

STATEMENT OF MARK FORMAN
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OFFICE OF MANAGEMENT AND BUDGET
BEFORE THE SUBCOMMITTEE ON TECHNOLOGY AND PROCUREMENT POLICY
OF THE COMMITTEE ON GOVERNMENT REFORM

March 21, 2002

Mr. Chairman and members of the Subcommittee:

Thank you for the opportunity to testify today on the Administration's efforts to make the transformation to an E-Government. This hearing is particularly important because we believe that E-government efforts are critical to our ability to run the government effectively and efficiently. We appreciate your commitment and support for moving forward to leverage the power of the Internet for Americans.

Before I get to the substance of my testimony, I need to make sure the Subcommittee understands that I do not serve in a confirmed position within the Office of Management and Budget (OMB). As a general policy, OMB does not usually send officials in non-confirmed political positions to testify before Congress. However, in this case, because OMB does not yet have a Deputy Director for Management, the OMB Director decided it was in the best interest of the Administration to have me appear on his behalf as a witness at this hearing.

Today's hearing focuses on how the Federal government will take advantage of the opportunities offered by E-business to improve quality, responsiveness, efficiency, and effectiveness. As you know, Electronic Government is one of the key elements in the President's Management and Performance Plan. That is because e-government facilitates performance-based budgeting, strategic management of human capital, and financial management, while competitive sourcing has become a key tool used by companies to rapidly acquire and integrate information technology. The combined effect of all these initiatives, pursued concurrently, is far greater than the mere sum of the parts.

In June of 2001, I was appointed as the Associate Director of the Office of Management and Budget for Information Technology and E-government. My position was created to improve agency use of information technology and E-government practices. Having spent several years working with world leaders in e-business and E-government, I know that the Information Age creates tremendous opportunities for our government and our citizens. As the Dot Com era passed quickly, our economy and institutions were fundamentally changed. Both Industrial Age companies, such as GE, and Information Age companies, such as Dell Computer, accomplished rapid transformation needed to repel Dot Com competition. Our economy is ripe with failed legacy companies that did not make the transformation and Dot Coms that could not build and integrate physical elements needed to provide the customer service Americans demand.

For our Government efforts, we must keep in mind three relevant lessons learned:

- Complex transactions were collapsed and made simple using a combination of new business designs and Internet technologies.
- Survival in the Digital Economy requires restructuring product-centered organizations into integrated, customer-centered operations that use both physical and on-line environments.
- An organization's most senior executives must manage the transformation strategically through commitment, priorities, expectations, focus, and measurement.

In a nutshell, an organization can be successful if it focuses on simplifying and unifying around its customer. Therefore, the guiding principles for achieving our e-government vision are also about simplifying processes and unifying operations to better serve citizen needs; that is, "uncomplicating" government.

The President's Challenge and Vision for Expanding E-Government

Like organizations that have successfully made the transformation, our E-government vision comes from the top -- in our case the President -- and is focused on our customers -- the citizens. Our vision is to become a citizen-centered electronic government that will result in an order-of-magnitude improvement in the federal government's value to the citizen.

In late February, the Council for Excellence in government released its annual Hart-Teeter poll of what Americans want from E-government. The survey found E-government has become an important part of how many Americans interact with government. Most are Internet users (76%) and over half (51%) of all Americans have now visited a government Web site. Americans are more positive about the idea of E-government; they have higher expectations for what E-government can accomplish; and they are increasingly willing to invest their tax dollars in E-government. Moreover, the study found that 70% of Americans want government to invest in making it easier to access services and information.

Simply going "on-line" is not useful unless it is built around the needs of the users inside and outside government. The question is how to make government easier, quicker, cheaper, more effective and more responsive. Our strategy focuses initiatives on four citizen-centered groups:

- Individuals (G2C): We are focused on building easy to find one-stop-shops for citizens -- creating single points of easy entry to access high-quality government services.
- Businesses (G2B): We must reduce burden on businesses through the use of the Internet. This is not about building government web sites, but rather about being able to communicate with businesses in the language of E-business. We cannot continue to make businesses report the same data to multiple agencies because government fails to reuse the data appropriately or fails to take advantage of commercial electronic transaction protocols, especially eb XML.

This can help streamline the myriad of reporting requirements as well as facilitate a more efficient means for business to do business with the government.

- Intergovernmental (G2G): We must make it easier for states and localities to meet reporting requirements, while enabling better performance measurement, especially for grants and other vertical information sharing.
- Intra-governmental: We must use modern technology to re-think internal processes to improve efficiency for federal government agency administration by using industry enterprise resource management best practices, such as supply-chain management, human capital management, financial management, and knowledge management.

To accomplish this vision, we must refocus resources and strategically manage change. My assessment is that while Federal Departments and agencies have many very good E-Government efforts under way, the initiatives will be much more effective if applied across agencies and departments. Many of these examples will be evident as you listen to the success stories of my panel colleagues. Each of the panelists will provide examples of core agency IT projects and some that are clearly the predecessor to government-wide shared resources. They will also tell you about the lessons learned from being change agents in their organizations and in their government. While the federal government is the world's biggest spender on information technology, it has not experienced commensurate improvements in productivity, quality and customer service. In many companies, major gains have come from leveraging the technology to transform old business practices. There are at least four major reasons that the federal government has been unable to increase productivity:

- **Lack of Focus on Program Results:** Agencies have typically evaluated their IT systems as a cost of operations—not how well they responded to citizens' needs. Systems are often evaluated by the percentage of time they are working, rather than the internal and external performance benefit they deliver to the programs they support.

