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Report to Congressional Requesters

April 2005

ELECTRONIC GOVERNMENT

Funding of the Office of Management and Budget's Initiatives

GAO-05-420

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GAO Accountability • Integrity • Reliability

Highlights

Highlights of GAO-05-420, a report to congressional requesters

Why GAO Did This Study

In accordance with the President's Management Agenda, the Office of Management and Budget (OMB) has sponsored initiatives to promote electronic government—the use of information technology, such as Web-based Internet applications, to enhance government services. Generally, these "e-gov" initiatives do not have direct appropriations but depend on a variety of funding sources, including monetary contributions from participating agencies. GAO was asked to review the funding of e-gov initiatives that relied on such contributions: specifically, to determine, for fiscal years 2003 and 2004, whether agencies made contributions in the amounts planned and to determine the timing of these contributions.

What GAO Recommends

In order to avoid errors and to better assist managing partner agencies in obtaining funds to execute e-gov initiatives, GAO recommends that OMB ensure that it correctly reflects the funding plans of each initiative in its budget guidance to partner agencies.

In commenting on a draft of this report, officials from OMB's Office of Electronic Government generally agreed with its content and the recommendation.

www.gao.gov/cgi-bin/getrpt?GAO-05-420.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Linda Koontz at (202) 512-6240 or koontzl@gao.gov.

What GAO Found

As shown below, most federal agencies contributed funds as originally planned by the managing partners of the 10 initiatives that relied on such contributions in fiscal years 2003 and 2004. Nevertheless, 6 of the 10 initiatives experienced shortfalls from their funding plans in fiscal year 2003 and 9 in 2004. The rationale provided by agencies for contributions that were less than planned included: (1) substitution of in-kind resources in lieu of funds, (2) lack of budget guidance from OMB reflecting planned funding amounts, (3) inability to obtain permission to reprogram funds from other accounts, and (4) organizational realignments associated with creation of the Department of Homeland Security in fiscal year 2003. For example, the e-Rulemaking initiative (managed by the Environmental Protection Agency) received only 51 percent of its planned fiscal year 2004 contributions. Although the initiative's funding plan called for adding new funding partners in that year, OMB did not reflect this expansion when it issued its annual budget guidance to agencies. As a result, the newly added agencies generally did not contribute. According to E-Rulemaking officials, the resulting shortfall in funds, along with delays in receiving funds from other agencies, required them to significantly scale back their plans.

In most cases, fiscal year 2003 and 2004 contributions from partner agencies were made in the third and fourth quarters of the fiscal year. Agency officials identified the administrative burden associated with drafting, negotiating, and signing interagency agreements, as well as the delayed enactment of the fiscal year 2003–2004 appropriations bills, as contributing to this timing of contributions. However, according to officials from several agencies, although the administrative burden is still high, agencies have become more accustomed to funding strategies based on partner agency contributions.

Numbers of Contributing Partner Agencies by Initiative

	Fiscal year 2003		Fiscal year 2004	
Initiative	# of funding partners	# contributing as planned	# of funding partners	# contributing as planned
Disaster Management	9	5	8	6
e-Authentication	14	8	15	13
e-Loans	5	4	5	4
e-Rulemaking	9	7	35	9
Geospatial One-Stop	8	7	8	6
GovBenefits	10	10	10	9
Grants.gov	11	11	12	11
Integrated Acquisition Environment	31	19	24	21
Project SAFECOM	9	4	7	6
Recreation One-Stop	4	4	4	4
Total	**110**	**79**	**128**	**89**

Source: GAO analysis of agency-provided data.

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Abbreviations

DHS	Department of Homeland Security
DOD	Department of Defense
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
GSA	General Services Administration
IAE	Integrated Acquisition Environment
IT	information technology
NOAA	National Oceanic and Atmospheric Administration
OMB	Office of Management and Budget
SBA	Small Business Administration

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United States Government Accountability Office
Washington, DC 20548

April 25, 2005

The Honorable Tom Davis
Chairman
Committee on Government Reform
House of Representatives

The Honorable Adam H. Putnam
House of Representatives

Generally speaking, e-government refers to the use of information technology (IT), particularly Web-based Internet applications, to enhance the access to and delivery of government information and service to citizens, to business partners, to employees, and among agencies at all levels of government. In 2001, under the leadership of the Office of Management and Budget (OMB), a team known as the E-Government Task Force identified a set of high-profile initiatives to lead the federal government's drive toward e-government transformation. These initiatives—now numbering 25[1]—cover a wide spectrum of government activities, ranging from centralizing various types of government information on the Web to eliminating redundant, nonintegrated business operations and systems. OMB has been overseeing the implementation of these 25 high-priority, cross-agency e-government initiatives in support of the President's Management Agenda. Generally, these initiatives do not have direct appropriations but depend on a variety of funding sources, including, for 10 of the initiatives, joint funding from participating agencies.

