

¹1. A brief high level overview (a text document of up to five pages) of your agency's implementation of the E-Government Act, including a summary of agency-specific E-Government initiatives. This should not include the 24 Presidential E-Government initiatives. The overview must address the following specific provisions of Section 202 of the Act:

<p>1. Describe how your initiatives are transforming agency operations.</p>	<p>Office of Government Contracting and Business Development</p> <p>For BY06, the SBA's Office of Government Contracting and Business Development (GC/BD) requests \$426,000 to continue the automation of the HUBZone Certification System. This will lead in BY06 to the processing of 2,200 online applications, the execution of 660 program examinations and the online recertification of 3,500 certified HUBZone small business concerns. This substantially increased workload (from prior budget years) will be accomplished with no increase in the current (BY04) authorized staffing level by the expansion and introduction of components to this modular architecture. This GC/BD initiative provides for the continued development, deployment and maintenance of a "HUBZone System." This system will encompass all substantive business processes of the HUBZone Program, including: an Internet application for program certification; determination of program eligibility based on electronic decision logic; annual rectification of firms, and de-certification of firms no longer meeting eligibility criteria; processing of program review data; adjudication of protests and appeals; generation of program evaluation data; and provision of executive information system capabilities. This initiative enables the agency to minimize long term compensation and benefit expense through modest short-term investments in technology. This project was reviewed by the Business Technology Investment Council in July 2003, and ranked by the council in August 2004.</p> <p>Office of Disaster Assistance</p> <p>SBA's Office of Disaster Assistance has undertaken a disaster credit management modernization initiative to improve the efficiency, quality, and timeliness of disaster loan processing. The primary on-going e-gov initiative of the ODA is the implementation of the Disaster Credit Management System (DCMS). This effort enables ODA to efficiently streamline functions associated with its disaster loan process and disaster management process by creating electronic loan and disaster records.</p> <p>The use of electronic records for disaster management and loan processing is anticipated to have a significant impact on the operations of the disaster loan program through the FY05 implementation. ODA has engaged in the process of transitioning to the new system through FY04 by conducting a series of workshops and creating action plans to address immediate issues and requirements.</p>
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	<p>ODA has recognized the need to plan for the long-term impacts of DCMS and through the first quarter of FY05 has conducted a series of workshops and planning sessions with critical stakeholders. The result of these sessions which coincides with the early DCMS implementation are expected to result in recommendations to significantly transform ODA operations to achieve the full benefits of the new system.</p> <p>Office of Capital Access</p> <p>The ETRAN initiative is an SBA loan guaranty origination solution that leverages best-practice Internet technology to reduce the turnaround time on loan guaranty requests and provide the agency with high quality, timely data to support the management and oversight of its portfolio. E-tran is one component of an overall strategy to provide increased efficiency and decreased costs in the loan guaranty origination process.</p> <p>As the agency moves to expand the use of E-tran to all of OFA's loan programs, there will be an impact on loan operational processes. It is our vision that with full implementation the agency will be able to increase efficiency, decrease cost, and move resources to areas that need manual intervention (marketing/outreach and oversight).</p>
<p>2. Explain how your agency maintains an ongoing dialogue with interested parties to find innovative ways to use IT.</p>	<p>Office of Government Contracting and Business Development</p> <p><u>HUBZone System</u>: For small businesses that do not have access to the Internet, but wish to participate in the HUBZone Program, the agency and its resource partners provide access assistance in submitting applications for program certification.</p> <p><u>8(a)/SDB Internet Application Form</u>: For small businesses that do not have access to the Internet, but wish to participate in the 8(a) Business Development and/or be certified as small disadvantaged businesses, the agency and its resource partners provide access assistance in submitting applications.</p> <p><u>PRO-Net/Small Business Source System (SBSS)</u>: For small businesses that do not have access to the Internet the agency and its resource partners provide access assistance.</p> <p>Office of Disaster Assistance</p> <p>ODA ensures that disaster victims (who do not have computers or access to the internet) have access to disaster program information, disaster loan applications and program availability by extensively utilizing the media to announce who, what, where, when and how upon the declaration of a disaster by the President or the SBA</p>

