



Federal Information Technology FY 2014 Budget Priorities

Innovate ■ Deliver ■ Protect ■ Analyze

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Delivering on Our Mission

“We understand that outworn programs are inadequate to the needs of our time. So we must harness new ideas and technology to remake our government...”

– 2013 Inaugural Address, President Barack Obama

Federal IT Mission Statement:

We will aspire to promote a bright and prosperous future for the United States through the strategic use of Federal Information Technology

We will do so by driving efficiency and effectiveness across Government, spurring innovation, protecting and defending our resources and more effectually bringing Government services to Americans



News Event: 2005



source: AP/NBC News



News Event: 2013

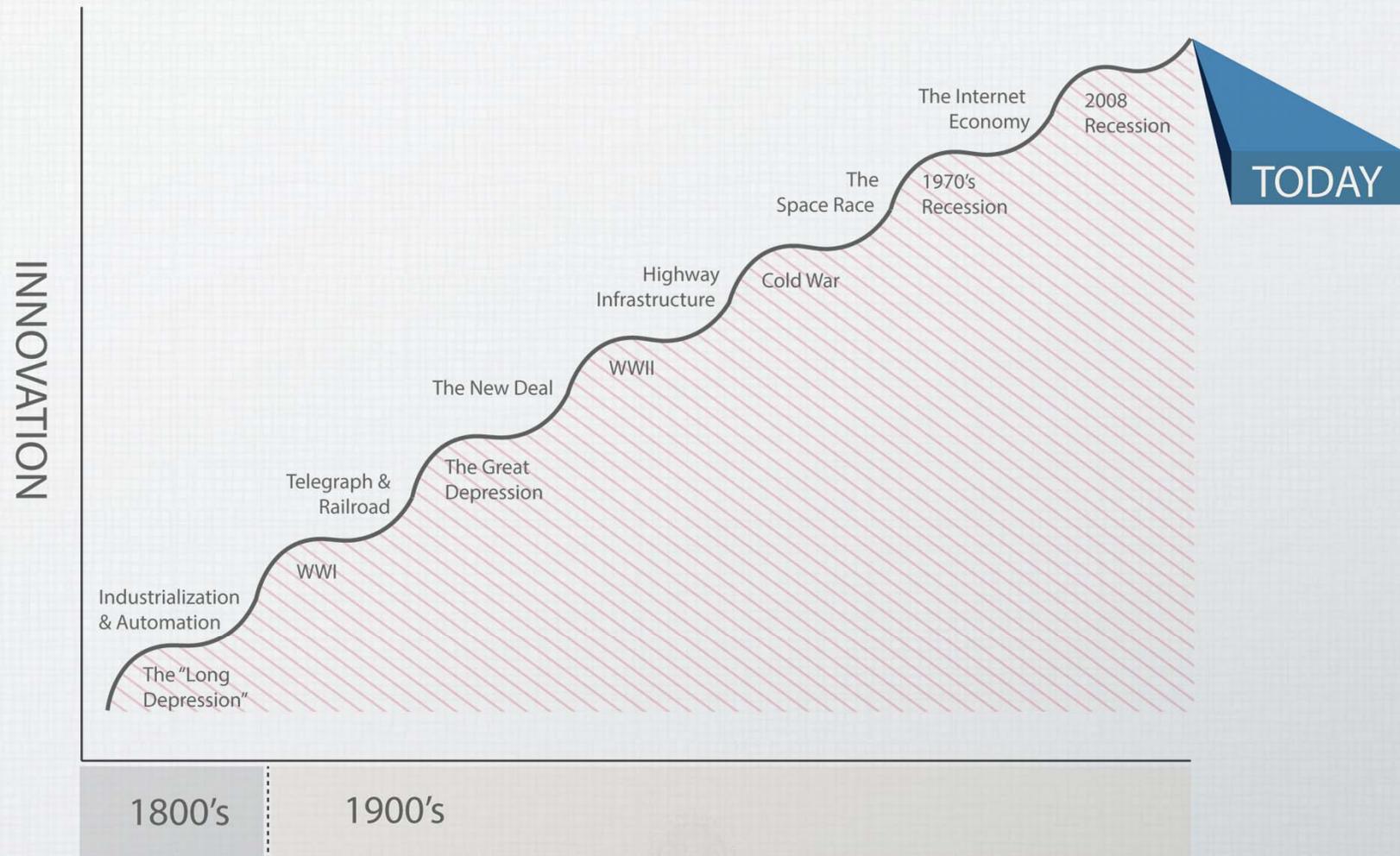