This report responds to your request that we review funding of the OMB-sponsored e-government initiatives. Specifically, as agreed with your office, our objectives were, for fiscal years 2003 and 2004, to (1) determine whether federal agencies made contributions in the amounts planned to the 10 e-gov initiatives that relied on such contributions and (2) determine the timing of these contributions and reasons for any contributions made late in each fiscal year.

[1]For more information on the objectives and progress of these initiatives, see GAO, *Electronic Government: Initiatives Sponsored by the Office of Management and Budget Have Made Mixed Progress*, GAO-04-561T (Washington, D.C.: Mar. 24, 2004).

To address our objectives, we obtained and analyzed detailed funding data and supporting documentation from the managing and funding partners of these initiatives to identify the amount and timing of contributions for fiscal years 2003 and 2004. Through interviews with agency officials, we obtained explanations for any shortfalls in making planned contributions and the circumstances that affected timing of contributions. Details of our objectives, scope, and methodology are provided in appendix I. Our work was conducted in the Washington, D.C., metropolitan area, from September 2004 to April 2005, in accordance with generally accepted government auditing standards.

Results in Brief

Most federal agencies contributed funds as originally planned by the managing partners of the 10 initiatives that relied on such contributions in fiscal years 2003 and 2004.[2] Specifically, in fiscal year 2003, 79 of the 110 funding partner agencies made contributions as planned, as did 89 of 128 funding partner agencies in fiscal year 2004. Nevertheless, shortfalls from originally planned contributions occurred; 6 of the 10 initiatives experienced shortfalls from their funding plans in fiscal year 2003 and 9 in fiscal year 2004. The rationale provided by agencies for contributions that were less than planned included (1) substitution of in-kind resources in lieu of monetary funds, (2) lack of budget guidance from OMB reflecting the original planned amounts, (3) inability to obtain congressional approval to reprogram funds from other accounts, and (4) organizational realignments associated with creation of the Department of Homeland Security (DHS) in fiscal year 2003. For example, the General Services Administration (GSA), the managing partner for the Integrated Acquisition Environment initiative, agreed to accept in-kind contributions from the Department of Defense (DOD) consisting of staff and the use of existing DOD systems instead of the funding contribution originally planned for fiscal year 2004. As another example, in fiscal year 2004, although the e-Rulemaking initiative's governing board had reached agreement on a funding plan that called for expanding the number of funding partners from 9 to 35 over the previous fiscal year, OMB did not reflect this planned expansion in the budget guidance it provided to agencies. As a result, the newly added agencies that did not receive budget guidance to provide funds for e-Rulemaking in fiscal year 2004 generally did not contribute,

[2]These initiatives are Disaster Management, e-Authentication, e-Loans, e-Rulemaking, Geospatial One-Stop, GovBenefits, Grants.gov, Integrated Acquisition Environment, Project SAFECOM, and Recreation One-Stop.

except in three instances.[3] Without receiving planned contributions, officials had to delay implementation of key elements of the planned initiative.

In most cases, fiscal year 2003 and 2004 contributions from partner agencies were made in the third and fourth quarters of the fiscal year. Specifically, seven of the initiatives reported that they had finalized half or more of their funding agreements with partner agencies in the third or fourth quarter of the fiscal year. According to managing and funding partner agency officials, factors contributing to this timing of contributions included the administrative burden associated with drafting, negotiating, and signing interagency agreements, as well as the timing of enactment of the fiscal year 2003–2004 appropriations bills.[4] However, according to officials from several agencies, although the administrative burden is still high, over time agencies have become more accustomed to the requirements of the interagency agreement process.

In order to avoid errors and to better assist the managing partner agencies in obtaining funds to execute the OMB-sponsored initiatives, we are recommending that the Director of OMB take steps to ensure that OMB's budget guidance to partner agencies correctly reflects the funding plans of each of the initiatives that rely on funding contributions. In commenting on a draft of this report, officials from OMB generally agreed with its content and our recommendation.

Background

E-government is seen as promising a wide range of benefits based largely on harnessing the power of the Internet to facilitate interconnections and information exchange between citizens and their government. A variety of actions have been taken in recent years to enhance the government's ability to realize the potential of e-government. The President designated e-government as one of five priorities in his fiscal year 2002 management agenda for making the federal government more focused on citizens and results. According to the agenda, e-government is expected to

[3]These instances include monetary contributions by the Pension Benefit Guaranty Corporation, the Federal Trade Commission, and the Small Business Administration; the National Archives and Records Administration made an in-kind contribution in lieu of funds.