	<p>Administrator. Furthermore, SBA partners with all other Federal, State and local governments involved in a given disaster to strategically locate disaster staff on-site to personally assist disaster victims and provide with the information and help they need.</p> <p>Office of Capital Access</p> <p>The office of Financial Assistance is responsible for the oversight of the E-tran initiative. Our office maintains ongoing communications with our lending community, software vendors, and IT professionals to incorporate new functionality into the application. This includes discussing ways to incorporate E-tran into other facets of the government lending process.</p> <p>Currently, the agency communicates with our interested parties via the web, list servers, notices, and national meetings. As the community of interested parties grows we feel confident that additional requirements will be suggested along with the possible expanded use of our IT solution.</p> <p>It is our vision that with this dialogue the Agency will be able to expand our use of IT (E-tran – Servicing/Liquidation, fee payment and reporting) to improve processes, increase efficiency for the lending community/Agency, and decrease cost.</p>
<p>3. Identify other agency partners who collaborate on the initiatives.</p>	<p>Office of Government Contracting and Business Development</p> <p>The HUBZone System is not now a multi-agency system. However, under the aegis of the Integrated Acquisition Environment (IAE), the system is interdependent with the Department of Defense's Centralized Contractor Registry (CCR) and the SBA's Small Business Source System (SBSS), and their successors in the Business Partners Network (BPN).</p> <p>Office of Disaster Assistance</p> <p>The OCIO, OCFO, and OCA are the primary agency partners collaborating on DCMS. ODA also works closely with OPGM to obtain appropriate contracted resources.</p> <p>Office of Capital Access</p> <p>While we have not partnered with other Agencies on this initiative the SBA has been contacted by other Agencies</p>

	<p>in hopes of using the E-tran application as a model, best practice. The SBA has communicated with public and private organizations in the development of this IT solution. From this communication we feel confident that our initiative has incorporated best practices in the origination of government guaranteed loans.</p> <p>Currently, the E-tran application is considered an Industry Best Practice - Public and Private Organizations, exhibiting best practices in XML programmed file transfers, describe the process as having the potential to alleviate many of the interoperability problems associated with the exchange of documents and data. Freddie Mac and Fannie Mae implemented their version of E-tran processing in March of 2000.</p>
<p>4. Identify improved performance by tracking performance measures supporting agency objectives, strategic goals and statutory mandates.</p>	<p>Office of Government Contracting and Business Development</p> <p>The HUBZone System contributes significantly to organizational improvements in specific outcome-oriented terms. As it currently exists, the system has enabled an average certification staff of approximately five, to certify approximately 2,200 firms per year, yielding a per staff productivity of approximately 440 applications per year. As a point of reference, another agency certification program, using a paper-based application system, with an average staffing of approximately 15 full time equivalent positions certifies approximately 2,000 firms annually, yielding a per staff productivity of approximately 133 applications per year.</p> <p>As earlier noted, in addition to processing applications for certification, the system will enable a small staff to process approximately 450-750 program examinations, 2,200-3,500 re-certifications, and 60-120 protests and appeals, annually. Success will be measured for each of these benefits in terms of production per staff, quality of decisions rendered; and timeliness of action.</p> <p>Office of Disaster Assistance</p> <p>The DCMS is not fully implemented at the first quarter of FY05, therefore these items do not have a history established in the new environment.</p> <p>Office of Capital Access</p> <p>The E-tran application provides the agency with high quality, timely data to support the management and oversight of its portfolio. The application has stored data and loan program validation requirements. This ensures that the agency receives quality data on its borrowers and that the loan complies with statutory requirements.</p> <p>Through this technology we are better positioned to track performance measures. With the improved data quality</p>