source: AP/NBC News



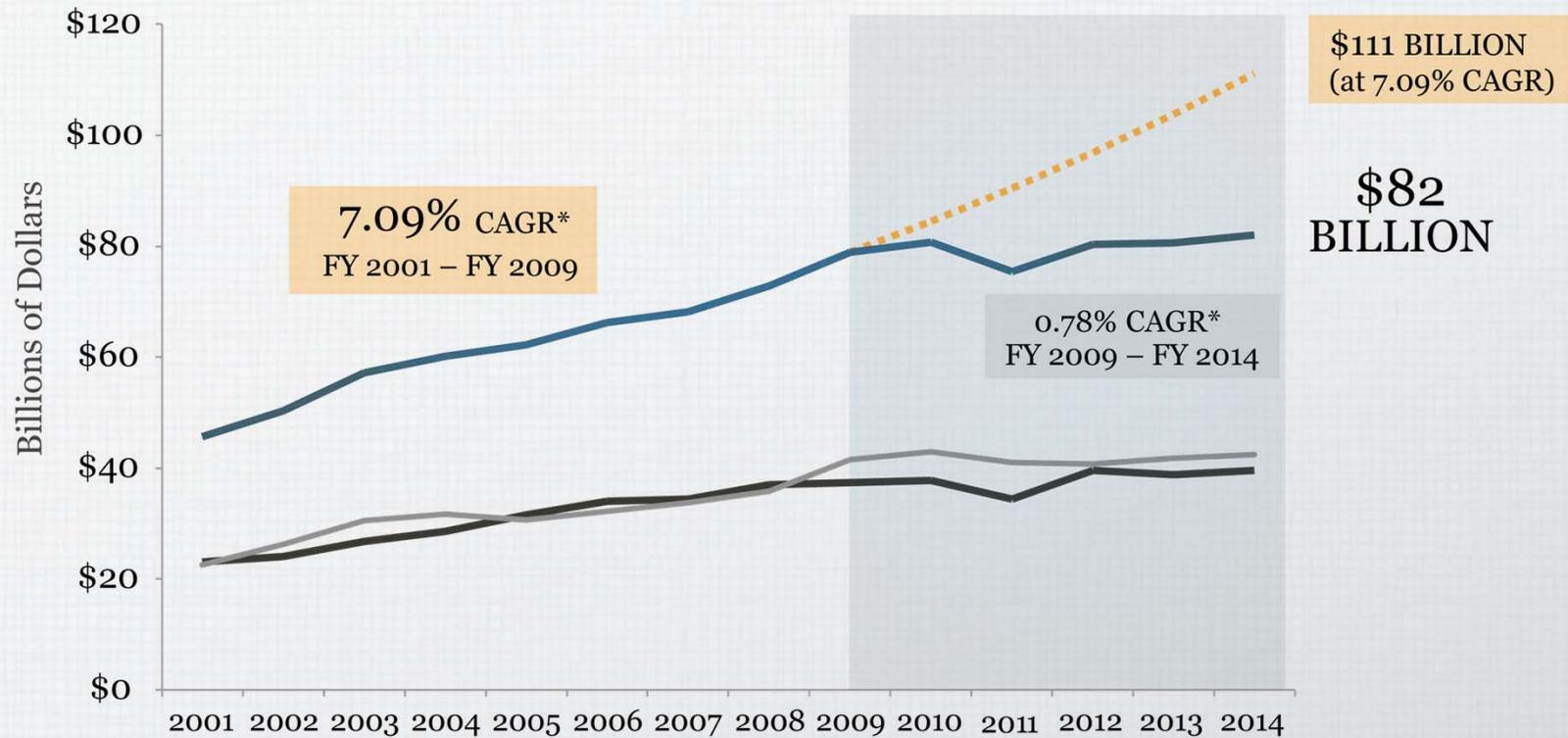
A Major Inflection Point

The Evolution of Innovation



Innovating with Less

Trend in Federal IT Spending Over Time



* Compound Annual Growth Rate
Data source: Agency FY 2014 IT budgets, reported February 2013

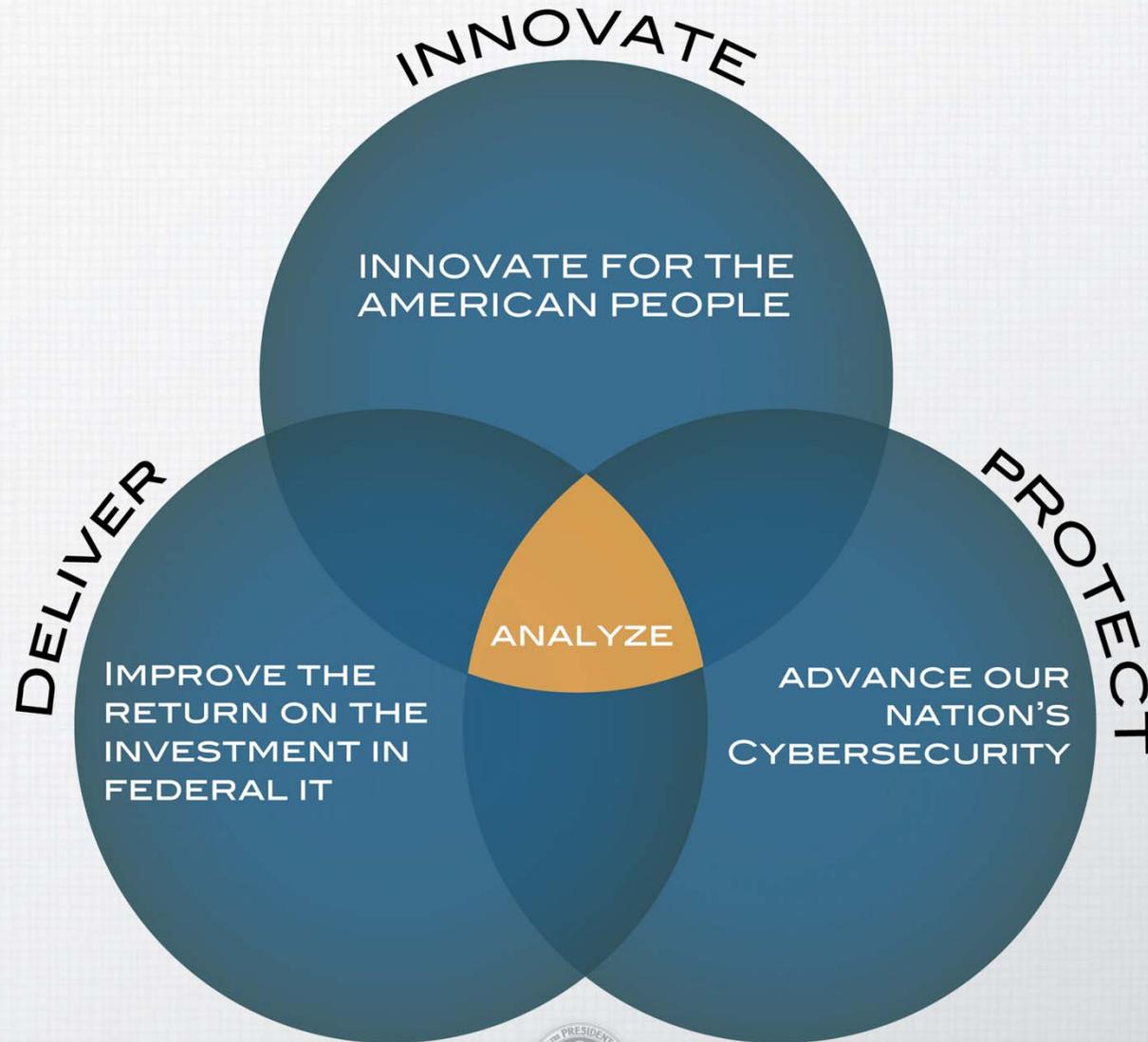
— Total for Major Agencies
— Department of Defense
— Major Civilian Agencies