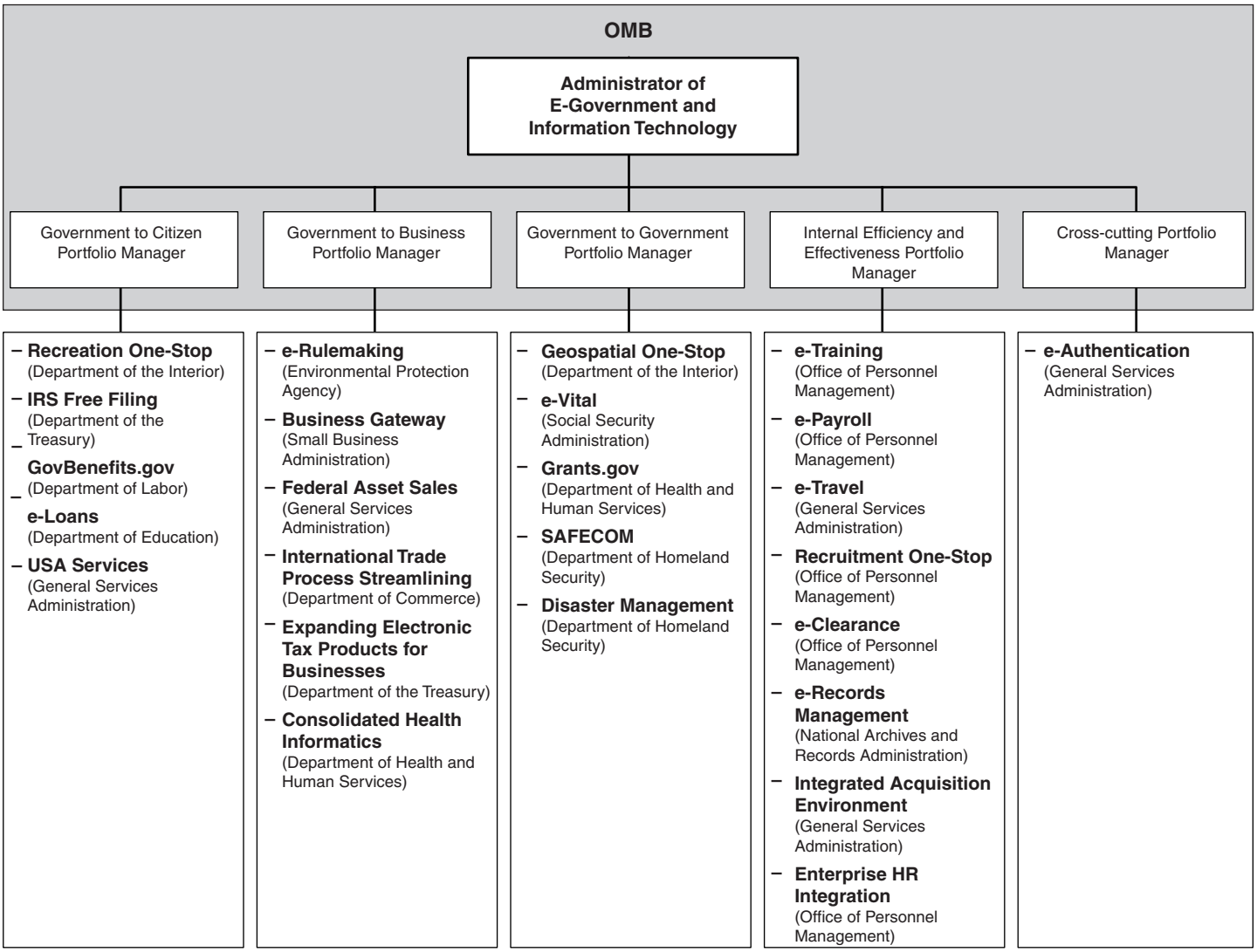
[4]Appropriations for fiscal year 2003, which began on October 1, 2002, were not enacted for most agencies until February 20, 2003. Appropriations for fiscal year 2004, which began on October 1, 2003, were not enacted for most agencies until January 23, 2004.

- provide high-quality customer services regardless of whether the citizen contacts the agency by phone, in person, or on the Web;
- reduce the expense and difficulty of doing business with the government;
- cut government operating costs;
- provide citizens with readier access to government services;
- increase access for persons with disabilities to agency Web sites and e-government applications; and
- make government more transparent and accountable.

As the lead agency for implementing the President's management agenda, OMB developed a governmentwide strategy for expanding e-government, which it published in February 2002.[5] In its strategy, OMB organized the 25 selected e-government initiatives into five portfolios: "government to citizen," "government to business," "government to government," "internal efficiency and effectiveness," and "cross-cutting." Figure 1 provides an overview of this structure.

[5]Office of Management and Budget, *E-Government Strategy* (Washington, D.C.: Feb. 27, 2002).

Figure 1: OMB Management Structure for e-Government Initiatives



Sources: GAO and OMB.

For each initiative, OMB designated a specific agency to be the initiative's "managing partner," responsible for leading the initiative, and assigned other federal agencies as "partners" in carrying out the initiative. Partner responsibilities can include making contributions of funding or in-kind resources (e.g., staff time). Most of the initiatives do not have direct appropriations but rely instead on a variety of alternative funding

strategies. Table 1 summarizes the funding strategies employed by the 25 OMB-sponsored e-gov initiatives in fiscal years 2003 and 2004.

