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**BEFORE THE COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,
INTERGOVERNMENTAL RELATIONS, AND THE CENSUS
U.S. HOUSE OF REPRESENTATIVES**

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Good afternoon, Mr. Chairman, Ranking Member Clay, and Members of the Committee. Thank you for inviting me to speak about the critical role Chief Information Officers (CIO) play in driving increased agency performance, achieving results and serving our citizens.

In fiscal year 2005, the Federal government will spend \$60 billion on information technology (IT). This afternoon I will outline the vision, strategy and tools the

Office of Management and Budget (OMB) and the Federal CIO Council have developed to enable CIOs to be more successful.

Eight years ago Congress passed the Clinger-Cohen Act creating the position of CIO and elevating them to senior management rank. Throughout the last eight years, but especially under the focused attention of President George W. Bush's Management Agenda and as a result of the E-Government Act of 2002, CIOs have taken on new and expansive responsibilities.

To set the stage, an effective CIO is a strategic thinker and a coordinator, not a technical implementer. They are also a service provider working across the agency to use IT to resolve business problems. I like to think of a CIO as the agency's orchestra conductor of information resources and technology. They possess the necessary technical skills to play "first violin," however their role is to oversee and coordinate the vast information resources within an agency.

To be most effective, the CIO should work most with and be responsible to the Department's top management person, which in most cases is the Deputy Secretary. Their responsibilities are wide and deep. Without a high performing

and capable CIO, an agency will not be able to fully achieve the goals the President, Congress and the American people demand.

The OMB Office of E-government and Information Technology is statutorily responsible for managing Federal government information technology and policy. As such, we provide guidance, consult, and support agency CIOs on a daily basis.

Office of Management and Budget

Throughout the past few years, we have developed a set of tools to enhance the role of a chief information officer, and put these tools to work. Here are five examples.

First, we are empowering CIOs to drive business and technology change through the President's Management Agenda scorecard. Supported by their Secretary and Deputy Secretary, agency CIOs use the scorecard to manage agency IT investment performance, expand the enterprise architecture, foster e-government cooperation, develop sound business cases, and drive compliance with the Federal Information Security Management Act. In fact, CIOs are working with agency program, contracting and financial management officials and are using the scorecard as a tool to drive e-government accountability and leadership responsibility. In previous

testimony before this committee, we have identified the need for strong management leadership to achieve IT reform and robust cyber security protection. The scorecard is a helpful tool in achieving results in all of these areas.

Second, we are driving accountability and responsibility to agency bureaus and program offices by requiring agencies to score their FY06 exhibit 300 IT business cases before submission to OMB. Cases which fail agency internal scoring must be remediated before being submitted to OMB. Also, we are requiring a closer alignment between the exhibit 300s and the Program Assessment Rating Tool (or PART) to assist the CIO in ensuring the IT investments enhance and complement the overall objective of the particular program. Each year OMB receives a significant number of low quality exhibit 300s. This new requirement will enable the agencies to provide high quality budget submissions and drive greater accountability and responsibility for IT management.

Third, we are positioning CIOs to play a key part in the long-term success of their agency through our investment in Enterprise Architecture. Developing their enterprise architecture, CIOs identify IT investments and develop a blueprint for the future including a detailed transition plan. Enterprise architecture, supported by budget and related data, is bringing greater rigor and stronger decision making to

information resource management. Three years ago, the principles of the 24 Presidential E-Government Initiatives were the foundation for the building of the Federal Enterprise Architecture, and today the five lines of business task forces are identifying cost savings and technology solutions through analysis of enterprise architecture data. Architecture is one tool which enables CIOs to develop common agency and government-wide solutions.

Fourth, we are enabling CIOs to provide leadership for IT investment performance by setting cost, schedule and performance requirements. Program offices which are required to monitor these quantitative indicators cannot wait until the CIO reviews to determine if the project is off target. Instead, the requirement agency's use the same standard used in industry to monitor cost, schedule, and performance will result in tighter management and increased investment responsibility by the immediate IT project manager and CIO.

Fifth, we are providing CIOs with the ability to realize considerable cost savings for their agencies through acquisition activities such as the SmartBuy program. This allows dollars to be invested in providing better services and stronger results for core mission responsibilities. SmartBuy is changing the concept of the Federal IT "enterprise." For many decades, the "enterprise" was an ad-hoc collection of

agency bureaus, program offices and field operations. Over time, SmartBuy and other acquisition activities are redefining the enterprise as the one Federal government and driving cost savings and avoidance. Agency CIOs are using Smartbuy offerings to drive significant cost savings for agencies without loss of quality.

The Federal CIO Council

In addition to OMB, the Federal CIO Council plays a critical role in supporting CIOs in fulfilling their obligation to serve their fellow Americans, identify new government-wide solutions and ensure their agency strategic goals are achieved. The Council is successful because it exemplifies a critical e-government principle – business goals and results can be achieved by breaking down silos of thought and encouraging cooperation and sharing of ideas and resources.

The Council is led by the OMB Deputy Director of Management, directed by myself and Vice-chaired by Dan Matthews, CIO at the Department of Transportation. The Council membership consists of agency CIO's who chair committees focused on critical issues before the Federal IT community: Best Practices, Workforce & Human Capital, Governance, and Architecture & Infrastructure. In consultation with OMB, these committees are developing the

tools to assist their fellow CIO's and agency IT employees. Today I would like to highlight two examples.

The council adopted a strategic plan for 2004, which sets results-orientated goals for agency CIOs focused on cost savings, strategic IT management and project management.

The council has also collaborated to ensure our IT workforce is qualified, trained, and prepared to manage projects and integrate existing and emerging technologies and to meet the requirements in the Clinger Cohen Act. Ira Hobbs, CIO of the Department of Treasury, and Janet Barnes, CIO of the Office of Personnel Management, released guidance on IT workforce project manager qualifications for use by agency CIOs. This is one of the many products and tools this committee has developed.

Challenges Ahead

While the necessary tools are in place, the road ahead for Federal CIOs is not without its challenges. To realize the vision of the President's Management Agenda and the E-Government Act of 2002, CIOs must provide leadership to achieve their e-government migration milestones. In this, cross-agency

collaboration is critical, both within an agency and across agencies. We need to continue to work in partnership with the Congress, industry and state and local governments.

Conclusion

In conclusion, the Administration will continue to work with agency heads, CIOs and the CIO Council to empower CIOs to achieve results and transform our Federal government into a more citizen-centered organization.

We look forward to continued work with the committee on this matter and I would be pleased to take questions at the appropriate time.