

STATEMENT OF
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SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,
INTERGOVERNMENTAL RELATIONS AND THE CENSUS
U.S. HOUSE OF REPRESENTATIVES
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Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me to speak to you today about the significant progress being made by the federal government to implement the 24 Presidential Electronic Government initiatives and the recent launch of two new task forces to examine human resources management and grants management in addition to taskforces underway in the areas of federal health architecture, financial management, and case management systems for law enforcement, investigation, and litigation processes.

Introduction:

Nearly three years ago, President Bush outlined his vision for expanding the use of e-government in the President's Management Agenda. His vision applies the principals of E-Government to better serve our fellow citizens and to achieve greater results through refined business practices and more efficient management of information technology resources. Since the release of the President's Management Agenda, the Office of Management and Budget (OMB) and our agency counterparts have worked diligently together to achieve these goals.

Work has been done on multiple fronts. Not only did OMB and agencies work to identify 24 Presidential initiatives in which to partner and provide shared solutions, but all agencies also initiated their own unique E-Government projects to compliment the Presidential initiatives. Furthermore, in concert with state, local and tribal officials, we have worked in partnership to achieve uniform levels of service at all levels of government.

The 24 Presidential Initiatives

These 24 initiatives are divided into four portfolios based on the type of user group the initiative services: government to citizen, government to business, government to government, and internal efficiency and effectiveness. In addition, the E-Authentication initiative supports the other 24 in providing technology, policy and implementation activities to allow for a more uniform application of identity management across government, providing choice to citizens and to Federal agencies. Each of these portfolios has initiatives that make a significant impact on their respective communities of interest.

Government to Citizen: These initiatives primarily focus on delivering Government services to citizens in a timely and effective manner. For example, USA Services presents a “single face of government” for citizens needing timely, accurate and consistent information about government services and operations. The initiative supports the ways in which citizens can participate and interact with government to obtain the information and services via email, phone, fax, letter or the web (www.FirstGov.gov). Inquiries through FirstGov.gov and the Federal Contact Information Center are responded to within 12 hours with the average time to resolve inquiries being 2 business days.

Government to Business initiatives improve service and information delivery between the federal government and businesses. New business owners can now apply for and receive an Employer Identification Number (EIN) online through the Expanding Electronic Tax Products for Businesses Initiative. Before this was available, people had to fill out and mail a paper version of the EIN form, waiting up to two weeks to receive their EIN from the IRS. With the online EIN application, they can receive their EIN immediately. Since the service was launched in April, 2003, the IRS has received nearly 800,000 online applications for EINs.

Government to Government initiatives improve interaction between federal, state, and local governments. Grants.gov has more than \$360 billion in annual grants from 26 federal agencies available on-line for grantees to find and apply for. This initiative creates a single, on-line storefront for all federal grant customers to access grant information. The storefront consolidates much of the grants information currently available on-line and will eliminate many of the paper-based processes that serve as hurdles to organizations attempting to find grant opportunities as well as apply for grants.

Internal Efficiency and Effectiveness portfolio focuses on improving internal government operations: The E-Payroll initiative is consolidating 22 federal payroll systems to four federal payroll providers, thereby improving the efficiency and effectiveness of the federal payroll process. The E-Payroll initiative completed migrations of Department of Energy, American Battlefield Monuments Commission, Surface Transportation Board, and Nuclear Regulatory Commission to the designated E-Payroll providers.

These 24 initiatives, led by agencies with guidance and assistance from OMB, have confronted common obstacles previously experienced in other transformation efforts. These include procurement, acquisition, regulatory, cultural and budgetary issues. None of these obstacles were unexpected. Because E-government is not the work of managing existing processes and investments, but rather working to transform old practices into new solutions, the challenge to deliver greater results to the citizen requires sustained management. This is hard work and our partner agencies leading these initiatives are focused and tireless in their efforts to deliver results for their fellow citizens. I commend them for their efforts.

The E-Government Act of 2002

Congress's support for E-Government has played a key role in its implementation throughout the federal enterprise. Signed into law on December 17, 2002, the E-Government Act complement the President's Management Agenda and the Expanding Electronic Government initiative in particular, which focuses agencies' attention and resources on managing IT investments for results. Criteria for successfully implementing the E-Government PMA initiative include:

- Using a Modernization Blueprint to focus IT investments on priority agency functions;
- Managing major projects so that they generally deliver as expected, on-time and within budget, i.e., achieving, on average, 90% of cost, schedule and performance goals;
- Securing at least 90% of operational systems and sustaining progress correcting security weaknesses through a Department-wide remediation process verified by the agency IG;
- Avoiding redundant or agency-unique IT projects by participating in government-wide E-Gov initiatives; and
- Justifying major investments with complete business cases that adequately address all of these critical success factors.