Table 1: Funding Strategies Employed by the 25 OMB-Sponsored e-Government Initiatives in Fiscal Years 2003 and 2004

Initiative	Managing partner	Funding strategies
Business Gateway	Small Business Administration	Managing partner funded, E-Government Fund
Consolidated Health Informatics	Department of Health and Human Services	In-kind contributions (no monetary funds)
Disaster Management	Department of Homeland Security	Partner agency contributions
e-Authentication	General Services Administration	Partner agency contributions
e-Clearance	Office of Personnel Management	Managing partner funded
e-Loans	Department of Education	Partner agency contributions (Some partner agencies also separately funded their own specific component projects.)
Enterprise Human Resources Integration	Office of Personnel Management	Managing partner funded, fee for service
e-Payroll	Office of Personnel Management	Managing partner funded, fee for service, E-Government Fund
e-Records	National Archives and Records Administration	Managing partner funded
e-Rulemaking	Environmental Protection Agency	Partner agency contributions
e-Training	Office of Personnel Management	Managing partner funded, fee for service, E-Government Fund
e-Travel	General Services Administration	Managing partner funded
e-Vital	Social Security Administration	Managing partner funded
Expanding Electronic Tax Products for Businesses	Department of the Treasury	Managing partner funded
Federal Asset Sales	General Services Administration	Managing partner funded
Geospatial One-Stop	Department of the Interior	Partner agency contributions
GovBenefits	Department of Labor	Partner agency contributions
Grants.gov	Department of Health and Human Services	Partner agency contributions
Integrated Acquisition Environment	General Services Administration	Partner agency contributions
International Trade Process Streamlining	Department of Commerce	Managing partner funded (Partner agencies also separately funded their own specific component projects.)
IRS Free File	Department of the Treasury	Managing partner funded
Project SAFECOM	Department of Homeland Security	Partner agency contributions
Recreation One-Stop	Department of the Interior	Partner agency contributions, E-Government Fund
Recruitment One-Stop	Office of Personnel Management	Managing partner funded, participating agencies assessed fees
USA Services	General Services Administration	Managing partner funded, fee for service

Source: GAO analysis of agency-provided data.

A common strategy used in fiscal years 2003 and 2004 was to reach agreement among the participating agencies on monetary contributions to be made by each—10 of the 25 initiatives used this strategy. Initiatives used different approaches in determining how much an agency should contribute. For example, some adopted complex allocation formulas based on agency size and expected use of the initiative's resources, while others decided to have each agency contribute an equal share. In most cases, the funding strategy and allocation formula adopted for an initiative was determined by its governing board, with input from partner agencies and OMB. To further reinforce the strategy of having partner agencies make financial contributions, OMB generally reflected planned agency allocations in its annual budget guidance to partner agencies, known as passback instructions.

The remaining 15 initiatives used other funding approaches. Specifically, for 7 of the 15, the managing partner contributed all necessary funds. Seven others[6] used a combination of managing partner funding and other sources, such as charging fees for services provided, or received support from the E-Government Fund, established by the E-Government Act of 2002.[7]

The E-Government Fund was intended to be used to support projects that enable the federal government to expand its ability to conduct activities electronically. The Director of OMB, supported by the E-Government Administrator, is responsible for determining which projects are to receive support from the E-Government Fund. Table 2 summarizes support from the E-Government Fund given to the 25 OMB-sponsored initiatives in fiscal years 2003 and 2004.

[6]The Consolidated Health Informatics initiative was supported by in-kind contributions (no monetary funds).

[7]44 U.S.C. 3604.

Table 2: E-Government Fund Money Allocated to the 25 OMB-Sponsored e-Gov Initiatives in Fiscal Years 2003 and 2004

Dollars in millions

Fiscal year	Appropriated	Initiatives supported	Spent
2003	$5	Business Gateway, e-Payroll, Recreation One-Stop, e-Training	$3.1
2004	3	Business Gateway; independent verification and validation of the 25 e-government initiatives	2.3
Total	**$8**		**$5.4**

Source: GAO analysis of data provided by the General Services Administration.

Note: Table does not reflect all activities for which E-Government Fund money was allocated in each fiscal year.

As shown in table 2, $5.4 million of the available $8 million in the E-Government Fund was spent on, among other things, 4 of the 25 initiatives. In addition to its use for the e-gov initiatives, OMB also used the E-Government Fund to support development of its "lines of business" initiatives[8] (a total of $1.9 million) in fiscal years 2003 and 2004.

Although Agencies Generally Contributed Amounts as Planned, Shortfalls Nevertheless Occurred

For fiscal years 2003 and 2004, agencies generally made funding contributions in the amounts originally planned by the managing partners of the 10 initiatives that relied on funding contributions. Table 3 shows the specific numbers of partner agencies that made such contributions as planned.

[8]In March 2004, OMB announced the launch of a task force to examine five lines of business: case management, federal health architecture, grants management, human resources management, and financial management.