- **Islands of Automation:** Agencies have generally bought systems that address internal needs, and rarely are the systems able to inter-operate or communicate with those in other agencies. Consequently, citizens have had to search across multiple agencies to get service; businesses have had to file the same information multiple times; and agencies cannot easily share information. Chronic management problems in government have resulted from operation in isolation. For example, logistics, procurement, and property disposal functions are integral parts of the same supply chain, but have traditionally been managed as separate functions. Information collection, data mining and analysis, information dissemination, and information preservation have not been seen as part of the same information life-cycle. The problems of isolation are only magnified when automation is attempted. Indeed, the IT architectures of the past decade have facilitated isolation so that a branch office can operate as its own island, complete with databases and computer power that would have required an extensive data center 15 years ago.

- **Poor Technology Leverage:** In the 1990s, government agencies used IT to automate existing processes, rather than to create more efficient and effective solutions that are now possible because of commercial E-business lessons learned. In the past, agencies considered technology

to be the barrier to working together. But productivity improvements in the commercial world have leveraged revolutionary Internet technologies (such as XML, ubiquitous data, peer-to-peer computing, and simple-object-access-protocol (SOAP)) to make cross-silo integration both cheap and the normal way of business. We will leverage such approaches in unifying across islands of automation to build a citizen-centered government. As those who have tried to get Federal services know, they are often constrained by complicated government procedures. As information flows are managed, consolidated and linked, and before new information technology is applied, we must re-engineer processes to eliminate redundancy and take advantage of technology to unify and simplify the process rather than merely automating what has occurred to date. Such a dramatic change in organizations can be difficult but it is the best way to become more efficient.

• **Resistance to Change:** A fundamental barrier to getting productivity from federal government IT is government's inherent resistance to change. Budget processes and agency cultures perpetuate obsolete bureaucratic divisions. Budgeting processes have not provided a mechanism for investing in cross-agency IT. Moreover, agency cultures and fear of reorganization create resistance to integrating work and sharing use of systems across several agencies. Better leveraging technology investments will require that government managers look beyond the current ways of doing work. Today's IT solutions incorporate more productive ways of doing work, either through eliminating paperwork or integrating activities across longstanding organizational silos. A holistic approach is needed. Success will depend on breaking down the resistance to such change. Consequently, affected program officials need to be involved in strategic IT investment decisions.

E-Government uses IT to improve federal productivity by enabling better interactions and coordination. Each opportunity requires substantial changes in current bureaucratic procedures, and each E-Government initiative needs to be based on a valid business case that clearly articulates the value to both the citizen and the government, and provides for privacy and security that is critical to successful e-government.

The Quicksilver Project

In August 2001, the OMB Director established a cross-agency task force under my leadership to develop the strategic action plan and roadmap for achieving our E-Government vision. Its task was to:

- Recommend highest payoff cross-agency initiatives that can be rapidly deployed;
- Identify key barriers to the federal government becoming a citizen-centered E-Government, and implement actions needed to overcome these barriers; and
- Develop a technology framework that provides for the integration of government services and information.

The E-government task force, which we referred to as project Quicksilver, was comprised of individuals knowledgeable in their agency programs and experienced in government reform initiatives. It operated as an interagency working group over a period of five weeks, completing its recommendations in mid-September. The task force applied best-of-breed e-strategy methods

that have been used widely in industry and government The E-Government Task Force conducted 71 interviews with more than 150 senior government officials during the process to gather and identify strategic E-Government opportunities. In addition, nearly 200 projects were identified from e-mails sent primarily by federal employees.

The overall findings were that agency executives and line professionals want the government to:

- Use the Web to provide services such as benefits, recreational opportunities, and educational materials;
- Share information and integrate federal, state and local data where appropriate and possible;
- Reduce burden on businesses by adopting streamlined processes that promote and enable consolidation in data collection;
- Adopt commercial best practices to reduce operating costs and make it simpler for government employees to perform their jobs, especially in the areas of finance, human resources and procurement; and
- Define measures of success and regularly monitor and measure performance.

The Task Force synthesized that information into a set of more than 30 high-payoff E-government initiatives. Then it analyzed those initiatives and produced mini-business cases to identify the potential cost and benefits of each, along with barriers to their implementation. The E-Government Task Force found that the federal government could significantly improve customer service over 18 to 24 months by focusing on 23 high-payoff, government-wide initiatives that integrate agency operations and IT investments (subsequently, payroll processing was added as the 24th E-Government initiative).

As a result of simplifying business processes and unifying government operations around citizen needs, each E-Government initiative creates an order of magnitude improvement in efficiency and effectiveness of government operations. But the pay-off is not because of the automation of existing processes. It is because they offer the potential to change the way the Federal government operates to perform these functions. This is a win-win situation.

