

**STATEMENT OF
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BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,
INTERGOVERNMENTAL RELATIONS AND THE CENSUS
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Good afternoon, Mr. Chairman and members of the subcommittee. Thank you for inviting me to discuss the evolving role of federal Chief Information Officers (CIOs) and the challenges they face within their Departments and Agencies.

Prior to joining DigitalNet as Vice President of Strategic Consulting Services, I was privileged to serve as the Deputy CIO for Information Technology (IT) Reform at Housing and Urban Development, the Chief Technology Officer for the Environmental Protection Agency, and Chief Architect at the Office of Management and Budget (OMB). I also co-chaired three Federal CIO Council committees on architecture and infrastructure, best practices, and capital planning and IT investment; and served on the Executive Committee of the Council for three years.

My experience in the public sector has shaped my perspectives on the following topics that I will share with you today:

- CIO responsibilities and their criticality;
- Organizational reporting structure and the CIO;
- The optimal time duration for a CIO to serve an organization;
- The personal traits and qualifications a CIO should possess, and;
- Major challenges for the CIO.

Critical CIO Responsibilities

The role of the federal CIO today is broader and more complex than it has ever been. CIO responsibilities are derived from numerous IT-related statutes and regulations, including the –

- Federal Records Act of 1950,
- Freedom of Information Act of 1966,
- Privacy Act of 1974,
- Government Performance and Results Act of 1993,
- Paperwork Reduction Act of 1995,
- Federal Acquisition Streamlining Act of 1994,
- Clinger Cohen Act of 1996,
- Federal Information Security Management Act of 2002, and

- e-Government Act of 2002.

On the regulatory side, since 1994, the Office of Management and Budget has issued 12 separate memoranda and circulars related to federal IT policy and budget procedures. This statutory and regulatory framework is so complex, it is often the case that a new federal CIO will lack a basic understanding of the federal requirements with which they must comply, and the competencies they must exhibit to perform effectively.

CIO responsibilities vary across the federal government, depending upon the agencies' size, complexity and organizational structure. As size and complexity increase, and structure is disaggregated, the authority of the CIO is likely to diminish. CIOs must play a key role in the decisions to initiate, expedite, and cancel IT projects throughout their organizations. This is best accomplished through a formal, consensus-building IT governance process, and CIO leadership of an investment review board that also includes other senior agency business leaders, for example, the Chief Operating, Financial and Procurement Officers. A close partnership between the CIO and Chief Financial Officer will also help to ensure that accounting, financial, asset management and other information systems are developed and used effectively to provide financial and program performance data.

Until the past few years, federal CIOs have been responsible for the more traditional information resource management concerns, such as security and privacy; portfolio management; strategic planning; information architecture, collection, and dissemination; records management; and systems development and acquisition. Recently, however, as a result of the Administration's efforts to ensure federal agencies are citizen-focused and results-oriented, the CIO is increasingly viewed as a change agent for the business modernization of the agency. Such modernization is focused on information sharing and integrating business processes and systems across Federal, State, and local agencies to improve the level of services that citizens receive. As a result, it is no longer sufficient for an agency to develop and maintain an information architecture. Rather, an architecture for the entire enterprise is necessary – encompassing an agency's business lines, data, business and service components, and technologies – to identify opportunities for intergovernmental cooperation and collaboration. Modernization is a significant challenge, and one that requires empowered, decisive CIOs with vision and business acumen, capable of effecting transformational change.

Finally, consistent with the Administration's efforts to improve government management and performance, federal CIOs must ensure that public funds are spent wisely. New agency IT investments must be delivered on time and within budget, and deliver intended results in terms of mission performance. The likelihood that these objectives will be achieved is improved through the CIO's close coordination with and management of business partners and suppliers.

Organizational Reporting Structure and the CIO

Many federal CIOs report to the executive heads of their agencies. I believe, however, based on their evolving role, that CIO effectiveness would improve with organizational reporting to their agencies' Chief Operating Officers (COO), that is, those executives responsible for the agencies' day-to-day business operations. To be successful, federal CIOs must coordinate closely and communicate effectively with agency business leaders, and participate on an equal footing in all key decisions concerning agency business operations. This will help ensure that an agency's IT strategy is tightly linked to its business strategy, that IT investments improve business performance and contribute to mission results, and that senior business leaders understand and actively support the CIO's efforts to drive business transformation.

