

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

Thank you for inviting me to speak with you today to discuss the Administration's Federal Enterprise Architecture (FEA) Program.

The FEA provides a strategic model and plan to improve federal information technology (IT) investment management, create cross-agency collaboration, and enhance government-wide information sharing. My remarks will provide an update on key enterprise architecture (EA) developments across the federal government, specifically focusing on the value of the FEA Program and its support of individual agency EA initiatives in using IT to achieve results for the American people.

Overview

An objective of the Government Performance and Results Act (GPRA); the Clinger-Cohen Act; the E-Government Act of 2002; and the President's Management Agenda (PMA) is to integrate resource decision-making with disciplined planning activities to yield better program performance. The Administration is working to ensure the government as a whole and the agencies in particular apply and implement this objective in managing our IT resources and assets.

From this perspective, we are approaching the challenge on a dual track. First, we are focusing on developing a strategic framework. The goals of the Federal Enterprise Architecture are to:

- Enable the federal government to identify opportunities to leverage technology and alleviate redundancy, or to highlight where agency overlap limits the value of information technology (IT) investments;
- Facilitate horizontal (cross-federal) and vertical (federal, state and local) integration of IT resources;
- Establish a direct relationship between IT and mission/program performance; and
- Support citizen-centered, customer-focused government to maximize IT investments to better achieve mission outcomes.

Achieving these goals ensures the government makes the most efficient application of limited resources to fulfill its important responsibilities and obligations to the American people.

Second, the FEA is supporting the maturation of enterprise architecture efforts being developed and implemented in agencies and departments. Through the Federal Enterprise Architecture, agencies are able to characterize each of their IT investments by:

- The business line the investment supports;
- The performance the agency seeks to achieve; and
- The components and supporting technology that comprise the investment.

Whether at the federal, agency, or program level, a mature and continually utilized EA helps in the management of resources by plainly organizing the enterprise's IT assets within an understandable strategic framework. This framework not only shows the current baseline of an organization's IT assets, but more importantly, it enables agency leaders to develop a clear roadmap for future investments while ensuring a more efficient IT portfolio. This roadmap directly supports the delivery of faster and better program performance, resulting in the fulfillment of an agency's core mission. The EA ties IT to business processes and results. It serves as a consistent, comprehensive analytical structure giving federal managers valuable information to make better IT investment decisions. These decisions lead to smarter, more efficient technology use, resulting not only in cost savings, but over time, in measurably improved program performance across government.

Directly supporting the E-Government initiative of the PMA, the FEA Program was established by OMB in February 2002 to build a comprehensive business-driven blueprint of the entire federal government. The FEA framework and four of its supporting reference models (Performance, Business, Service Component and Technical) are now used by agencies in developing their budgets and setting strategic goals. The fifth and final reference model (the Data Reference Model) is currently under OMB review and will be released soon for agency comment. With the completion of the five FEA reference models, the FEA will evolve into the "common language" for diverse agencies to use while communicating with each other and with state and local governments seeking to collaborate on common solutions.

In addition to supporting agencies' EA efforts, the federal government is using the FEA to identify numerous cross-agency opportunities to cut costs and increase efficiency through sharing common business functions and technology applications to achieve results for the taxpayer. In contrast to planning methods of the past, EA is a business-driven – not technology-driven – approach to creating "best-practice" E-Government solutions to bring faster, better and more cost-effective services to citizens. Specifically, we are enhancing the FEA to maximize the performance of the Federal government's \$60 billion IT portfolio by:

- Identifying opportunities to develop common solutions within Lines of Business (LoBs), resulting in increased government effectiveness and taxpayer savings;
- Linking agency program performance to strategic IT investment decisions through agency enterprise architectures; and

- Using EA-related budget requirements to ensure security and privacy considerations are integrated as agencies make strategic IT investment choices.

There is significant work needed to be completed to achieve the full potential existing within the FEA. We are aware of the gaps existing within our emerging activities and will develop the remaining elements to complete the framework, for example, the Data Reference Model and integration of the CIO Council's security and privacy profile into the framework. We are emphasizing the establishment of common language and taxonomy to represent the FEA, so stovepipes continue to fall. Agency alignment with the FEA needs to be transparent and incorporated into agency EA programs. The FEA continues to provide a transformational opportunity to better enable collaboration across the federal government, within and between agencies, and with state and local governments.