24 E-Gov Initiatives and Managing Partners

Government to Citizen	Managing Partner	Government to Business	Managing Partner
1. USA Service	GSA	1. Federal Asset Sales	GSA
2. EZ Tax Filing	Treas	2. Online Rulemaking Management	DOT
3. Online Access for Loans	DoEd	3. Expanding Tax Products for Businesses	Treas
4. Recreation One Stop	DOI	4. Consolidated Health Informatics	HHS
5. Eligibility Assistance Online	DOL	5. One-Stop Business Compliance	SBA
		6. International Trade Process Streamlining	DOC
Government to Government	Managing Partner	Internal Effectiveness and Efficiency	Managing Partner
1. E-Vital (business case)	SSA	1. E-Training	OPM
2. E-Grants	HHS	2. Recruitment One Stop	OPM
3. Disaster Assistance	FEMA	3. Enterprise HR Integration	OPM
4. Geospatial Information One Stop	DOI	4. E-Travel	GSA
5. Wireless	Treas	5. Integrated Acquisition	GSA
		6. E-Records Management	NARA
		7. E-payroll/HR	OPM

Cross-cutting initiative: E-Authentication

While I haven't the time to discuss each of the specific initiatives at this time, I can provide a synopsis of the initiatives.

- The Government to Citizen (G2C) initiatives will provide one-stop on-line access to benefits, loans, and services for recreation sites. They will also bring modern tools to improve the quality and efficiency of service delivery.
- The Government to Business (G2B) initiatives will reduce burden on businesses by adopting processes that dramatically reduce redundant data collection, provide one-stop streamlined support for businesses, and enable digital communication with businesses using the language of E-business (XML).
- The Government to Government (G2G) initiatives will enable sharing and integration of Federal, State, and local data to facilitate better leverage of investments in systems that support Homeland Security (e.g., geographical information), provide better integration of key lines of business such as disaster response. The G2G initiatives also improve grant management as required by the Federal Financial Assistance Improvement Act (P.L 106-107).
- The Internal Efficiency and Effectiveness initiatives adapt commercial best practices in key government operations, particularly supply chain management, human resources, and document workflow.

These are not new ideas in general, but are the result of taking a cross-agency approach to leverage and integrate multiple efforts currently underway at different agencies. By leveraging IT spending across federal agencies, these initiatives could generate several billion dollars from reducing operating inefficiencies, redundant investments, and excessive paperwork. The initiatives will provide service to citizens in minutes or hours, compared to today's standard of days or weeks.

The President's Management Council approved the E-government initiatives and the action plan in their October 3, 2001, meeting. Through December 2001, agencies developed detailed business cases and formed partnerships for investment and implementation of the initiatives where possible. The results of the business cases were incorporated into the Fiscal Year 2003 budget, and agencies are integrating planned FY 2002 efforts into the 24 E-government initiatives.

The Task Force was also tasked to identify key barriers that may prevent the successful implementation of each initiative. Recurring barriers included agency culture, lack of federal architecture, trust, resources, and stakeholder resistance. By mitigating cross-agency barriers, we expect agencies will engage in additional self-generated E-government work beyond the 24 projects. The Task Force then worked with the Steering Group to define actions for overcoming the barriers. The table below lists the actions needed to overcome each chronic barrier.

Actions for Overcoming Barriers to E-Government

Barrier	Mitigation
Agency Culture	<ul style="list-style-type: none"> • Sustain high level leadership and commitment • Establish interagency governance structure • Give priority to cross-agency work • Engage interagency user/stakeholder groups, including communities of practice
Lack of Federal Architecture	<ul style="list-style-type: none"> • OMB leads government-wide business and data architecture rationalization • OMB sponsors architecture development for cross-agency projects • FirstGov.gov will be the primary online delivery portal for G2C and G2B interactions
Trust	<ul style="list-style-type: none"> • Through e-Authentication E-Government initiative, establish secure transactions and identity authentication that will be used by all E-Government initiatives • Incorporate security and privacy protections into each business plan • Provide public training and promotion
Resources	<ul style="list-style-type: none"> • Move resources to programs with greatest return and citizen impact • Set measures up-front and use to monitor implementation • Provide online training to create new expertise among employees/contractors
Stakeholder Resistance	<ul style="list-style-type: none"> • Create comprehensive strategy for engaging Congressional committees • Have multiple PMC members argue collectively for initiatives • Tie performance evaluations to cross-agency success • Communicate strategy to stakeholders

One barrier frequently cited is the need to ensure adequate security and privacy. A successful E-Government strategy must deploy effective security controls into government processes and systems. In order for the initiatives to be successful they will not only need effective security controls built into their processes and systems, but organizations will need to develop comprehensive security plans that provide adequate safeguards, address critical infrastructure protection, and incorporate best practices and reporting mechanisms. Having a public key infrastructure to help authenticate with whom the government is doing business will be a critical need for some of the initiatives to be successful, and a separate initiative has been established to overcome this barrier. In addition, organizations will need to address privacy concerns regarding the sharing of personal information.

The e-Authentication project was added to build and enable mutual trust between the public and government and across government by providing common solutions to establish identity and ensure appropriate access controls. These solutions will address authentication security, privacy, and electronic signature needs of all the E-Government initiatives. E-Authentication will provide a secure, easy to use and consistent method of proving identity to the federal government that is an appropriate match to the level of risk and business needs of each initiative. In addition, project teams will address privacy concerns regarding the sharing of personal information. E-government depends on confidence by citizens that the government is handling their personal information with care. Agencies are working on building strong privacy protections into the E-Government initiatives and OMB is focusing on government wide privacy protections by all agencies.

In addition, as OMB noted in testimony to the Subcommittee on Government Efficiency, the Administration has been very proactive on advancing information security in general and on implementation of the Government Information Security Reform Act. This includes expansion of its reporting requirements to include CIO and senior agency officials' input with IGs and moving beyond simply reporting security weaknesses and instead focusing on agency work to remediate their security weaknesses. The basic push behind our continuing work is a strong focus on management implementation of security.