In addition, federal CIOs informally report to the Administrator for Electronic Government within OMB, a position created by the e-Government Act of 2002 to promote intergovernmental collaboration and oversee implementation of e-Government in areas related to –

- capital planning and investment control;
- enterprise architecture;
- information security;
- privacy;
- access to, dissemination of, and preservation of Government information; and
- accessibility of information technology for persons with disabilities.

However, this reporting structure is not clearly defined within the Act, and should be clarified to ensure all CIOs are aware of their responsibilities.

CIO Tenure

Based on available evidence, it appears that the median tenure of a federal CIO is approximately two years. However, both current CIOs and former federal IT executives claim that three to five years is necessary to prove their effectiveness. I agree, and believe this is especially true for those CIOs initiating or leading business transformation within their agencies. Business process improvement and system development and implementation is complex, requires effective and consistent leadership, and extensive communication and coordination. This complexity increases with the number of participating agencies and partners. For example, the transition to the Administration's new lines of business for financial management, grants management, and human resources is expected to take a number of years as common solutions are identified, and agency migration plans developed and implemented. OMB estimates that it will be Fiscal Year 2007 before all of the major line of business goals are accomplished.

Equally important to the length of tenure is the ability of the CIO to participate in the agency's executive decisions, an activity often limited to politically-appointed business leaders. Some federal CIOs are politically-appointed, while others are career executives. It is critical that all federal CIOs have a seat on their agencies' senior management teams.

CIO Qualifications

Federal CIOs must have the correct technical and management skills to meet their agencies' business needs: understanding of federal IT policy and guidance, including acquisition policy; e-government, including IT portfolio management and enterprise architecture; program management; performance- and results-based management; security and information assurance; strategic planning; technology assessment; and process improvement.

More importantly, however, to reap the full benefits of transformation efforts, the federal CIO should possess –

- strong leadership and communications skills, to gain the support and trust of internal and external business partners, and ensure projects are carried out and completed in accordance with stated objectives, and
- business acumen, to easily recognize the business needs of their agencies and work effectively with senior business leaders.

Major Challenges for the CIO

I believe that the major challenges facing federal CIOs today include –

1. *Understanding the existing federal statutory and regulatory framework for information resources management.* CIOs need clarification of the federal IT-related requirements with which they must comply, and the accountable executives within their organizations. For example, Congress holds the head of each agency responsible for complying with the requirements of the e-Government Act and the related information resource management policies established by OMB. However, OMB clearly holds federal CIOs responsible for carrying out these policies. Similarly, the Federal Information Security Management Act holds both agency heads and CIOs accountable for meeting the information security requirements set forth by the Act.
2. *Recruiting and retaining skilled IT professionals, including project managers.* Rapid advancements in digital technologies and their widespread deployment throughout the economy have fueled explosive growth in the demand for professionals skilled in the development and use of IT. Unless a federal agency outsources its entire IT shop – which is neither feasible nor recommended – it must compete with the private sector for a limited supply of skilled professionals. Equally important is the availability of skilled IT project managers, to ensure that projects are delivered on time and within budget, and deliver intended results.
3. *Fostering business and cultural change to achieve e-Government transformation.* The risks associated with broad-based transformation are well documented, and there is no guarantee of success. CIOs must build and maintain effective relationships with business partners internal and external to their organizations to help minimize these risks and improve the probability of success. Development of mature governance

processes and the right tools are necessary both within and across Federal agencies to help CIOs identify and act on collaboration opportunities.

4. *Ensure adequate resources for cross-agency collaboration.* The e-Government Act established the e-government fund to enable the federal government to expand its ability, through the development and implementation of innovative uses of the Internet or other electronic methods, to conduct activities electronically. Budgetary pressures and the need for fiscal discipline, however, have endangered this central pool of funds. A strategy must be identified to pool agency resources and ensure agencies have sufficient funding for common solutions to improve services to citizens.

Conclusion

Federal CIOs can and should play a significant role in improving the management and performance of the federal government, and in ensuring that the government is more responsive to the needs of its citizens. Information technology has transformed the way we all do business, and none of us can predict what the future may hold. As the CIO role broadens and expectations increase, so do the challenges. I am confident, however, that with the proper support from Congress and the Administration, they can be successful.

I thank the committee for the opportunity to speak with you this afternoon and will be happy to answer any questions you may have.