President's IT Budget for FY 2014

Federal IT Investments, FY 2014 Budget (in millions)

<i>Agency</i>	<i>2012</i>	<i>2013 (CR)</i>	<i>2014</i>	<i>Change FY12 to FY14</i>	
Department of Agriculture	\$2,538	\$2,526	\$2,510	(\$28)	-1.1%
Department of Commerce	\$2,474	\$2,449	\$2,507	\$33	1.3%
Department of Education	\$557	\$622	\$621	\$64	10.3%
Department of Energy	\$1,579	\$1,523	\$1,529	(\$50)	-3.3%
Department of Health and Human Services	\$7,181	\$7,416	\$7,288	\$107	1.4%
Department of Homeland Security	\$5,558	\$5,674	\$6,072	\$514	9.1%
Department of Housing and Urban Development	\$353	\$461	\$294	(\$59)	-12.8%
Department of the Interior	\$1,033	\$1,045	\$1,013	(\$20)	-1.9%
Department of Justice	\$2,753	\$2,687	\$2,657	(\$96)	-3.6%
Department of Labor	\$577	\$596	\$611	\$34	5.7%
Department of State	\$1,374	\$1,358	\$1,417	\$43	3.2%
U.S. Agency for International Development	\$133	\$165	\$126	(\$7)	-4.2%
Department of Transportation	\$2,996	\$3,146	\$3,128	\$132	4.2%
Department of the Treasury	\$3,407	\$3,706	\$3,746	\$339	9.1%
Department of Veterans Affairs	\$3,168	\$3,267	\$3,890	\$722	22.1%
U.S. Army Corps of Engineers	\$535	\$483	\$493	(\$42)	-8.7%
Environmental Protection Agency	\$422	\$419	\$448	\$26	6.2%
General Services Administration	\$537	\$549	\$486	(\$51)	-9.3%
National Aeronautics and Space Administration	\$1,463	\$1,433	\$1,436	(\$27)	-1.9%
National Archives and Records Administration	\$108	\$119	\$103	(\$5)	-4.2%
National Science Foundation	\$103	\$99	\$99	(\$4)	-4.0%
Nuclear Regulatory Commission	\$134	\$151	\$152	\$18	11.9%
Office of Personnel Management	\$82	\$85	\$86	\$4	4.7%
Small Business Administration	\$102	\$115	\$115	\$13	11.3%
Smithsonian Institution	\$65	\$67	\$66	\$1	1.5%
Social Security Administration	\$1,456	\$1,605	\$1,504	\$48	3.0%
<i>Subtotal for Major Civilian Agencies</i>	\$40,690	\$41,766	\$42,397	\$1,707	4.1%
<i>Department of Defense</i>	\$39,588	\$38,810	\$39,599	\$10	0.0%
<i>Total IT Investments in Federal Government</i>	\$80,278	\$80,576	\$81,996	\$1,717	+2.1%

Federal Technology Objectives



Innovate: Improve Services for the American People

- Embrace smart use of technology to change how we do business & serve Americans
- Unleash the power of government data
- Transform government into a platform for innovation



FBI's Next Generation Identification investment will become operational with incorporation of photo/facial recognition, scars, marks and tattoos matching, and arrest history reports. These improvements have reduced the time for obtaining identification from hours to seconds.