Table 3: Numbers of Contributing Partner Agencies by Initiative

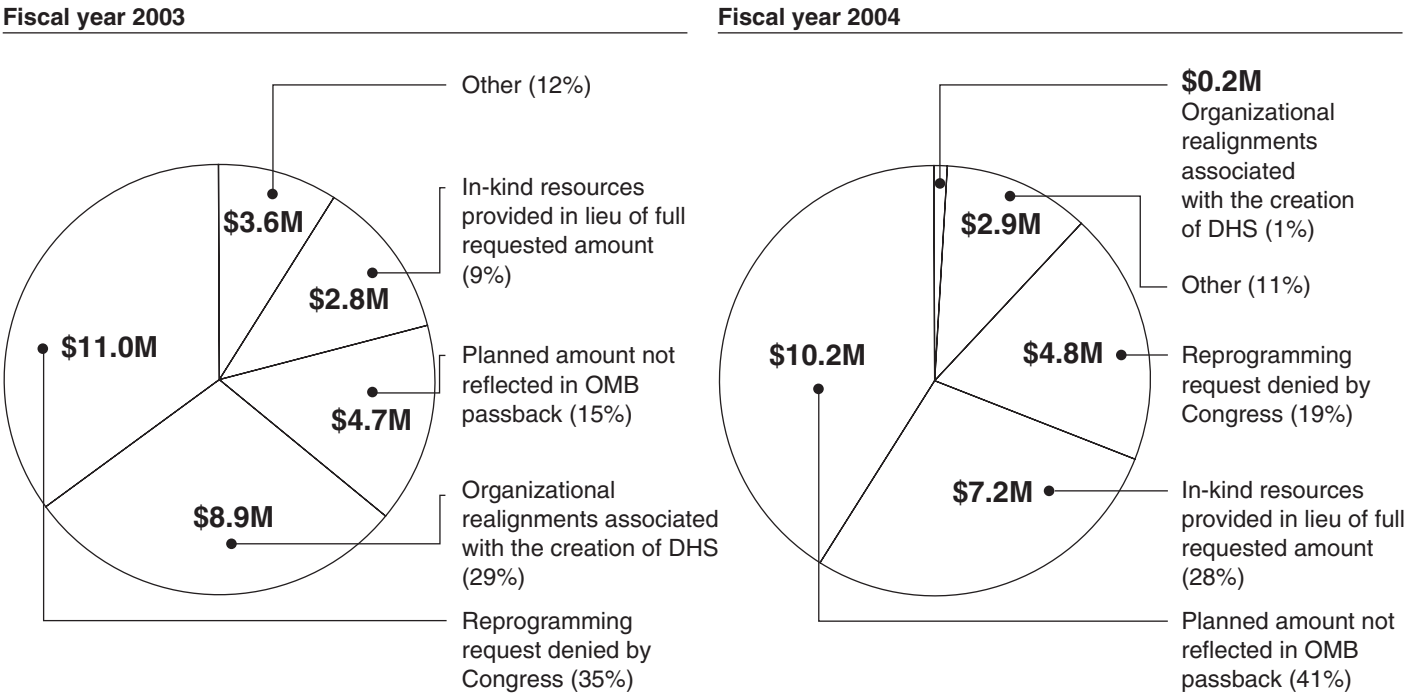
	Fiscal year 2003		Fiscal year 2004	
Initiative	**Number of funding partners**	**Partners contributing as planned**	**Number of funding partners**	**Partners contributing as planned**
Disaster Management	9	5	8	6
e-Authentication	14	8	15	13
e-Loans	5	4	5	4
e-Rulemaking	9	7	35	9
Geospatial One-Stop	8	7	8	6
GovBenefits	10	10	10	9
Grants.gov	11	11	12	11
Integrated Acquisition Environment	31	19	24	21
Project SAFECOM	9	4	7	6
Recreation One-Stop	4	4	4	4
Total	**110**	**79**	**128**	**89**

Source: GAO analysis of agency-provided data.

Note: The count of agencies contributing as planned also includes partner contributions that were greater than planned.

Although most contributions were made in the amounts planned, 6 of the 10 initiatives experienced funding shortfalls from their planned budgets in fiscal year 2003, and 9 experienced shortfalls in fiscal year 2004. Shortfalls in fiscal year 2003 totaled approximately $31 million (22 percent) of a planned budget of $138.7 million. In fiscal year 2004, shortfalls totaled approximately $25.4 million (20 percent) of a planned $124.2 million. The rationale provided by agencies for contributions that were less than planned included (1) substitution of in-kind resources in lieu of funds, (2) lack of budget guidance from OMB reflecting the original planned amounts, (3) inability to obtain congressional approval to reprogram funds from other accounts, and (4) organizational realignments associated with creation of DHS in fiscal year 2003. Figure 2 shows the shortfalls in contributions for each fiscal year and the primary rationale provided by agencies for those shortfalls.

Figure 2: Shortfalls in Contributions and Agency Rationale for Fiscal Years 2003 and 2004



Source: GAO analysis of agency-provided data.

As shown in figure 2, in some cases partner agencies negotiated with the initiatives' managing partners for reductions in monetary contributions, which often included an agreement for transfer of in-kind resources. For example, in fiscal year 2004, the Social Security Administration provided in-kind resources in lieu of requested funding to the e-Authentication initiative, managed by GSA. Specific details of all initiative shortfalls and associated agency explanations can be found in appendix II.

