

Testimony of
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Thank you, Chairman Putnam and members of the Subcommittee, for inviting me to participate in this important hearing on the progress and impediments to timely implementation of the E-government Act of 2002. I want to commend you and the other members of the Subcommittee for your leadership to help turn the potential and promise of the E-government Act into a very significant reality for the American people, the business community and public servants at the federal, state and local levels.

The role of Congress will be critical in this area, not only to hold OMB and the agencies accountable for results, but also to assess and assure the necessary investment and flexibility of funds to realize the benefits of the Act.

Throughout its twenty-year history, the Council for Excellence in Government has thought of its ambitious mission in terms of excellent performance and results in government, and also in terms of the American people's understanding, participation, and trust in government. Our strategic priorities are to:

- attract and develop the best and brightest for public service;
- encourage innovation and results oriented performance in government;
- engage citizens in their government; and to,
- promote E-government as a tool to achieve all of the above.

The Council chooses E-government as a priority because we believe that it offers tremendous potential to break down bureaucratic barriers and to leap ahead to a level of service, protection, and connection that the American people want, need, and deserve in every aspect of their interaction and reliance on government.

The E-government Act of 2002 is an important step toward realizing that potential. We are pleased to see many of the principles and recommendations from our blueprint for electronic government--which the Council published in 2001 and entitled, "*E-government: The Next American Revolution*"-- reflected in the Act. We developed this ambitious blueprint in partnership with 350 leaders from government, business, civic groups, and the research community. The principles developed to help frame choices and actions to implement

E-government include accessibility, ease of use, collaboration, innovation, privacy and security--all of which are critical steps in the evolution of E-government and essential to the long-term success of the E-government revolution. Our recommendations focused on establishing visible, accountable leadership; the creation of a strategic investment fund; ensuring an adequate and well trained e-workforce; standards for privacy, security, and interoperability; as well as access and education.

Americans want their E-Gov

Because E-government offers such a powerful, innovative way to enhance government, of, by and for the people, the Council has organized a series of public opinion polls conducted by bipartisan pollsters of Peter Hart and Bob Teeter over the last few years to help decision-makers understand the views of citizens about online government and its potential. Public use of government online has risen steadily over the past few years and we always gain important--and sometimes surprising--insights from these polls.

This year's poll is underway with the generous support of Accenture and we look forward to presenting the results in mid-April. This new poll will focus on the satisfaction with the quality of existing on-line information and services, concerns about privacy and security in the context of homeland security, and future possibilities for individuals to organize and tailor their interactions with government in an integrated, user-friendly way. There will also be an international dimension in this year's poll to allow comparisons with five other countries. In addition, we are also surveying federal, state and local government leaders to get their perspective on the progress and potential of E-government. I look forward to sharing that information with the subcommittee in the very near future.

The findings of our last poll, in February 2001, tell an interesting story of public and government leaders' views on the direction of electronic, on-line government, which is clearly moving into the mainstream of American life:

- Most Internet users (76%) and over half of all (56%) Americans had visited a government web site;
- Over 78% believed that E-government would improve preparedness for national emergencies, and enhance homeland security by facilitating better coordination and data sharing;
- 64% expected E-government to have a positive effect on the way the government operates;
- Americans put a higher priority on investing tax dollars in making government services and information available over the internet (37% vs. 30% in the previous year), and a large number (81%) expressed the desire that these investments be used to expand systems that help government protect public health and safety;
- Citizens remained concerned about security and privacy, especially identity theft and hackers getting access to information in government systems (65%); yet a large number of Americans (57%) said they were willing to give up some privacy if it strengthened homeland security;

- More than 400 government leaders (federal, state, and local) were also polled. A large majority (78%) believed that E-government was having a positive effect on how government operates. Most (62%) wanted to proceed quickly to expand E-government.

To paraphrase the slogan from a very popular music video channel: Americans want their E-gov.

e-Leadership

The President's Management Agenda has established E-government as a cornerstone for making citizen focused, cross-functional government a reality. Citizen-centric, results-based, and market driven initiatives have been put forward in order to “unify and simplify the federal face of government, eliminate redundant and costly systems, and improve government productivity and service quality”. We are seeing important progress—the focus of E-government is shifting from a collection of unrelated websites to a common activity-based, integrated customer service delivery system.

The progress made over the past year alone has been remarkable. The leaders at OMB and agencies across government deserve a lot of credit for stepping up to this challenge with a focus on results, a spirit of innovation and flexible management approaches. The 24 major crosscutting E-government initiatives underway within four separate portfolios are beginning to transform service delivery to citizens, businesses, and government employees. For example, the On-Line Rulemaking, Recreation One-Stop, E-Grants, E-Training, and Govbenefits portal initiatives serve as innovative examples of how citizen and business interaction with government is changing and offering real—and real time—benefits to all who use them. We are very pleased that FirstGov is a finalist in the Innovations in American Government Award Competition.

This E-government revolution is clearly still at an early stage. The next steps for the 24 E-gov initiatives still hold the key, in most cases, to tangible, meaningful results, but the public, businesses and government are clearly benefiting from early results. Strategic leadership and a disciplined focus on adopting effective technology management practices are paramount. OMB has sent strong signals to agency heads. They include the use of the PMA “traffic light” scorecards, the Program Assessment Rating Tool, revised government-wide policy guidance for IT capital planning, enterprise architectures, performance management, security and tougher budget reviews that link funding approvals to demonstrated use of leading practices.

All of this is positive and promising. The challenge now is to drive the implementation of E-government as a strategic management tool down into the agencies, where leaders and agencies must embrace and demand these tools for their own decision-making and day-to-day management regimen.

