



# **Reduction of Printing and Reproduction Costs**

**October 13, 2016**

**Fiscal Year 2016 Report to Congress**



**Homeland  
Security**

*Under Secretary for Management*

## Message from the Deputy Under Secretary for Management and Chief Financial Officer

I am pleased to present the following report, "Reduction of Printing and Reproduction Costs," which was prepared by the Department of Homeland Security (DHS) Office of the Chief Financial Officer.

This report was compiled pursuant to language set forth in Senate Report 114-68, accompanying the *Fiscal Year 2016 DHS Appropriations Act* (P.L. 114-113).

Pursuant to congressional guidelines, this report is being provided to the following Members of Congress:



The Honorable John R. Carter  
Chairman, House Appropriations Subcommittee on Homeland Security

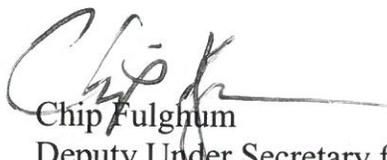
The Honorable Lucille Roybal-Allard  
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable John Hoeven  
Chairman, Senate Appropriations Subcommittee on Homeland Security

The Honorable Jeanne Shaheen  
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

Inquiries relating to this report may be directed to me at (202) 447-5751.

Sincerely,

  
Chip Fulghum  
Deputy Under Secretary for Management and  
Chief Financial Officer



# Reduction of Printing and Reproduction Costs

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# I. Legislative Language

This document responds to the language set forth in Senate Report 114-68, accompanying the *Fiscal Year (FY) 2016 Department of Homeland Security (DHS) Appropriations Act* (P.L. 114-113).

Senate Report 114-68 states in part:

## Cost Savings and Efficiencies

The Committee is concerned about the millions of taxpayer dollars spent on wasteful printing practices each year and the lack of clear printing policies within agencies. While progress has been made to better utilize the cloud and digitalize records, little progress has been made to reform in-house printing practices. The Committee directs DHS to work with the Office of Management and Budget to reduce printing and reproduction by 34 percent and report to the Committee within 60 days after the date of enactment of this act on the steps DHS has taken or will take to reduce printing volume and costs. The report should specifically identify how much money DHS has saved or will save as a result of these steps.

## II. Background

The Secretary of Homeland Security continually has stressed responsible government practices. The Departmentwide Efficiency Review (ER) is one of the initiatives that the Secretary has promoted to target efficiencies throughout the Department. One of the objectives of the ER is to eliminate printing and distribution of all reports and documents that can be sent electronically or posted online. DHS Components are directed to print reports only when required by regulation, statute, or in the best interest of the Government. In recognition of DHS's efforts to cut costs and reinvest in mission-critical operations, the Department's ER was highlighted as a model effort for agencies across the Federal Government.

In 2012, the Office of Management and Budget (OMB) issued an executive order on promoting efficient spending, otherwise known as the Campaign to Cut Waste. The executive order directed departments to reduce their combined FY 2013 costs in a variety of administrative categories, including printing, by not less than 20 percent from the FY 2010 levels. The Department reduced its overall costs in these categories by 39 percent, nearly double the targeted reduction of 20 percent. Since then, Components have continued to take significant measures to achieve savings in printing volume and cost; they have set rules and methods into place to reduce printing cost, such as requiring that double-sided printing be enabled on all applicable printers, multi-function devices, and copiers. In addition, several Component offices have negotiated with contractors and service providers to provide the majority of the required printing products virtually, therefore eliminating the need for hard-copy materials.

### III. Status of Reduction of Printing and Reproduction Costs

DHS is committed fully to enhancing administrative and operational efficiencies, including reducing printing and reproduction costs. Specifically, DHS projects a cumulative reduction in printing and reproduction costs of six percent between FYs 2014 and 2016 for a savings of more than \$2.9 million.

This report addresses the three key elements of the Senate Report 114-68 language concerning DHS printing and reproduction practices, outlines efforts undertaken to reduce printing and reproduction costs, and identifies limitations in realizing a total 34-percent cut. The three sections highlighted by Senate Report 114-68 are:

- **Savings Based on Actions Taken:** Identify the money saved or that will be saved as a result of actions taken.
- **Progress Made in Reducing Printing and Reproduction Costs:** This includes progress made to reform in-house printing practices and reporting steps to reduce overall printing and reproduction costs.
- **Goal to Reduce Printing and Reproduction Costs by 34 Percent:** Direction to work with OMB to reduce printing and reproduction by 34 percent. This section also includes analysis of difficulties that the Department faces in reaching the 34-percent reduction goal.

