

**STATEMENT OF  
MR. GERARD BADORREK  
CHIEF FINANCIAL OFFICER  
U.S. GENERAL SERVICES ADMINISTRATION  
BEFORE THE U.S. HOUSE COMMITTEE ON  
OVERSIGHT AND GOVERNMENT REFORM  
SUBCOMMITTEE ON  
GOVERNMENT OPERATIONS**

**January 6, 2016**

**Introduction**

Good morning Chairman Meadows, Ranking Member Connolly, and members of the Committee. My name is Gerard Badorrek, and I am the Chief Financial Officer of the U.S. General Services Administration (GSA). I have been the Chief Financial Officer of GSA since December 29, 2014. As you know, I was previously before the Committee on September 10, 2015 to testify about GSA's management of the Army Fee Assistance program. This program has been a top priority at GSA and I thank you for the opportunity to testify before you today about the progress that has been made in this program.

**Update**

I testified previously about the improvements underway at GSA to put this program back on track to provide the level of service that our Army families deserve. GSA has made significant progress regarding family actions including new enrollments, rate changes, provider changes, and adding children. GSA has also made progress toward providing Army families customer service levels aligned with Army established quality and timeliness standards.

By standardizing work, expanding resources, and fully implementing GSA's improved Information Technology system, GSA has eliminated the significant family actions backlog. GSA is now responding to most phone calls and emails within 24 hours, reviewing family requests for enrollment

changes within days and completing these family requests, in most cases, within a few weeks.

As of December 18th, 2015, the current number of enrolled families is 12,785, up from 10,145 when I was last here in September. GSA fulfilled its commitment to the Committee to clear the invoice backlog by October 10, 2015 and valid invoices are typically being processed within three days. The number of valid invoices paid in the 30 days prior to December 18, 2015 was 18,886, up from 8,693 in the 30 days prior to September 14, 2015.

To better facilitate family actions and responses, in coordination with the Army, GSA has also improved communications with Army families and child care providers. Our total inventory of family actions on December 18, 2015 was 1,116, below our target of steady state inventory of 2,000 family actions, excluding recertifications. The majority of these actions require additional information from families or providers. As of December 18, 2015, there are 426 recertifications that are also being processed by the program. At the time of the September 10, 2015 hearing, there were over 5,000 family actions including recertifications that needed to be processed.

In response to concerns about the security of Army families' personal information, GSA originally re-opened free credit monitoring services from the first week of October 2015 until the end of December 2015, which was later extended to the final date the transition is completed. As of December 18, 2015, 243 families have enrolled in identity protection and credit monitoring services.

### **Transition efforts**

GSA is supporting the Army and the newly designated vendor, Child Care Aware of America, in transferring family and provider information to ensure that Army families are not negatively affected by the transition from GSA to Child Care Aware of America. More specifically, GSA has signed an Interagency Agreement (IAA) with the Army, funded through March 31, 2016. This IAA includes additional option periods through October 31, 2016 to ensure flexibility as Child Care Aware of America takes over management of the AFA program.

Shortly after the last hearing, GSA joined transition planning efforts with the Army and Child Care Aware of America. GSA has attended 4 in-person meetings at Child Care Aware of America, and participates in several weekly meetings, including:

- Family and provider transition planning meetings with Army and Child Care Aware of America
- Family and provider communication and customer service transition planning with Army and Child Care Aware of America
- Information Technology internal meetings with GSA's Chief Information Officer staff and the GSA Child Care team, to plan for the data transition to Child Care Aware of America
- Information Technology meetings with GSA and Child Care Aware of America Information Technology staff

In addition, GSA has participated in, and will continue to support family and provider webinars hosted by the Army describing transition next steps.

### **Transition Staffing**

GSA is committed to ensuring that the AFA program is staffed appropriately as the program transitions to Child Care Aware of America. GSA has structured AFA support contracts to accommodate fluctuations in work volumes so that resources can be redeployed as necessary. Additionally, GSA meets with the Army to discuss resourcing to ensure on-the-ground program needs continue to be aligned with planned expenditures.

### **Transition Data Transfer**

The Army has developed a phased transfer of the program and GSA is working to support the transition. Per this schedule, GSA provided the Army Fee Assistance child care providers list to Child Care Aware of America on December 15, 2015 so that Child Care Aware of America could begin setting up any providers who were not currently enrolled with Child Care Aware of America. In mid-January, GSA is scheduled to transfer a sample of family data to Child Care Aware of America to complete the data transfer testing. In February, GSA is scheduled to begin a transfer of completed active families' records for phase one of an anticipated seven phase data transfer. Child care provider files will also be transferred so that Child Care Aware of America can pay invoices for transferred families. GSA will continue to pay invoices received for families who have not yet been transferred to Child Care Aware of America.

Based on Army's current schedule, in early March GSA plans to provide

another data file containing any data transfer reconciliations that the Army, GSA and Child Care Aware of America determines to be necessary. In April, GSA will deliver the family records for phase two to Child Care Aware of America. Since GSA will continue to enroll child care providers for families not yet transferred, child care provider files will be sent with each family data transfer so that Child Care Aware of America can pay invoices for transferred families.

GSA will actively support this transition process until all families and child care providers are successfully transferred to Child Care Aware of America. GSA will work with the Army and Child Care Aware of America throughout each phase of the data transfer to mitigate any disruption to Army families.

### **Conclusion**

GSA's goal is to continue to support the Army and Army families to the greatest extent possible as the Army Fee Assistance program transitions from GSA to Child Care Aware of America. GSA is working diligently to respond to family action requests and to provide a high level of customer service during this transition. We share your concern for the welfare of our military families and appreciate your interest in and oversight of this important program. I will be happy to answer your questions.



**Gerard Badorrek**  
Chief Financial Officer

Gerard Badorrek was named the Chief Financial Officer (CFO) of the U.S. General Services Administration (GSA) on December 29, 2014. As the CFO, Mr. Badorrek leads a 600 person organization that is responsible for GSA's \$21 billion budget and expenses, overall financial management, internal controls and audits, analytics and reporting, and performance management.



Mr. Badorrek has over 25 years of experience serving in public and private companies. Prior to joining GSA, he served as Senior Vice President at Xerox Corporation and held positions as a Managing Director of Business Process Solutions in the State Government Sector and COO of the State and Local Solutions Group. Mr. Badorrek was previously at MCI Communications for 20 years, where he served in a variety of leadership positions, including Vice President of Business Operations, Executive Director of Finance, Executive Director of Corporate Business Analysis, Director of Accounting and Financial Operations, and Director of Business Development and Analysis.

Mr. Badorrek has an MBA from the Graduate School of Business at Stanford University, an MA in Economics from Case Western Reserve University, and a BS in Operations Research and Industrial Engineering from Cornell University.