The Customer is Always Right—and Must be Right in the Center of the E-gov Revolution

In the charge toward E-government transactions and services, it is important to stay sharply focused on the citizens and businesses who are both the customers and owners of government. Public and private sector organizations can often have a tendency to approach service delivery and interaction from the inside looking out. Active engagement between government and citizens is essential to understanding, identifying, and aligning the government's actions with the pace, needs and priorities of the people being served. The customer is still always right and—just as important—must be right in the center of the E-government revolution.

I urge this subcommittee to consider holding some of your oversight hearings as public forums around the country and to use the technology so people can engage in the discussion in person or online. We have also recommended such public forums to OMB and GSA. Perhaps some joint legislative/executive branch sessions could be organized.

The E-government Act calls for a study of internet access and I urge you to explore the barriers to access in your public hearings and to pursue the goal of universal access in the most practical, cost effective way possible.

Today's fiscal challenges in the federal government and the budget crises in state governments are creating tremendous pressure and hopefully greater urgency to critical choices about E-government investments. Cost savings in the short and long term will be a high priority and improvements in service delivery and accountability should also be a driving force for the implementation of E-government.

This phase of E-government should be focused on breakthrough performance, proactive problem solving and tangible outcomes and results. The “gold standard” measures of the performance of E-government initiatives must include:

- Improvements in **quality** – delivering reliable, accurate, and user-friendly information, transactions and services; and the integration of online information, transactions and services across government agencies and levels of government, using commercial best practices. Customer satisfaction can and should be measured on a regular basis.
- Improvements in **cycle time** – delivering information and services in minutes or seconds, not hours, days, weeks or months. These reductions in processing time for transactions, information requests, decisions, and problem resolution can and should be measured as a matter of course.
- **Cost** reductions – efficiencies in average and per unit service delivery costs for government activities and transactions. Reduction of the burden imposed by duplicate data submissions can and should also be measured.

Of course, technology alone is not the final answer. Achieving higher levels of government performance must also involve *motivating people* and *improving processes*. When these work in tandem, the results are likely to be more strategic, successful and timely.

e-Tensions Guide Success

The Council's work with public and private sector leaders involved in E-government and technology management have led us to focus on four critical success factors for E-government implementation. We often refer to these success factors as the four "e-tensions."

First, greater attention needs to be paid to *governance issues*. The fast paced, integrated flow of information and services enabled by the internet and intranets is not compatible with stove-piped organization structures and hierarchical decision processes. Leaders in government need to develop and become comfortable with more collaborative models for identifying, funding and managing cross-agency and intergovernmental initiatives.

The second tension, related to the governance challenge, is the need for change in the *culture* of agencies associated with E-government implementation. Agency managers may see the value of cross-agency initiatives and the need for shared cost but they often are reluctant to give up control over their "brand name" programs or to provide funds for cross government initiatives in broad areas such as grants, loans, training and benefits. While there is always room for improvement in any organization, cultural pushback comes in the form of the "what's in it for me" question that good performing organizations ask when their own customer interfaces and delivery might be lumped together with ones that are not as good. There is clearly a tension between well-established vertical constituencies of government programs and the horizontal, cross-boundary service delivery approaches enabled by E-government. Managing this culture change requires that these issues be addressed openly, honestly and constructively.

The third factor involves the *human capital challenges* associated with E-government. The implementation of E-government may result in a smaller, more efficient government workforce and it most definitely will demand changes in the basic skills of public managers. We already see this in the staffing of the crosscutting E-government initiatives. High performing teams with a mix of skills are essential to the success of these collaborative initiatives.

Government managers will need a new version of the "3 Rs" to succeed and thrive in the E-government era. They need to be: Re-tooled, Re-educated and constantly Re-refreshing themselves and their teams in areas such as project management, information analysis and problem solving, and customer relationship management. And our hiring, training and retention strategies for government workers will need the 4th and 5th "R's" . . . Re-thinking and Reform as we move forward.

The final critical success factor is adequate, flexible investment *in the infrastructure* required to make the promise of E-government a reality. In this regard, I would like to challenge you to give serious attention to more flexible appropriation of funds for E-government to encourage collaborative use of the \$60 billion that federal agencies spend on IT each year. Joint hearings with the Appropriations Committee to consider the potential benefits, risks, and costs of E-government and to identify new funding models would be a good first step. It would also help to ensure adequate funding for E-government initiatives that offer great leverage toward better performance and cost savings, but for which there is no natural constituency (such as e-authentication and government-wide enterprise architecture standards).

In order to have breakthrough performance, some degree of risk must be accepted. Some high value technology proposals—such as the development of biometrics--involve risks but have huge potential payoff for homeland security and other pressing needs. Forecasting precise, multi-year costs and benefits for technology projects is challenging. More flexible risk and portfolio management approaches should be integrated into congressional budget approval and control processes.

The E-government Act expands the potential use of “share-in-savings” contracting, which allows government and private sector partners to share risks and cost savings. I hope the subcommittee will encourage this approach to implement E-government.

In closing, E-government is not just about electronic government. It must also mean *efficient* government, *effective* government, *energized* government, and *excellent* government. Collaboration, transformation and results are the watchwords for progress going forward. We are seeing the government move toward new ways of doing its business that will require challenging and changing past practices and rewriting the deeply entrenched “genetic code” of many of its existing organizations. At the end of the day, E-government must produce positive results and real benefits to our citizens.

Thank you, Mr. Chairman for the opportunity to join in this discussion today. I look forward to working and collaborating with you and the Subcommittee members to make our shared vision of E-government a reality.