#### Savings Based on Actions Taken

The following table shows a projected reduction of six percent in printing costs between FY 2014 and FY 2016 for a total savings of more than \$2.9 million. During this period, 11 of the 14 Components realized a reduction in printing costs, including 9 that cut printing costs by more than 20 percent.

The one notable exception to this trend is the Transportation Security Administration (TSA), which has experienced a significant increase in printing costs over the same period. In an effort to ease travel burden to the American public, TSA increased programs, such as TSA Pre-Check, and other initiatives designed to reduce wait times at airport screening checkpoints. Traditional, printed material was one of the media used to communicate with the traveling public. This operational necessity has masked, in part, TSA's other initiatives to reduce printing and has skewed DHS's reduction as a whole. Excluding TSA, DHS has reduced overall printing costs by 13 percent from FY 2014 to FY 2016.

The Department will continue to search for areas to decrease printing costs. Increasing savings and creating further efficiencies not only in printing, but across the board, remains a top priority of DHS.

**Table 1 - Object Class 24.0 - Printing and Reproduction**

<b>Component</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Reduction (FY 2014– FY 2015)</b>	<b>FY 2016 (Projected)</b>	<b>Reduction (FY 2014– FY 2016)</b>
U.S. Customs and Border Protection (CBP)	25,700,000	22,800,000	11%	22,400,000	13%
U.S. Citizenship and Immigration Services (USCIS)	9,688,830	8,762,609	10%	8,043,000	17%
Departmental Management and Operations (DMO)	979,467	834,774	15%	698,419	29%
Domestic Nuclear Detection Office (DNDO)	18,000	18,000	0%	22,000	-22%
Federal Emergency Management Agency (FEMA)	2,413,232	1,736,650	28%	1,865,176	23%
Federal Law Enforcement Training Center (FLETC)	579,311	674,446	-16%	460,164	21%
U.S. Immigration and Customs Enforcement	154,216	15,285	90%	12,150	92%
National Protection & Programs Directorate (NPPD)	357,643	462,680	-29%	283,320	21%
Office of Health Affairs	3,311	32,872	-893%	1,625	51%
Office of Inspector General	17,080	9,751	43%	11,000	36%
Science and Technology (S&T)	70,000	45,470	35%	36,000	49%
Transportation Security Administration (TSA)	1,034,838	2,262,699	-119%	4,040,000	-290%
United States Coast Guard (USCG)	4,032,958	4,032,156	0%	4,351,447	-8%
United States Secret Service (USSS)	360,373	229,606	36%	257,965	28%
<b>Subtotal (Less TSA)</b>	<b>44,374,421</b>	<b>39,654,299</b>	<b>11%</b>	<b>38,442,266</b>	<b>13%</b>
<b>Grand Total</b>	<b>45,409,259</b>	<b>41,916,998</b>	<b>8%</b>	<b>42,482,266</b>	<b>6%</b>

## Progress Made in Reducing Printing and Reproduction Costs

DHS has directed Components and employees to find efficiencies that support responsible government practices, primarily through the ER. This direction includes efforts to find both in-house and outsourced printing and reproduction efficiencies.

In-house efforts have ranged from leveraging Web-based collaboration systems, such as Microsoft SharePoint, to minimize the need for printing resources, and making default

settings on printers duplexed (printing on both sides of the paper); these efforts have been instituted across the Department. In many cases, these in-house efforts are grouped in a comprehensive object class for supplies, making it difficult to show specific quantifiable efficiencies.

Outsourced printing and reproduction costs also have decreased by finding opportunities to publish information on intranet and Internet sites. For instance, training handbooks and materials now are routinely posted on the DHS intranet, allowing electronic distribution to all employees instead of providing hard copies.

Examples of Components' saving efforts currently used and planned are listed below.

- **CBP** – Recommended cost-saving alternatives to its print customers; for example, the production of compact disks or online publishing of the requested information instead of hard copies. When traditional printing is appropriate, CBP ensured that distribution lists were accurate to avoid the printing and shipping of excess material.
- **DMO** – Distributed annual reports via electronic methods, significantly reducing costs. When printing was required, reduced overall volume by only printing executive summaries for annual conference attendees. Shifted to the use of digital signatures, reducing in-house printing and reproduction costs.
- **DNDO** – Minimized printing costs by restricting reproduction expenditures to the publishing of mission-related materials, such as the Global Nuclear Detection Architecture (GNDA) Annual Report to Congress, the GNDA Strategic Plan, and other similar documents.
- **FLETC** – Eliminated hard-copy printing of the FLETC Student Handbook, instead published electronically on FLETC.gov. This resulted in an annual savings of \$42,264.
- **NPPD** – Eliminated hard-copy printing of *CrossTalk Magazine*, a joint initiative with the U.S. Air Force. Reduced annual printing cost from \$112,980 to only \$20,000, realizing an annual savings of \$92,980.
- **S&T** – Reduced the cost of the overall 2015–2019 S&T Strategic Plan by 55 percent through electronic publishing; additionally, developed the 2015 Year in Review as a digital product that was placed on S&T's Web site vs. hard copy, with a 71-percent savings in printing costs from the previous year.
- **USCIS** – Streamlined the printing request process by determining actual usage of printed application forms, certificates, and other documents. This allowed print orders to be “bundled” into three large orders per year, yielding savings through economies of scale. Produced more in-plant printing at the U.S. Government Publishing Office (GPO), which achieved approximately 40-percent savings vs. outsourcing through GPO to private-sector printers for application forms, green cards, etc.