USAID's Smart Traveler mobile app provides the public with easy access to frequently updated official country information, travel alerts, travel warnings, maps, U.S. Embassy locations and more.



The FAA is investing \$1.1B in the next generation of air traffic control by shifting to smarter, satellite-based and digital technologies and new procedures.



A transformational initiative for the EPA, E-Enterprise initiative will use centralized information technology (IT) standards and services to support e-Reporting, reduce regulatory burden, and improve public access to real time data about their environment.



Digital Government Strategy

- Increase access to Government services anywhere, anytime and on any device
- Ensuring that we procure and manage our digital assets in smart, secure and affordable ways
- Unlock the power of open data to spur innovation

The Power of Open Data:

As happened when government opened weather data and the Global Positioning System, many entrepreneurs are now building new products and businesses fueled by government open data. For example:



+20 jobs



+200 jobs



+90 jobs



Deliver: Increase the Return on Investment of Federal IT

- Consolidate or eliminate redundant business applications, systems, and services
- Foster common platforms and interoperability through a “build once, use many times” approach
- Shift the mindset from IT as an “asset” to IT as a “service” and streamline delivery channels
- Harvest inefficiencies to reinvest in innovation



VA's productivity software Enterprise Level Agreement (ELA) and the Strategic Capital Investment Planning Capital Asset Management Service (SCIP/CAMS) Redesigns have resulted in a total cost avoidance of \$125M.



The State Department will undergo significant management improvements to strengthen the role of their Chief Information Officer to better management the unique and geographically widespread IT portfolio.

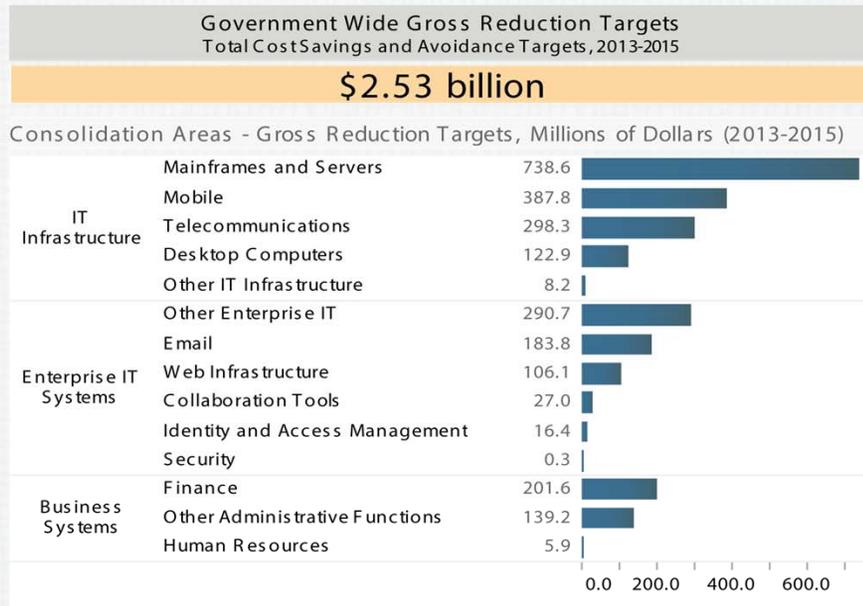


Virtual computing will replace traditional desktops and laptops at DHS and allow DHS to accumulate \$154.2M in cost savings over a 5 year period (FY2012 – FY2016).