The Business Architecture

One of the most significant findings of the Task Force came from a review of the federal government's enterprise architecture. Simply stated, enterprise architecture (EA) describes how an organization performs its work using people, business processes, data, and technology. An EA is often represented as a current "as is" state, and a future "to be" state; this "to be" state is, in essence, a modernization blueprint.

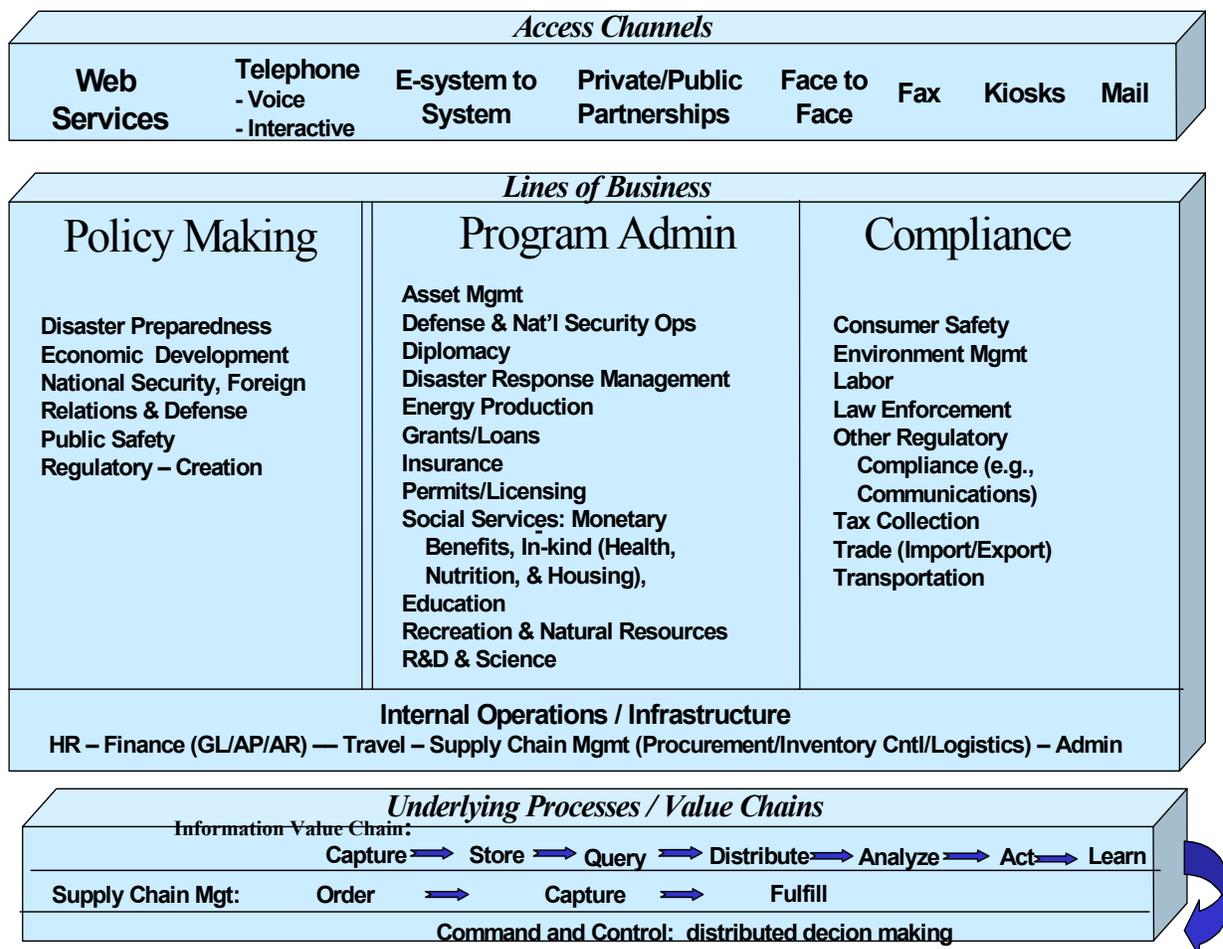
Since E-Government opportunities affect how agencies do their work and employ technology, it was necessary to evaluate the projects identified against the current enterprise architecture. The assessment applied the approach of the Federal Chief Information Officers Council, using the enterprise architecture to establish a "roadmap to achieve an agency's mission through optimal performance of its core business processes within an efficient IT environment."

The Task Force began the assessment by creating a clear framework of the federal government's business architecture, detailing how the federal government interfaces with citizens, what functions and lines of business the government performs and the key business processes used.

The Task Force's major finding was that there was significant overlap and redundancy, with multiple agencies performing each of 30 major functions and business lines in the Executive Branch of government. The review clearly identified the current federal enterprise architecture as "the architecture that isn't."

As we looked at the business architecture, our assessment focused on the opportunities to unify operations and simplify processes within lines of business. The Task Force found that this “business architecture” redundancy creates excessive duplicative spending on staff, IT and administration. Moreover, the Task Force assessment determined that the redundancy makes it hard to get service, while generating duplicative reporting and paperwork burdens. Consequently, the Task Force focused on E-Government initiatives that provide significant opportunities to transform the way the government interacts with its citizens, through the elimination of redundancy and creating simpler ways for citizens to get service. As the Task Force evaluated potential projects relative to the business architecture, the assessment focused on the opportunities to integrate operations and simplify processes within a line of business across agencies and around citizen needs.