Most of the shortfalls that occurred in each fiscal year were concentrated in one or two of the initiatives. For example, shortfalls in fiscal year 2003 experienced by the Project SAFECOM initiative—which is to serve as the umbrella program within the federal government to help local, tribal, state, and federal public safety agencies improve public safety response through more effective and efficient interoperable wireless communications—accounted for 57 percent of the total shortfall in that year. According to program officials, these shortfalls resulted from two major causes: (1) the inability of the Departments of Justice and the Interior to obtain congressional approval to reprogram funds from other accounts and

(2) the impact of organizational realignments associated with the creation of DHS in fiscal year 2003. SAFECOM officials reported that the fiscal year 2003 shortfalls resulted in delays in the development of standards and architecture efforts related to communications interoperability. For example, the timeline for development of a methodology for assessing communications interoperability nationwide was postponed until sufficient funding could be made available.

In fiscal year 2004, shortfalls experienced by the e-Rulemaking and Integrated Acquisition Environment (IAE) initiatives accounted for nearly two-thirds (64 percent) of the total shortfall. The e-Rulemaking initiative, managed by EPA, received only $5,850,208 (51 percent) of its planned fiscal year 2004 budget of $11,505,000 in partner agency contributions. Although the initiative's funding plan had called for an expanded number of funding partners (from 9 to 35) over the previous fiscal year, OMB did not reflect that plan with passback instructions to the new funding partners. According to OMB officials, the disconnect between the initiative's funding strategy and OMB's passback instructions represented a "timing problem," in that the passback instructions were based on the previously defined project scope of 9 partners. However, according to e-Rulemaking's funding plan for fiscal year 2004, the project's scope had already been broadened at the time OMB issued its passback instructions. Without passback instructions in fiscal year 2004, planned partner agencies did not make contributions, except in a few instances.[9] E-Rulemaking officials reported that the resulting shortfall in funds, compounded with delays in reaching agreements regarding contributions from other agencies, required them to significantly scale back agency migration to the Federal Docket Management System (FDMS), the centerpiece of the initiative. Specifically, the number of agencies planned to migrate to the system in its first phase of implementation was reduced

[9]Three agencies contributed funds: Pension Benefit Guaranty Corporation, Federal Trade Commission, Small Business Administration. One agency, the National Archives and Records Administration, contributed in-kind resources in lieu of funds.

from 10 to 5, and 2 of those represented only component organizations rather than entire agencies.[10]

In IAE's case, the shortfall in fiscal year 2004 also resulted in part from OMB passback instructions to the Department of Energy not reflecting the amount originally planned by GSA. According to OMB and GSA officials, the passback instructions did not reflect the planned amount due to an administrative error. IAE officials reported that as a result of this shortfall, implementation of several planned systems applications was postponed indefinitely. In addition, IAE received a smaller than anticipated contribution in fiscal year 2004 from the Department of Defense, because Defense provided in-kind resources in lieu of the originally planned funding contribution.

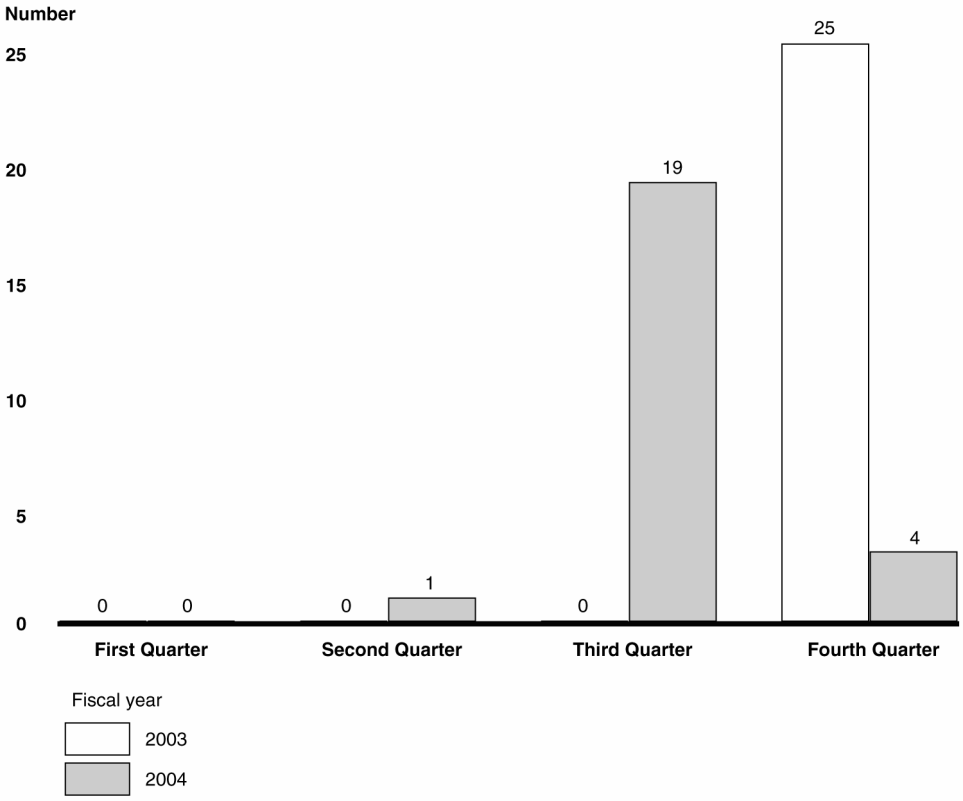
Contributions Were Often Made Late in the Fiscal Year