	<p>it is our belief that we can analyze our portfolio to make sure that agency objectives are met and risk is mitigated.</p>
<p>5 Quantify the cost savings and cost avoidance created by implementing the initiative (e.g. reduction and elimination of investments), describe the methodology used to determine savings.</p>	<p>Office of Government Contracting and Business Development</p> <p>During FY 2004, the agency undertook an A-76 competitive sourcing initiative for the HUBZone and 8(a) Business Development Programs. Based on this initiative, we have reexamined our estimates of the costs and benefits of the HUBZone System. In brief we have modified our model to reflect greater outsourcing of case analysis services, in lieu of use of full time equivalent personnel, for processing of program examinations, recertification actions, and adjudication of protests and appeals.</p> <p>In the absence of the system, we estimate that program costs performance of these functions for period FY 2003 – FY 2011 would aggregate approximately \$24.3 million. With the system, we estimate that the cost of performance would aggregate approximately \$11.4 million, yielding a cost avoidance of \$12.9 million. We estimate that system costs will aggregate approximately \$5.1 million during the same period, yielding a net benefit of \$7.8 million. Therefore, for the period FY 2003-FY 2011, we project a discounted net benefit of \$7 million, and a discounted return on investment of 1.5</p> <p>Office of Disaster Assistance</p> <p>The DCMS is not fully implemented at the first quarter of FY05, therefore these items do not have a history established in the new environment.</p> <p>In the planning stages of the project, we performed a cost/benefit analysis within the Business Case for DCMS and determined new technology for disaster loan making would affect savings in costs in some of our greatest expense categories. The analysis was based upon:</p> <ul style="list-style-type: none"> Costs calculated in constant 2001 dollars Benefits based upon reductions in <ul style="list-style-type: none"> Compensation and Benefits Overtime Travel and Per Diem Mail and courier services Cost and benefit calculations discounted to arrive at “Net Present Value”

Discount rate: 3.2% per year (OMB Circular No. A-94, Jan 2001 revision)

The cost savings (benefits) begin to be realized incrementally throughout the Year 2 implementation causing a reduction in Comp & Benefits, Overtime, Travel & Per Diem for the staffed positions involved directly with the loan making function. The total cost savings are estimated to reach \$92,851² over a 9 year life cycle as depicted below:

Benefits (Thousands of Dollars)									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Compensation & Benefits		4,808	7,211	9,615	9,615	9,615	9,615	9,615	9,615
Overtime		891	1,337	1,782	1,782	1,782	1,782	1,782	1,782
Travel & Per Diem		1,724	2,586	3,448	3,448	3,448	3,448	3,448	3,448
Mail/Courier Expenses		0	180	240	240	240	240	240	240
Status Quo Operations & Maintenance		0	298	298	298	298	298	298	298
Annual Disaster Benefits		7,423	11,611	15,383	15,383	15,383	15,383	15,383	15,383
Net Present Value Discount Rate	0.9690	0.9389	0.9098	0.8816	0.8543	0.8278	0.8021	0.7773	0.7532
Net Present Value of Benefits	0	6,969	10,564	13,562	13,141	12,734	12,339	11,956	11,586

9-year Total Benefits (NPV)	92,851
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Year 2 benefits are estimated at 50% of the full anticipated amount which will be achieved in Year 4 due to the incremental implementation of the system. This analysis assumes a full fiscal year of implementation, whereas the actual deployment is scheduled to occur during FY 05.

Budget requests for future years will consider the cost savings of DCMS as well as the planned and anticipated operations and maintenance costs.