An Integrated Government-wide Business Architecture



Activities of the federal government can be viewed in four primary functions: policymaking, program administration, compliance and enforcement, and internal operations. Policy making activities generally determine programs and compliance efforts. Internal operations are administrative functions, such as financial management, that support day-to-day activities needed to carry out policy making, program administration and compliance activities.

E-Government offers the opportunity to streamline activities, improving productivity by enabling agencies to focus on their core competencies and mission requirements. E-Government initiatives eliminate unnecessary redundancy, while improving service quality by simplifying processes and unifying agency islands of automation.

The Quicksilver Task Force identified highlighted the dozens of agencies and bureaus that perform the same function or line of business. When the task force analyzed which Executive Departments and agencies are performing what lines of business, it found that each line of business is being performed by 19 Executive agencies and departments on average, and each Executive Department or agency performs 17 lines of business on average.

In many cases, agencies buy redundant IT systems to support redundant operations; this generally over-burdens and confuses the citizen, business, or local government that must hire experts who convert simple data into complex government filings four or five times over. Indeed, agency IT investments in the 1990s acquired client-server architectures that created hundreds, if not thousands, of “islands of automation.” These investments allow agencies to operate thousands of organizational silos, which gain power through “owning” information or data.

In general, today’s Federal government business architecture is expensive to operate and not customer-centered. Basic management principles tell us that government operating costs will go down and effectiveness will go up if we make it simpler for citizens to get service. E-government provides the tool kit for accomplishing these objectives. E-government offers the opportunity to integrate this hodgepodge of activity so those different agencies can focus on their core competencies and mission requirements. Specifically, we must focus on simplifying processes and unifying islands of automation. We seek to “uncomplicate” government.

The E-Government Architecture project will carry out two major concurrent activities. One of the activities will be the development of a solution architecture for each of the current E-Government initiatives. The solution architecture includes data, applications, processes, user interface, and organizational elements. The second activity will be the construction of a component-based architecture framework for each line of business. Component architectures are modular application designs enabling "Solution Architects" to deliver E-government solutions that are secure, scalable, and extensible. Solution architectures will be built leveraging common business practices across the federal government, reducing duplication, and speeding the delivery of services to the citizen. Initially this effort will focus on four key areas including Homeland Security, economic stimulus, social services, and back office operations.

The E-Government Action Plan: Implementation of the Vision

Today, the Federal government has only scratched the surface of the E-government potential. From a government-wide perspective, there are more than 31 million Federal Web pages, 6600 transactions are being considered to become web-enabled, and a search engine is available to help citizens find relevant information. Also, as you will see in the other statements today, many of our agencies have or are implementing creative and useful E-government projects. But there is so much more potential that we can unlock if we leverage government resources across agency silos.

It is in streamlining these underlying processes and value chains that the real pay-off from E-government lies. To do this the government must take advantage of all of the access channels available to it, including telephone, E-system to system, face-to-face, fax, kiosks, and mail in creating an integrated government-wide business architecture.

Our vision combines successful online operating practices with the federal government's human capital and physical assets to build a "click and mortar" enterprise. In this vision, organizations serve citizens, businesses, other government and federal employees. Achieving this vision requires that agencies integrate and simplify their operations. In adopting a "click and mortar" model, we are using the best practices of industry with regard to customer relationship management, supply chain management, enterprise information management, and management of change. Our goal is that services and information will rarely be more than three clicks away when using the Internet.

The recent relaunch of the First Gov website is the initial action in the launch of our citizen-centered e-government strategy. Prior to the re-launch, silos of Federal operations created an untenable situation for citizens seeking service on-line. For example, typing "disaster assistance grants" into the Firstgov.gov search portal yielded a message that there were "over 1000 relevant results." Typing "unemployment assistance" gave that same message, but if you found and clicked on the item titled "unemployment insurance claims," you were sent to a web site that lists eligibility requirements and told to contact your local unemployment insurance office. The new enhanced FirstGov.gov allows citizens to find services, transact business and interact directly with their government within three clicks. FirstGov.gov is truly a one-stop easy access web portal to all government online services which allow citizens to quickly find and conduct business without needing to know which department or agency provides it.