Although initiatives generally received funding contributions from federal agencies in the amounts planned, in most cases, funds were contributed in the third and fourth quarters of the fiscal year. Specifically, seven of the initiatives reported that they had finalized half or more of their agreements with partner agencies in the third or fourth quarter of the fiscal year. In providing a rationale for contributions made late in the fiscal year, officials from both managing and funding partner agencies reported that the administrative burden associated with drafting, negotiating, and signing interagency agreements, as well as the timing of appropriations bill enactment, contributed to these delays.

For illustrative purposes, figure 3 shows the timing of funding obligations for one of the initiatives, IAE. As the figure shows, most funding obligations were finalized in the last quarter of the fiscal year.

[10]The agencies originally included for phase 1 implementation included the Departments of Education, Energy, Health and Human Services, the Interior, and Transportation and the Equal Employment Opportunity Commission, the Federal Reserve System, the General Services Administration, the National Archives and Records Administration, and the Small Business Administration. Agencies scheduled to migrate to FDMS in phase 1 now include EPA, Housing and Urban Development, the Animal Plant Health Inspection Service (a component of Agriculture), portions of the Department of Homeland Security, and the National Archives and Records Administration.

Figure 3: Finalization of Agency Funding Obligations by Quarter for One e-Gov Initiative



Source: GAO analysis of GSA-provided data.

Both managing and funding partner agencies reported that the extended process of drafting, negotiating, and signing interagency agreements contributed significantly to the timing of funding contributions in fiscal years 2003 and 2004. Officials from 5 of the 10 initiatives that relied on funding contributions from partner agencies specifically cited the administrative burden as a factor in interagency agreements being reached in the third and fourth quarters of the fiscal year. Officials from the Geospatial One-Stop initiative, managed by Interior, reported that potential partner agencies that could have provided modest funding contributions were sometimes not invited to do so because the resource investment required to reach interagency agreements was prohibitively high.

In addition to the administrative burden associated with finalizing interagency agreements, managing and funding partner agencies also attributed the timing of contributions to the enactment of appropriations bills relatively late in the fiscal year. For example, in fiscal year 2003, appropriations were not enacted for most agencies until February 20, 2003, almost 5 months into the fiscal year.[11] Further, managing partner agencies did not begin the process of establishing memorandums of understanding with partner agencies until after relevant appropriations had been enacted. Although OMB instructed agencies in fiscal year 2004 to make their funding obligations to managing partner agencies within 45 days of enactment of appropriations, agencies reported that this deadline was rarely achieved.

According to OMB officials overseeing the initiatives, partner agencies should make every effort to provide promised contributions as early as possible within a funding cycle because of the benefits in facilitating implementation of the initiatives. However, for both fiscal years, agency officials generally did not report that obtaining funds late in the fiscal year caused their initiatives to suffer significant setbacks in executing planned tasks or achieving planned goals. Further, several agency officials noted that the process of drafting and negotiating memorandums of understanding among agencies had improved over time and was becoming more efficient in fiscal year 2005, for example, than in the two fiscal years we examined.[12] These officials attributed the greater efficiency to increased knowledge and experience among officials involved in managing the e-gov initiatives.

Conclusions

Most e-gov initiative partner agencies made contributions as planned to the 10 initiatives that relied on such contributions in fiscal years 2003 and 2004, although shortfalls occurred for a variety of reasons. In fiscal year 2004, the e-Rulemaking and IAE initiatives experienced shortfalls when OMB did not reflect the initiatives' funding plans in budget guidance to partner agencies. Without corresponding budget guidance from OMB, partner agencies generally did not make planned contributions, and as a result, officials had to delay implementation of elements of the planned initiatives.

[11]Public Law 108-7. Fiscal year 2003 began on October 1, 2002.

[12]We did not include fiscal year 2005 in our review because data for that year were not complete at the time of our review.

Agreements on contributions often were not finalized until late in the fiscal year, in large part because the administrative burden in obtaining funds through interagency agreements was cumbersome. However, managing partners generally did not report significant disruptions in their planned milestones and objectives, and several commented that the interagency agreement process was becoming more efficient over time.

Recommendation for Executive Action

In order to avoid errors and to better assist the managing partner agencies in obtaining funds to execute the OMB-sponsored e-gov initiatives, we recommend that the Director of OMB take steps to ensure that OMB's budget guidance to partner agencies correctly reflects the funding plans of each of the initiatives that rely on funding contributions.