Office of Capital Access

	<p>Time/Cost Savings—our primary lenders have expressed that E-tran based processing decreases processing time by more than 2 full days. We have asked our financial partners to study the impact of E-tran on their operation and as additional information comes in we will share it with all interested parties. A two year old study done by Fannie Mae reported that their Internet based processing system saved participating lenders \$300 to \$650 per loan.</p> <p>As we continue to expand the use of the application we will begin to quantify the cost saving and avoidance internal to SBA.</p>
<p>6. Explain how your agency ensures availability of Government information and services in not diminished for those without access to the Internet.</p>	<p>Office of Government Contracting and Business Development</p> <p>Applicants without access to the Internet are instructed in alternate means to apply for HUBZone certification using any of the following personal computer resource centers: SBA District Office, SBA Business Information Centers, Small Business Development Centers, Procurement Technical Assistance Centers or any public library that provides web access. In addition, specialized SBA staff in district office locations (HUBZone liaisons) are trained in how to accommodate the special needs of those without Internet access.</p> <p>Office of Disaster Assistance</p> <p>All program information continues to be provided to disaster victims and other interested parties through written material. Program information is published through pamphlets and Fact sheets and is available in general format in advance of a disaster event and is tailored for specific needs following each disaster. ODA has a field presence for personal contact in the affected areas following major disasters, allowing for the best possible customer service.</p> <p>Office of Capital Access</p> <p>The Agency has maintained that we will work with our financial partners to ensure that availability to our programs is not diminished. This means that the SBA will still accept loan applications via Fax or mail until it is determined that all financial institutions have access to the E-tran application.</p> <p>While we have seen an enormous rise in E-tran participation, it is our belief that rural and small financial institution may be slow to adopt this technology. We will continue to process government guaranteed loans via our current process. In other words – no financial institution left behind.</p>

<p>7. Explain how your initiatives comply with section 508 to ensure accessibility.</p>	<p>Office of Government Contracting and Business Development</p> <p>The system is operated by contractors on-site. Compliance with GISRA, OMB, NIST and other related SBA guidance, including 508 requirements, has been factored into the development of the existing system and this project, which is a standard practice within SBA's standard Systems Development Methodology (SDM).</p> <p>Office of Disaster Assistance</p> <p>The DCMS is not an internet/public facing system. Thus section 508 has been waived as inapplicable at the present time.</p> <p>Office of Capital Access</p> <p>The SBA's Office of the Chief Information Officer has certified that the application is 508 compliant.</p>
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2. A summary of the implementation of the specific privacy provisions of Section 208 of the E-Government Act. Implementation guidance for the Privacy Provisions of the E-Government Act of 2002 is located at <http://www.whitehouse.gov/omb/memoranda/m03-22.html>. The privacy summary should contain the following three parts:

- a. The reporting of each instance where persistent tracking technology is used. For each instance agencies must:
 - Explain the need to use persistent tracking technology;
 - Identify the safeguards to protect any information collected from persistent tracking technology;
 - Provide the contact information (name, title, phone number, and email) of the agency official who approved each instance of tracking technology use; and
 - Provide the actual privacy policy notification of such use.

Response: SBA does not use persistent tracking technology.

- b. A readable agency privacy policy machine or an explanation of why it is not readable.

Response: Not applicable.

- c. The contact information (name, title, phone number, and email) of individual(s) appointed by the head of the Executive Department or agency to serve as the agency's principal contact(s) for information technology/web matters and the individual (name and title) primarily responsible for privacy.

Response: Principle Contact for IT/WWW

David Sawyer
Office of the CIO
(202)205-6012
David.Sawyer@sba.gov

Principle Contact for privacy policies
Lisa Babcock
Chief, FIO/PA Office
(202)-401-8205
Lisa.Babcock@sba.gov

3. "Summary (a text document of up to two pages in length) of your agency's progress to implement your information technology human resource strategy as described in Section 209 of the Act. The summary must:

- Identify any specialized job activities necessary to perform the agency mission that have changed since last year's report;

Response: During FY 2004 SBA initiated a program to develop and maintain an internal cadre of qualified project managers (PMs). Two courses were offered to provide PM fundamentals, PM Basics and PM Consulting Skills. In each course 25 - 30 people participated from across the Agency. In addition, we offered advanced PM training in which 10 – 12 people from across the Agency participated. Of those who participated in the advanced course 4 have achieved certification through the Project Management Institute. During FY 2005 we expect additional students to achieve PM certification. Those enrolled in PM training are assigned to PM roles with various initiatives underway in the Agency's information technology portfolio. Each of the investments in the Agency's business case inventory is supported by one or more certified or "in-training" project managers.