Resistance to Change

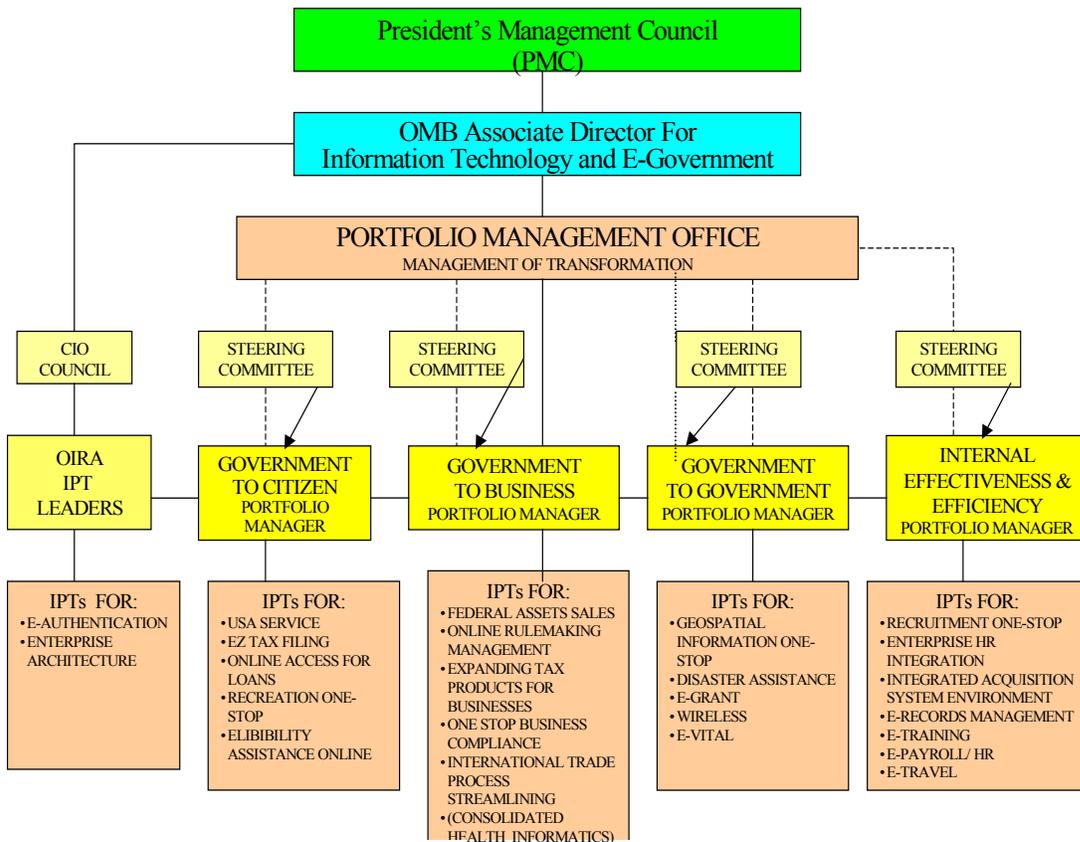
Perhaps the most significant barrier to E-government is stove-piped organizations' resistance to change. In her recent book, "Evolve", Rosabeth Moss Kanter, noted author on the successful transformation of organizations, characterized failed, halfhearted attempts at E-business as like "putting lipstick on a Bulldog". She goes on to say "Success requires systemic change, a shift in the organizational way of life." E-government, like E-business, is about fundamental change in the way organizations and processes work to take advantage of opportunities the technology offers.

Governance and Senior Leadership Commitment

To succeed will require an effective governance structure to overcome the barriers and implement the changes necessary. This includes substantial long-term commitment by senior management. As I noted earlier, a key principle is that executives must lead the transformation. Accordingly, OMB Director Daniel's memorandum that established the task force also required identification of a senior E-Government leader who reports directly to each Executive Department or Agency Head. I am pleased to report that are the vast majority of E-Government leaders are Deputy Secretaries or Assistant Secretaries for management, so that budget and management decisions regarding E-Government can be integrated at the highest levels.

To better support the Administration’s E-government initiative, the Chief Information Officers’ Council has been restructured. The previous structure was intended to analyze issues concerning management and use of Federal Information technology. As a result, it had working groups in areas related to technology. In the new structure, three standing committees remain focused on such issues: Workforce and Human Capital for IT, Best Practices, and Government-wide Architecture.

E-GOVERNANCE STRUCTURE



Key to acronyms: CIO- Chief Information Officer, HR- Human Resources; IPT- Integrated Project Team

The 24 initiatives will be managed using a portfolio management process, which manages risk within the range of initiatives for improving service to a given citizen-centered grouping. Senior officials of the departments and agencies are “managing partners” and “participating partners” for each of the initiatives. The managing partners are establishing program offices to ensure that the initiatives are implemented, and the partners will cooperate in the planning and implementation of the initiative. OMB is overseeing this process and working with the managing and participating partner agencies to establish appropriate and equitable implementation and resource plans as well as adequate funding for these projects. Consequently, OMB has hired four Portfolio Managers, reporting to the Associate Director for IT and E-

Government, who are responsible for overseeing progress in the E-Government initiatives.

To help this transformation, the CIO Council, CFO Council, Procurement Executives Council, and Human Resources Management Council – as well as agency program leaders -- will form portfolio steering groups to focus on E-Government in each of the four citizen segments: G2C, G2B, G2G, and Internal Efficiency and Effectiveness. Portfolio Steering Group members will be from agencies that make up the project teams for each of the initiatives. In addition, the G2G Steering Committee will include representation from official state and local government organizations. The steering committees will advise agency program managers concerning their initiatives and help remove barriers to the implementation of the initiatives. The Committees will also support their corresponding OMB Portfolio Manager, who is responsible for making government more citizen-centered through daily interaction with the managing partners who they oversee.

What Gets Measured Gets Done

As you know, the President has charged OMB Director Mitch Daniels with overseeing the implementation of his Management Agenda through the use of an Executive Branch Management Scorecard. This Scorecard tracks agency improvement in five government-wide problem areas and assigns a red, yellow, or green score. The OMB website has information that describes each element of the scorecard as well as detailed criteria that are used to determine an agency’s score.

OMB will be working with Department and agency E-Government leaders, as well as their CIOs, to provide for success. Progress will be tracked for each E-Government initiative, and agency success and cooperation will be documented in the President’s Management Agenda Scorecard. It should be noted that the scorecard addresses both progress on agency participation in the 24 cross-agency E-gov initiatives, and agency performance on their own IT investments. OMB is in the process of modifying the scorecard to clarify the importance of the IT security element as a core criterion in the E-government standards for success. Clarification of IT security as a core element of the E-government standards will hold agencies accountable to address security. If agencies fail to adequately address IT security, they will remain “red” against the standards for success in Expanding E-government.