- **USSS** – Reduced GPO printing contracts through online publishing of *Secret Service Star Magazine*; cut hard-copy printing from 5,000 copies to 3,200 copies.

## Goal to Reduce Printing and Reproduction Costs by 34 Percent

Although the Department has increased efficiencies in printing costs, the target of 34 percent is not achievable at this point. When printing costs are compared over the 3-year period (excluding TSA), the numbers indicate that DHS is reaching a “savings plateau.” Further reduction is complicated by many printing needs tied to statutory, regulatory, contractual, and mission-critical requirements. Examples outlining specific areas where these complications arise follow:

- **CBP** – Further reduction would affect the ability to fund all mission-critical, statutory, and regulatory print requirements. As a result, there would be adverse impacts to U.S. and foreign trade and travel, enforcement activities, evidence collection and retention, and other mission-critical functions. Mission-essential printing requirements can be described as printing, binding, and related supplies and services required and authorized by law, and/or statute, in support of CBP’s mission to protect America and its citizens while facilitating trade and travel. It should be noted that the reported annual cost of CBP printing includes \$14 million for the Trusted Traveler Program; this printing cost is paid through the collection of user fees from customers outside of the agency, not appropriated funding.
- **FEMA** – Under the authority of section 408 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §5174, FEMA provides national emergency assistance to state, local, and tribal agencies. A 34-percent reduction will not fund all mission-critical, mandated, and statutory print requirements; for example, disaster publications for survivors must be printed in multiple formats including braille, large print, and audio. The same is true for outreach and marketing material for programs like the Flood Insurance Campaign and the READY Campaign.
- **FLETC** – FLETC trains law enforcement agents and officers from more than 90 federal law enforcement agencies as well as international, state, local, and tribal agencies. A large portion of printing costs results from the production of training documents; these are mostly law enforcement sensitive, therefore limiting the ability to distribute electronically. Further reduction of printing costs would affect negatively the number of law enforcement students that FLETC could train.
- **S&T** – A 34-percent budget reduction from FY 2014 funding levels would leave S&T with approximately \$40,000 to cover printing costs. This level of funding is inadequate for promoting initiatives designed to engage academia and innovators, inform private industry of capability gaps, and update the Homeland Security Enterprise with new solutions. S&T requires the use of traditional communication methods in addition to current technology for certain outreach materials; i.e.,

postcards, Web cards, and digital media, to meet the increased number of conferences, events, and speaking engagements in which the Directorate participates to meet its mission.

- **TSA** – Given the size of the agency and its mission, a 34-percent reduction would be nearly impossible. Although TSA utilizes multimedia distribution of information, printing is an essential part of the process; many times, the printed document is an operational item. For example, in FY 2015 and FY 2016, TSA absorbed a significant printing expense to market and enroll applicants during the expansion of the TSA Pre-Check Program.
- **USCG** – The operational nature requires immediate access to policies, procedures, and other materials. Coast Guard installations and members are dispersed geographically, and often are operating assets (boats, aircraft, etc.) that may not have the ability to gain access to materials over the Internet or through electronic format when needed. A 34-percent reduction from the FY 2014 level would affect operational requirements adversely.
- **USCIS** – A significant percentage of printing costs are driven by application and petition volume, making a 34-percent reduction in printing costs extremely difficult to achieve. There are numerous documents that USCIS is required to print, including naturalization and citizenship certificates due to Immigration and Nationality Act mandate, secure notices, permanent resident cards, employee authorization documents, and travel documents.
- **USSS** – Reduction during election years is not attainable because of the increased operations supporting the Republican and Democratic National Conventions and other requirements associated with the presidential election, the presidential transition, and the President’s Inauguration.

DHS will continue to work with OMB and Congress, including reviewing promising practices in sister agencies, to find more areas where printing costs can be reduced. In particular, DHS will look to the operational Components with the highest printing costs and assess areas where technological solutions and regulatory changes can offer the most return on efficiencies.