FEA Implementation

The FEA is being implemented in various ways. The framework has yielded results demonstrating a new ability for the federal government to drive collaboration and accelerate consolidation of redundant activities, saving taxpayer dollars. The FEA has been involved by providing analytical underpinning for the 24 E-Gov initiatives and the Line of Business (LoB) activities and is being incorporated into agency guidance and policy for use during budget formulation activities. In addition, we have been meeting with all agencies and have established a dialogue around the FEA information supplied to OMB as part of the FY05 budget process. OMB has been able to take advantage of FEA data for the development of the FY04 and FY05 President's Budgets. This year will be the first time agencies have access to and use of the same data to accomplish some of the objectives outlined earlier. Some specific examples of both federal and agency applications follow:

Lines of Business

"Line of Business" (LoB) is a functional representation of the overall business responsibilities of government. Our analysis of LoB data is a prime example of the FEA's value in using architecture to identify new efficiencies in government. Rather than identifying collaboration or consolidation opportunities up front, and then building architectures to implement them (as was done with the selection of the 24 E-Gov initiatives), the LoB analysis effort is a *product* of architecture.

Specifically, FEA review of information collected from agencies in the FY04 and FY05 budget processes revealed five government-wide LoB collaboration opportunities to reduce redundant investments and improve efficiencies. In response to this preliminary review, OMB launched a government-wide effort in February 2004 to analyze the first set of LoB initiatives. The LoB Task Forces are now using EA-based principles and proven best practices to identify business-driven, common solutions to transform government by breaking down traditional agency silos and increasing collaboration. These five LoBs and their agency task-force leads are:

Financial Management (FM) – The Departments of Energy and Labor

Human Resources Management (HR) – The Office of Personnel Management

Grants Management (GM) – The National Science Foundation and the Department of Education
Federal Health Architecture (FHA) – The Department of Health and Human Services
Case Management (CM) – The Department of Justice

The LoB Task Forces will identify common solutions and collaborate with participating agencies to complete joint business cases by early September 2004. Implementation of these solutions will begin in FY05, leading to significant improvements in process efficiency, system interoperability, and data sharing.

EA Assessment Framework

Recently, OMB developed an EA Assessment Framework to help agencies improve their EA programs and benefit from the results of using EA as a strategic planning tool. The EA Assessment Framework will be used annually by OMB and agencies to identify opportunities and facilitate the discussion of EA performance objectives. This ongoing collaboration between OMB and agencies will facilitate year-round architectural improvements. These improvements will lead to better resource allocation decisions and enhanced efficiency and effectiveness of a wide range of government programs.

OMB's EA Assessment Framework is designed to help each agency assess the *capability* of its EA program. For our purposes, capability refers to the overall maturity of the EA's work products; the ability to identify specific IT investment recommendations; the reflection of the FEA reference models; and the potential for intergovernmental collaboration on IT solutions. The OMB framework complements the General Accounting Office (GAO) EA Management Maturity Framework, which assesses EA program *capacity*.

Results from agency EA assessment meetings have been encouraging. In general, most agencies have developed the methodologies and processes necessary to support their EA programs, and have solid descriptions of their baseline environments. In the coming months, OMB will work closely with agencies to integrate performance objectives and measures into their EAs and to develop detailed target architectures and supporting transition plans.

In support of agency enterprise architecture efforts, OMB's EA Assessment Framework was recently added as a requirement to the Scorecard of the President's Management Agenda (PMA). By institutionalizing the annual review of agency enterprise architectures, improvements and savings can be better targeted and results measured.

Agency Enterprise Architectures

OMB continues helping agencies align their efforts with the FEA Program, ensuring EAs across government are consistent in terms of language, structure, and general approach. We are also working with agencies to use EA information to identify areas for interagency collaboration. Toward this goal, OMB started the second-phase pilot of the Federal Enterprise Architecture Management System (FEAMS), a web-based tool allowing agencies access to government-wide architecture data organized around the FEA. FEAMS is ready for agencies to use in the FY06 budget process. For the first time ever, agencies can look across government and identify

potential collaboration partners and shared technology components to utilize in developing their own plans for IT investments.