As outlined in the February 28 release of the E-government Strategy, each of the project managers have established initial action and timeline milestones, which will be updated mid-April consistent with results of partnership meetings.

Timeline for Deployment

This is non-exhaustive list that will grow or be modified as the initiatives evolve.

Project	Milestone	Date
<u>Government to Citizen</u>		
Recreation One Stop	Revised Recreation.gov deployed	Completed
	First version of Volunteer.gov online	4/31/02
	RFPs or agreements with private sector reached on implementation of new recreation online projects	TBD
	Additional recreation projects (reservations, searchable maps,	TBD

	more recreation information, etc.) available online	
Eligibility Assistance Online	Initial release of online screening tool for 20 benefit programs	4/31/02
	Online screening tool for 100 benefit programs	9/30/02
	Targeted consolidation of online benefit application and customer relationship management	TBD
Online Access for Loans	Deploy "seek and find" methodology to make it easier for the public to find loan information	TBD
USA Services	Enable citizens to personalize the combination of services they obtain across multiple programs	TBD
	Enable a case to be created and acted upon by multiple agencies	TBD
	Implement a multi-channel contact center to facilitate easy access to information and service	TBD
EZ Tax Filing	Internet fact of filing and refund	4/31/02
	Initial deployment of industry partnership free e-filing solution for 2003 season	12/31/02
<i>Government to Business</i>		
Online Rulemaking Management	Develop capability assessment of "top ten" rulemaking agencies' docket systems – who has the best existing solution	3/30/02
	Create a page, through FIRSTGOV, that links to all agency's docket sites	4/15/02
	Complete study of requirements for moving rulemaking agencies to an integrated online rulemaking system	8/30/02
	Deploy unified cross-agency public comment site	TBD
	Deploy a single on-line rulemaking dockets application to include integration with the RISC/OIRA Consolidated Information System (ROCIS)	TBD
Expanding Electronic Tax Products for Businesses	Begin deployment of filing of W2s on the internet	2/01/02
	Complete XML or non EDI formats (schemas) for electronic filing of 94x	8/31/02
	Begin deployment of the interim solution for online EIN by November 2002 (IRS)	11/31/02
	By January 2004 target initial implementation of 1120 efile for business to facilitate end to end tax administration	1/15/04
Federal Asset Sales	Re-host Federal Sales	3/31/02
	Develop pilot business integration	9/30/02
	Pilot transaction platform	3/31/03
International Trade Process Streamlining	Complete EX-IM Working Capital Automation Project and Integrate into Export.gov	4/15/02
	Deploy on-line collaborative workspace that consolidates all of the information gathering by trade specialists and disseminates it through export.gov to SMEs.	8/15/02
	Simplify EX-IM Insurance filing processes and products and integrate them into Export.gov	1/15/03
One-Stop Business Compliance Information	Pilot/test prototype content management tool for Businesslaw.gov. Conduct full inventory/registry of regulatory agency's "plain language" compliance assistance tools	8/1/02
	Prototype seamless intergovernmental licensing and permitting tool to include Internet EIN	11/30/02
	Complete 30 expert tools (from multiple agencies to include OSHA, EPA, IRS, INS, DOT, DOE) designed to help businesses to comply with relevant regulations in the environment, health and safety, employment, and taxes.	5/1/03
<i>Government to Government</i>		
Geospatial Information One-Stop	Complete draft standards for critical spatial data themes (framework data)	9/30/02
	Identify Federal inventories of framework data	9/30/02

	Deploy first iteration of the Geospatial One-Stop	TBD
e-Grants	Finalize the E-Grants business case in support of partner requirements and other participant input	4/15/02
	Evaluate the use or expansion of interagency and agency specific capabilities for discretionary grant programs	6/1/02
	Pilot a simple, unified way to find federal grant opportunities via the Web	7/1/02
	Define application data standards	10/1/02
	Deploy simple, unified grant application mechanism	10/1/03
Disaster Assistance and Crisis Response	Finalize the business case in support of partner requirements and other participant input	05/15/02
	Deploy a single portal for citizens, public and private institutions that provides access to information and services relating to Disaster and Crisis Management	TBD
Wireless Public Safety Interoperable Communications – Project SAFECOM	Define the communications concept of operations for interaction that identifies the communications requirements to address the two highest probable threat scenarios: Bio terrorism and natural disasters.	05/31/2002
	Develop an integrated public safety response solution that addresses the top two threat scenarios by using existing infrastructure augmented by available commercial capability.	09/30/02
	Complete a gap analysis of existing inventories of public safety wireless communications at federal, state, and local level.	12/31/02
	Implement Priority Wireless Access.	TBD
e-Vital	Finalize the business case in support of partner requirements and other participant input, and submit to the PMC	05/15/02
	Deploy electronic process for Federal and State agencies to collect, process, analyze, and disseminate Electronic Verification of Vital Events (EVVE) records.	TBD
	Deploy an electronic process for Federal and State agencies to collect, process, analyze, and disseminate Electronic Death Registration (EDR) records	TBD
<i>Internal Efficiency & Effectiveness</i>		
E-Training	Initial e-Training system operational with mandatory Government courses (module 1) -	10/15/02
	Expanded e-Training system with fee-for-service courses (Module 2)	4/30/03
	Enhanced e-Training system contains user and managerial tools (such as virtual classrooms and evaluation tools (Modules 2 and 3)	11/01/03
Recruitment One-Stop	Implement simple front-end – Improved appearance and usability that mirrors popular private sector internet recruiting sites	6/30/02
	Applicant status applicant database mining, intake of paper resumes/applications, and capability to link to Federal agency's assessment tools.	1/31/03
	Integration with agency assessment tools.	6/30/03
Integrated Human Resources	HR Logical Data Model including metadata, extended markup language (XML) tags, including proposal for standard Federal HR data	9/30/02
	Prototype Analytical Tools Enabling Integrated Resource Management, Workforce Planning, and Policy Analysis	12/31/02
	Design notional architecture for HR initiatives integration to include financial management	11/30/02
E-Clearance	Clearance Verification System which creates a common, source of investigative info to support employee assignment	12/31/02