OMB's April 2003 E-Government Strategy located at: http://www.whitehouse.gov/omb/egov/2003egov_strat.pdf outlines the following as government-wide goals for achieving the PMA agenda for E-Government in FY 2003 and FY 2004:

- Agencies are focusing IT spending on high-priority modernization efforts;
- Major IT investments are within 10 percent of cost/schedule/performance objectives;
- All operational IT systems are certified and accredited; and

to assist agencies to avoid agency-unique solutions to government-wide needs and to reduce unnecessarily redundant intra- and inter-agency investments—

- Presidential E-Government initiatives are operational and yield benefits (e.g., reduced cost, faster response time, reduced burden, improved citizen service, etc.).
- Negotiate government-wide Enterprise Software licenses.
- Reduce redundant IT spending in the 6 overlapping lines of business identified in the FY2004 budget, by defining government-wide solutions.

As of December 2003, two of 26 agencies met all of the E-Government standards for success – the National Science Foundation (NSF) and Office of Personnel Management (OPM) – and 19 demonstrated solid progress implementing plans and meeting milestones to achieve the standards of success.

The E-Government Fund

A key provision of the E-Government Act of 2002 is the authorization of the E-Government Fund. This fund plays a vital role in supporting the transformation taking place throughout the government.

Congress appropriated \$5 million for FY 2002 for the fund. As a result of the rescission in FY2003, \$4,967,500 was available in the E-Government Fund. For FY2004, Congress made available \$3 million in the fund.

OMB will drive the use of the E-Gov Fund for the migration efforts necessary to achieve efficiency and utilization. The fund acts as a venture capital fund in generating cross-agency savings and improving collaboration and cooperation. The reinvestment of funds generated from cross-agency acquisition savings will be used to drive common solutions. By investing these funds in projects with both immediate and long-term benefits we can meet today's day to day operations while keeping an eye on the future.

In addition, there will be a continued focus on driving the prudent use of taxpayer funds and support of initiatives serving the citizen and government well. In this effort OMB will continue to use the Federal Enterprise Architecture, the agency EA's and the CIPIC process to identify redundancies and areas where collaboration will solve delivery problems.

The Federal Enterprise Architecture

Concurrent with the work of the e-government initiatives, OMB launched the Federal Enterprise Architecture in February 2002. The FEA is a business and performance-based framework designed to facilitate government-wide information sharing, collaborative IT solutions, improved customer service, and process/system integration, resulting in faster, better and more cost-effective service to the American people. Applied in the FY04 and FY05 budget processes, the FEA is becoming recognized as a viable framework to analyze agency IT investments, thereby enabling the government to wisely target inter- and intra-agency collaboration efforts that will streamline government business processes.

Since its inception, the FEA has completed four out of five reference models (Business, Performance, Technical, and Service Component) that are used by OMB and agencies to collectively identify opportunities for collaboration and consolidation. The fifth reference model, the Data and Information Reference Model (DRM) is currently under review and scheduled for release in spring 2004.

The Line of Business Task Forces

Throughout the past two years, OMB has analyzed information technology investments across several lines of business using the FEA. Use of the FEA better quantifies the savings and service improvements that could result from integration and consolidation of projects. This analysis resulted in the launch of two new task forces last Thursday and a reflection of the continuing efforts of the taskforces underway to determine a business-driven common solution for the following areas: financial management, human resources

management, grants management, federal health architecture, and case management systems for law enforcement, investigation, and litigation processes.

From now until early September, these agency-led task forces will define a common solution, and develop a target architecture and business case for the respective line of business. This work will be inclusive and deliberate, and include a public Request for Information process.

Conclusion

The Presidential E-government initiatives are delivering measurable results to citizens. Through the analysis of the federal enterprise architecture, we have launched five task forces which are laying the foundation for future opportunities to improve service, reduce costs and identify duplicative investments.

The Administration will continue to work collaboratively across agencies and with Congress on E-Government and information technology issues.