- Explain how your IT training plan integrates into the overall agency training plan; and
- Discuss how you have used the results of OPM's Training Report (www.opm.gov/hrd/lead/pubs/ittpreport_07-04/ittpreportJuly2004.pdf) to successfully implement training programs to fulfill gaps in your IT workforce."

Response: Agency-wide training plans focus primarily on skills and knowledge linked most directly to SBA's dominant, program-specific job classifications. These involve business and economic analysis, customer-focused marketing and outreach, and a large family of skills analogous to those used by private sector counterparts in the commercial lending arena: business plan evaluation, credit analysis and scoring, loan approval, collection and liquidation, collateral evaluation and disposition, etc.

By comparison, information technology workers are a relatively small segment of the agency population, and many IT skill requirements are now established or recommended by legislation, oversight agencies, or specialized federal working groups. Planning and executing IT training thus largely falls to the OCIO organization as an element of capital planning and linked to development of the Agency's IT portfolio business cases. The CIO organization does coordinate those training activities with the Agency's Office of Human Capital Management.

Specialized, user-specific IT training is also conducted where appropriate for widely used or emerging applications such as Oracle Federal Financials and the Disaster Credit Management System.

With regard to OPM's July 2004 training report, SBA has and will continue to, consider the training programs cited in the report to meet specific developmental needs. GoLearn.gov is one such source which SBA expects to introduce in FY 2005 as the successor to a less expensive commercial online learning service that the Agency has used since 1996. As other IT training sources are identified across government, SBA will evaluate them for applicability to its IT skills requirements.

4. A brief description of the process your agency has established for determining which information will be made available on the Internet as described in Section 207 of the Act. The description must:

- Provide the priorities and schedules for making Government information available and accessible;

Response: We are in the processes of restructuring our web program. There is a SOP in review which will create a Web Governance board, that will determine schedules and what information will be available to the public. As an interim solution the Office of Communication and Public Liaison (OCPL) is reviewing new content and program offices are updating existing content materials.

Currently, each Program Office within SBA must designate an "Internet Content Custodian" (ICC); responsible for reviewing and approving all pages in that Office's WWW collection, and ensuring updates to existing data. Each ICC acts as a central point of contact for adding and removing information on the Program Office Home Page, with the approval of the Program Office manager. In the case of new material OCPL must also approve the changes.

All materials made available to the public through the Internet, authorizations comparable to those for any external publication must be obtained, will be in compliance with the latest policy directions from the Chief Information Officer (CIO), the Office of Administrative Services, and the Office of Public Communications. The form utilized for clearance is SBA Form 58.

We are also in the process of obtaining and implementing a web content management system (CMS). The system will allow for program offices to submit content modifications and new content directly to OCPL for review. Once OCPL approves the content it can be posted to the web. The CMS contains a workflow process that will allow only authorized personnel to submit and review content.

The site has metadata for keywords and description. The metadata we collect allows the site to be searchable. When implementing the CMS we will define additional metadata elements. The CMS tool will be able to set expiration dates on pages and show who published the information.

- Explain how these priorities and schedules were available for public comment; and

Response: The site provides information about the agency and issues that impact small businesses. The link <http://www.sba.gov/aboutsite/> allows the public to provide feedback on the website and view our web standards, policies and procedures.

- Identify the link where the priorities and schedules can be found on the Internet.

Response: The site provides information about the agency and issues that impact small businesses. The link <http://www.sba.gov/aboutsite/> allows the public to provide feedback on the website and view our web standards, policies and procedures