. For example, GPO's Chief Information Officer identified the need for staff to have enhanced project management skills, and the human resources office has worked to provide training to GPO staff to address this gap.

Finally, GPO's CHCO is initiating a pay for performance pilot program. The plan is to pilot the new system with Senior Level Service employees, and will offer three levels of bonus for employees who meet at least 80 percent of their goals. GPO officials have contacted other federal agencies to benchmark pay for performance systems, including us, and has examples of performance plans and goals from at least five federal agencies and from six business and educational institutions.

While GPO has made progress on human capital initiatives, significant challenges remain. For example, the restructuring and creation of many new positions within GPO produces a great deal of work for the human resource office. Developing position descriptions, posting new job opportunities, and vetting applications—all the while being reorganized and trained to do new tasks—will stretch the human resource office. Although the human resource office's culture is becoming more collaborative, program officials and human resource officials acknowledged that the cultural change is difficult and will take time. Given these challenges, continued top leadership commitment will be needed to reinforce and sustain the progress the human resource office is making to change its culture.

Effective integration and alignment of GPO's human capital approaches with its strategies for achieving mission and programmatic goals and results will be a key factor in successfully transforming GPO and sustaining high performance. As GPO moves forward to draft its strategic plan, it will have the opportunity to revisit its progress in human capital management and focus the human resource office's priorities on areas that contribute most to

accomplishing the goals and objectives in the strategic plan. Developing a strategic workforce plan that is linked to the strategic plan will undoubtedly be a key activity for GPO as it moves forward in the second year of its transformation.

GPO Is Responding to Changing Customer Practices and Needs

GPO is also taking steps to put greater emphasis on customer needs. Based on executive agencies' responses to our surveys, we provided observations and suggestions for action to GPO. Specifically, we suggested that the agency consider

- working with executive branch agencies to examine the nature of their in-house printing and determine whether it could provide these services more economically;
- addressing the few areas in which executive branch agencies rated its products, services, and performance as below average,
- re-examining its marketing of electronic services to ensure that agencies are aware of them; and
- using the results of the surveys to work with agencies to establish processes that will ensure that eligible documents (whether printed or electronic) are forwarded to GPO for dissemination to the public, as required by law.

GPO officials agreed with the issues identified by executive branch agencies and said they are already taking action to address them. According to these officials, GPO is

- taking a new direction with its Office of Sales and Marketing, including hiring an outside expert and establishing nine National Account Managers, who spend most of their time in the field building relationships with key customers, analyzing their business processes, identifying current and future needs, and offering solutions;
- working with its largest agency customer, the Department of Defense, to determine how to work more closely with large in-house printing operations;

-
- evaluating recommendations received from the Depository Library Council; and
 - continuing to implement a Demonstration Print Procurement Project, jointly announced with the Office of Management and Budget on June 6, 2003. This project is to provide a Web-based system that will be a one-stop, integrated print ordering and invoicing system. The system is to allow agencies to order their own printing at reduced rates, with the option of buying additional printing procurement services from GPO. According to GPO, this project is also designed to address many of the issues identified through our executive branch surveys, particularly the depository library fugitive document problem.

Such actions, although still in their early stages, should assist GPO in determining how to better serve its customers and address issues such as those involving fugitive documents.

In summary, the new printing and dissemination environment at the beginning of the 21st century has created significant challenges for GPO. Agency leadership recognizes these challenges and has made a commitment to transform the agency to function effectively within this changed environment. As part of this effort, the Public Printer has taken an important step by establishing a strategic planning process, which, in part, will consider changes to the agency's future mission and focus. Further, in realizing the importance of effective human capital management, he is establishing the foundation needed to successfully transform GPO. In addition, by placing new emphasis on its customers, the agency is focusing on a key characteristic of high-performing organizations. Fulfilling this commitment, however, will require sustained attention from GPO leadership as well as clear-sighted analysis of the challenges and the actions required in response. In the coming months, we plan to continue to work with these leaders cooperatively as they make further progress in their transformation.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions that you or other members of the committee may have at this time.