PortfolioStat 1.0 Results

PortfolioStat Commodity IT Reduction Targets



Data reported by agencies as of October 16, 2012.
Consolidation areas based on OMB Memorandum M-11-29

- The FY 2012 PortfolioStat initiative identified over \$2.5 billion in agency savings targets covering FY 2013 and FY 2015 through the consolidation and elimination of low-value IT investments
- To date, agencies have realized nearly \$300 million of these savings targets over the first half of FY 2013
- Agencies are well on their way to meeting their targets

PortfolioStat 2.0 Overview

- Led by OMB in coordination with the agency
- Expanded in scope to touch on all areas of information technology, most notably innovation
- Streamlining information collection:
 - Aggregating multiple disparate collections into 3 data calls
 - Renewed emphasis on Strategic IRM Plans and Enterprise Roadmaps
- Integrates data center consolidation as a facet of quality portfolio management



Protect: Advancing Cybersecurity

- Invest in innovative solutions to combat the emerging and increasingly sophisticated threat environment
- Focus on accountability through the implementation of Cross Agency Priority (CAP) goals for cybersecurity
- Continuously measure agency progress in improving information security performance



The evolving new DOI security capabilities will leverage the DHS Continuous Diagnostics and Mitigation (CDM) Program to the maximum extent possible.



DOE will continue the development and operation of the Joint Cybersecurity Coordination Center's (JC3) ability to provide cybersecurity support at an Enterprise level. JC3 activities will include centralized data collection, advanced analytics, advanced incident response support, consulting and advising, and centralized reporting to field and federal activities.



DHS Components will continue migration of their internet access behind the DHS Trusted Internet Connection (TIC) and eliminate all external connections within the department by the end of FY2014.



Key Cyber Investments

The 2014 President's Budget devotes over \$13B to cyber-related programs and activities. Key priorities include:

- **Security Federal Networks:** over \$300 million is included in new funding for DHS to support continuous monitoring of federal networks and better prevent computer intrusions
- **Protecting critical infrastructure:** \$5 million in new funding is provided to DHS to assist critical infrastructure owners and operators secure their command and control systems
- **Improving incident response:** \$79 million in new funding for DHS, DOJ, and DOD to help agencies and the private sector "connect the dots" in identifying and responding to cyber incidents
- **Shaping the future cyber environment:** \$85 million for the Department of Commerce to support trusted identities in cyberspace and accelerate research and standards work on current and future information technologies



Analyze: Strengthening Evidence-Based Policy

- Budget funds a new Evidence-Based Innovation (EBI) initiative within OMB
- Goal: To strengthen a culture of experimentation, evaluation and learning across government
- Builds on ongoing efforts to: focus grant dollars on what works; strengthen agency evaluation capacity; build partnerships to innovate at State & local levels



Education's Investing in Innovation (i3) program is growing the base of evidence on effective teachers, education standards and assessments, and parent engagement.



The Labor Department's Workforce Innovation Fund is engaging States and localities in developing more effective training and placement services for the unemployed.



Pay for Success: The Budget increases support for Pay for Success, reserving up to \$185 million in the areas of job training, education, criminal justice, housing, and disability services and proposes a new \$300 million incentive fund at Treasury to help State and local governments implement Pay for Success programs.



Data-driven Innovation Fund Highlights

- Reported over \$700 million in cost savings and cost avoidance in first year
- Supporting PortfolioStat with improved analytics
 - New key performance indicators
 - Wider variety of data
- Continue to improve the IT Dashboard and the quality of the data
- Combining with Evidence-Based Innovation to create new Data-Driven Innovation Fund in FY14



The Opportunity Ahead



INNOVATE.

Open Data Policy
Expansion of Mobile Adoption

Flattening Complexity (MyUSA, RFP-EZ, Data.gov)
Presidential Innovation Fellows



DELIVER.

PortfolioStat as a Management Tool
Cut and Invest IT Budgeting

From Asset Ownership to Service Provision
Improve CIO Authorities



PROTECT.

Critical Infrastructure Executive Order
Continuous Monitoring

Identity and Access Management
Federal Risk and Authorization Management Program



ANALYZE.

Data-Driven Measurement
Open-Data Efforts

Performance-and-Evidence-Based Budgeting
Reporting/Transparency



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