	Implement e-QIP to reduce error rejection rate, eliminate manual data transfers	6/30/03
	Connect OPM & DoD security clearance indexes	12/31/02
e- Payroll/HR (Payroll Processing Consolidation)	<i>Complete and submit business case to the PMC</i>	3/31/02
	Integrated Enterprise Architecture	TBD
	Strengthening Payroll Service Delivery	TBD
e-Travel	Government wide web-based end to end solutions initial capabilities assessment (ICA)	10/01/02
	E-Travel Customer Care Implemented	12/01/02
	Web Travel Authorization and Voucher System (TAVS)	6/30/03
	Integrated Solution	12/30/03
Integrated Acquisition Environment	Integrated Vendor Profile Network – IVPN Single point of vendor registration, initial capability	6/30/02
	Consolidated eCatalog –Implement a directory of GWAC and MAC contracts to simplify selection and facilitate leverage of Government buying, initial capability	9/30/02
	Federal Acquisition Management Information System – FAMIS Implement a new web-based Federal Management Information System that is integrated with legacy systems and provides useful real-time data, initial capability	9/30/03
Electronic Records Management	With partners, finalize ERM initiative work plan and types of ERM guidance and tools to be developed in initiative	5/31/02
	Issue first ERM guidance product (subsequent products to be identified with their timelines under the first milestone)	9/30/02
	Issue first lessons learned/best practices model	9/30/02
	Complete RM and archival XML schema	2/28/03
	Develop ERM requirements that agencies can incorporate in their system designs	04/30/03
	Issue final guidance products and tools	9/30/03
Cross Cutting Initiatives		
E-Authentication	Define operational concept including critical success factors and requirements for 12 of the projects.	7/1/02
	Initial authentication gateway prototype	9/30/02
	Full deployment	9/30/03
	Government-wide authentication guidance	TBD
Federal Enterprise Architecture	Produce a set of generally accepted, component-based technology models to guide the target and transition architectures of the currently approved E-government initiatives	3/15/02
	Identify opportunities, based upon agreed criteria measuring impact and value to the citizen, for additional e-Government initiatives (Budget Year 2003/2004)	4/30/02
	Deliver a Federal EA repository with high level business and data architecture in 4 focus areas: Homeland Security, Social Services, Economic Stimulus, and Back Office Operations	4/30/02

E-Gov Fund

Each of these initiatives will result in the elimination of duplicative agency IT programs and savings could reach several billion dollars. For example, FEMA is leading the initiative to create a one-stop portal with information applicable to public and private organizations involved in disaster preparedness and response. Accurate and timely data from this project may result in saved lives and reduction of property damage, as well as saving millions of dollars by eliminating redundant programs and agency costs. It is because of this potential high pay-off from E-government that an “E-gov fund” is recommended.

An “E-gov fund” would allow us to assure use is coordinated with other agency information technology investments as well as with complementary management reform initiatives. The fund will provide important seed money for initiatives in each of the four customer segments and thus help stimulate transformation to an E-government.

The administration provided \$5 million for E-government in FY 2002 and the FY 2003 Budget seeks an appropriation of \$45 million for the second installment of this fund, totaling \$100 million over the next three years. OMB would manage allocations from the fund housed in an account in the General Services Administration. Projects will be selected that create savings by replacing redundant efforts, and that have viable business cases and implementation plans; in other words, fund once and use for many.

We appreciate this subcommittee’s support of this initiative last year and will continue to place a high priority on funding innovative interagency projects that would deliver services directly to the public, or create the infrastructure to support such delivery. We look forward to continuing to work with you and your staff in this important initiative.

Conclusion

Today, Federal programs are working -- but we can do better. Information technology offers the possibility to dramatically improve the Federal government – interactions with citizens as well as our internal operations. To be able to take advantage of that possibility, we must break down the barriers associated with resistance to such change. The Administration is moving quickly to take advantage of this opportunity. Our E-government task force began this effort by identifying a first set of initiatives that will demonstrate what is possible. The President’s Management Council and the CIO Council are working to make those initiatives a reality. We are off to a good start, but it is only that -- a start. With the continued interest and assistance from the Congress, particularly this Subcommittee, we will soon begin to see results from those efforts – and will be well on the way to uncomplicating a Federal government that is simplified and unified across agencies to better serve citizens.

Information on this E-government effort may be found on the Internet at, <http://www.firstgov.gov>, <http://www.whitehouse.gov/OMB>, or <http://www.cio.gov>, including an electronic copy of the strategy.

I would be happy to answer any questions.