Contact and Acknowledgements

For further information, please contact Linda D. Koontz at (202) 512-6240 or by e-mail at koontzl@gao.gov. Other key contributors to this testimony were Barbara Collier, Ben Crawford, Tonia Johnson, Steven Lozano, William Reinsberg, and Warren Smith.

Attachment 1. Objectives, Scope, and Methodology

Senate Report 107-209 mandated that we perform a comprehensive review of the current state of printing and dissemination of government information and report on strategic options for GPO to enhance the efficiency, economy, and effectiveness of its printing and dissemination operations. In addition, the Chairman of the Legislative Branch Subcommittee, Senate Committee on Appropriations, requested us to carry out a general management review of GPO's operations. As a result of our efforts on the mandate and request to date, we prepared interim briefings for the Legislative Branch Subcommittee, Senate Committee on Appropriations, which we presented to staff of this subcommittee on August 27, 2003, and April 1, 2004.

To help explore GPO's options for the future, we contracted with the National Academy of Sciences to convene a panel of experts to discuss (1) trends in printing, publishing, and dissemination and (2) the future role of GPO.

In working with the National Academy to develop an agenda for the panel sessions, we consulted with key officials at GPO, representatives of library associations including the Association of Research Libraries and the American Library Association, and other subject matter experts.

The National Academy assembled a panel of experts on printing and publishing technologies, information dissemination technologies, the printing industry, and trends in printing and dissemination. This panel met on December 8 and 9, 2003.

To obtain information on GPO's printing and dissemination activities—including revenues and costs—we collected and analyzed key documents and data, including laws and regulations, studies of GPO operations, prior audits, historical trends for printing volumes and prices, financial reports and data, and budget and appropriations data. We also interviewed appropriate officials from

GPO, the Library of Congress, and the Office of Management and Budget.

To determine how GPO collects and disseminates government information, we collected and analyzed documents and data on the depository libraries, the cataloging and indexing program, and the International Exchange Service program. We also interviewed appropriate officials from GPO.

To determine executive branch agencies' current reported printing expenditures, equipment inventories, and preferences; familiarity and level of satisfaction with services provided by GPO, and current methods for disseminating information to the public, we developed two surveys of GPO's customers in the executive branch:

We sent our first survey to executive agencies that are major users of GPO's printing programs and services. It contained questions relating to the department's or agency's (1) familiarity with these programs and services and (2) level of satisfaction with the customer service function. These major users, according to GPO, account for the majority of printing done through GPO. This survey was sent to 11 departments that manage printing centrally, 15 component agencies within 3 departments that manage printing in a decentralized manner, and 7 independent agencies. A total of 33 departments and agencies were surveyed. The response rate for the user survey was 91 percent (30 of 33 departments and agencies).

We sent our second survey to print officers who manage printing services for departments and agencies. These print officers act as liaisons to GPO and manage in-house printing operations. This survey contained questions concerning the department's or agency's (1) level of satisfaction with GPO's procured printing and information dissemination functions; (2) printing preferences, equipment inventories, and expenditures; and (3) information dissemination processes. These agencies include those that were sent the user survey plus two others that do not use GPO services. We sent this survey to 11 departments that manage printing centrally, 15 component agencies within 3 departments that manage printing in a decentralized manner, and 9 independent agencies. A total of 35 departments and agencies were surveyed. The response

rate for the print officer survey was 83 percent (29 of 35 departments and agencies).

To develop these survey instruments, we researched executive agencies' printing and dissemination issues with the assistance of GPO Customer Services and Organizational Assistance Offices. We used this research to develop a series of questions designed to obtain and aggregate the information that we needed to answer our objectives.

After we developed the questions and created the two survey instruments, we shared them with GPO officials. We received feedback on the survey questions from a number of internal GPO organizations including Printing Procurement, Customer Services, Information Dissemination, and Organizational Assistance.

We pretested the executive branch surveys with the Department of Transportation and the Environmental Protection Agency. We chose these agencies because each had a long-term relationship with GPO, experience with agency printing, and familiarity with governmentwide printing and dissemination issues. Finally, we reviewed customer lists to determine the appropriate sample size for the executive branch surveys. We did not independently verify agencies' responses to the surveys.

Our work on strategic human capital management is based on our October 2003 report on that topic.

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