EA and Improved Program Performance

Agency enterprise-architecture data is now being used in IT. For instance, the Department of Homeland Security (DHS) is making substantial progress in eliminating redundant, non-integrated operations, systems, and processes for IT infrastructure and mission areas. DHS consolidated business cases submitted for the FY05 budget listed relevant systems for consolidation, reported plans for migration and elimination, and identified an integrated business process. The benefits of successfully implementing these efforts include improved capabilities to safeguard our nation, and taxpayer savings through the prevention of unnecessary investments.

Another example is Federal Student Aid (FSA), which manages a \$321 billion loan portfolio within the Department of Education. FSA used the FEA to baseline its enterprise architecture program, which includes business process modeling; Capital Planning and Investment Control (CPIC); and IT infrastructure. FSA's EA program is enabling the consolidation of approximately 14 major stove-piped systems down to eight integrated systems.

At the Department of the Interior, the Recreation.gov E-Gov initiative is using the FEA reference models to collaborate with the Forest Service and U.S. Army Corps of Engineers. The end result is better delivery of recreation-related information and services to citizens.

EA Community of Practice

Collaboration among agency leaders in business operations and technology, including the Federal Chief Information Officers (CIO) Council and its Architecture and Infrastructure Committee (AIC), is serving to "operationalize" EA activities and the FEA. This is beginning to result in tangible improvements in strategic planning and IT portfolio management.

To support rapid improvement in agency EA practices, OMB supported the AIC in establishing the Chief Architects Forum (CAF) in April 2004. The forum assists Chief Architects by sharing EA best practices and addressing the challenges agencies they face in developing their EAs and in using architecture information for key decision-making processes. The Chief Architects meet quarterly and maintain an ongoing dialogue on best practices and key issues.

We are also strengthening our relationship with state and local governments through the National Association of State Chief Information Officers (NASCIO) and other organizations. These partnerships will increase the coordination and integration of intergovernmental IT resources.

Security and Privacy

One of our strongest areas of emphasis is on developing an FEA security and privacy profile – an overlay to assist federal managers in discovering early-on where risk exposure exists, the potential range of controls needed to address such risk, and the potential costs of those controls. Using the FEA privacy and security profile as a reference in the development of agency EAs is

fundamental to strong security and privacy. Since an EA helps to inventory agency systems and identify the dependencies and relationships among them, the need for security and privacy exists in virtually every agency program and within every EA layer, including data, business process, and technology. These needs can have a profound impact on process and system design and must be fully identified, understood, and integrated at the earliest stages of planning and development. The FEA Program is helping agencies to achieve this type of early integration, promoting efficient operations and preventing unintended consequences which may require costly corrections at the end of development.

Future Outlook

Short Term

In the short term we will focus on evolving the FEA reference models and further enhancing resources for agencies, such as FEAMS and the EA Assessment Framework. These efforts will directly result in more mature architectures and reveal increasingly useful data on federal IT investments. In addition, OMB seeks to develop the government-wide practice of enterprise architecture so agencies can proactively collaborate together to make investment decisions *prior to* submitting their agency's budget to OMB.

Long Term

In the longer term, the Administration will continue to create opportunities for transforming government's delivery of service to citizens. This may include identifying additional lines of business through FEA data and developing common solutions to be shared for improved efficiency and to produce results. Second, we will work to fully integrate performance measurement concepts throughout the FEA reference models to ensure agencies are considering outcomes in all aspects of IT portfolio planning. This will begin to demonstrate the return on investment for EA and more clearly illustrate the direct relationship of IT to program performance. The Administration will continue building relationships with state, local, and tribal governments in order for federal efficiencies to be extended vertically to help in technology transformation and information sharing at all levels of government.

Conclusion

The Administration will continue to collaborate with agencies and with Congress, state, local, and tribal governments to ensure the promise of enterprise architecture is fully realized across government. The FEA Program and agency EA programs are starting to achieve strong results. Through technical development, outreach, information sharing and analysis, the FEA Program will continue to focus on improving program performance throughout government to deliver services and produce results for the citizens. I look forward to working with you on these matters.