Agency Comments

We received oral comments on a draft of this report from representatives of OMB's Office of E-Government, including the Associate Administrator for E-Government and Information Technology. These representatives generally agreed with the content of our draft report and our recommendation and provided technical comments, which have been incorporated where appropriate.

OMB officials stated that, while there had been some problems in administering the funding of the e-government initiatives in fiscal years 2003 and 2004, agencies had made substantial progress in fiscal year 2005 in executing memorandums of understanding as early as possible. Specifically, OMB officials reported that as of April 8, 2005, about 80 percent of fiscal year 2005 funding commitments had been finalized. Although we did not evaluate fiscal year 2005 as part of our review, we noted in the report that the process of drafting and negotiating memorandums of understanding among agencies had reportedly improved over time. As described in the report, agency officials attributed the greater efficiency to increased knowledge and experience among officials involved in managing the e-gov initiatives.

Unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will provide a copy of this report to the Director of OMB. In addition, the report will be available at no charge on the GAO Web site at http://www.gao.gov.

Should you have any questions about this report, please contact me at (202) 512-6240 or John de Ferrari, Assistant Director, at (202) 512-6335. We can also be reached by e-mail at koontzl@gao.gov and deferrarij@gao.gov, respectively. Other key contributors to this report included Barbara Collier; Felipe Colón, Jr.; Wilfred Holloway; Sandra Kerr; Frank Maguire; and Jamie Pressman.

Linda D. Koontz
Director, Information Management Issues

Appendix I: Objectives, Scope, and Methodology

Our objectives were, for fiscal years 2003 and 2004, to (1) determine whether federal agencies made contributions in the amounts planned to the 10 e-gov initiatives that relied on such contributions, and (2) determine the timing of these contributions and reasons for any contributions made late in each fiscal year.

To determine whether federal agencies made monetary contributions to OMB-sponsored e-gov initiatives for fiscal years 2003 and 2004 in the amounts planned, we analyzed detailed funding data and supporting documentation from both managing partner and funding partner agencies. This documentation included the initiative's agreed-upon funding plans for both fiscal years, as well as signed interagency agreements for each contribution. We also held follow-up discussions with agency officials to clarify the timing and amounts of contributions. For example, to determine shortfalls, we compared planned contributions with amounts obligated by funding partner agencies in their signed agreements and obtained rationale from agency officials regarding any differences.

We determined the timing of partner agency contributions based on when in the fiscal year funds were obligated—the dates on which formal agreements such as memorandums of understanding and/or interagency agreements were signed by both managing and funding partner agencies. We also obtained rationale from agency officials regarding the major reasons why monetary contributions were made late in the fiscal year.

Our work was conducted in the Washington, D.C., metropolitan area, from September 2004 to April 2005, in accordance with generally accepted government auditing standards.

Appendix II: Fiscal Year 2003 and 2004 Funding for Initiatives Relying on Financial Contributions from Partner Agencies

Disaster Management

Managing partner agency: Department of Homeland Security (DHS)

Purpose: Provide federal, state, and local emergency managers online access to disaster management–related information, planning, and response tools.

Funding: Disaster Management project officials reported that their fiscal year 2003 and 2004 funding plans were developed by the Office of Management and Budget (OMB) and communicated to partner agencies through passback instructions. In fiscal year 2003, seven of nine partner agencies were to make equal contributions totaling approximately $1.5 million each, with DHS contributing a larger share than the others. In fiscal year 2004, for most partners the per-partner contribution was decreased to $681,250, again with DHS contributing a larger share. The decrease was due to a rescoping of the initiative that cancelled plans to develop new tool sets and reduced funding for the Disaster Management Web portal. Table 4 details contributions to the initiative for fiscal years 2003 and 2004.

Table 4: Disaster Management Contributions for Fiscal Years 2003–2004

	Fiscal year 2003			Fiscal year 2004		
Funding partner	Planned	Obligated	Comment	Planned[a]	Obligated	Comment
Agriculture	$1,480,000	Same		$681,250	Same	
Commerce	1,480,000	Same		681,250	0	National Oceanic and Atmospheric Administration was legally restricted from contributing to e-gov initiatives
Defense	1,480,000	Same		681,250	Same	
Environmental Protection Agency	1,480,000	Same		681,250	Same	
Health and Human Services	1,480,000	Same		681,250	Same	
Homeland Security	11,800,000	10,230,000	Federal Emergency Management Agency (FEMA) moved to DHS in fiscal year 2003; unpaid amount was subsequently paid by DHS in fiscal year 2004	14,296,924	Same	

Funding partner	Fiscal year 2003			Fiscal year 2004		
	Planned	Obligated	Comment	Planned[a]	Obligated	Comment
Interior	1,163,000	0	President's fiscal year 2003 budget did not include Interior funding; amount re-requested but still unpaid in fiscal year 2004	1,844,250	0	Reprogramming request denied by Congress
Justice	1,480,000	0	Reprogramming request denied by Congress; amount re-requested and paid in fiscal year 2004	1,480,000	Same	
Transportation	1,480,000	1,016,000	Transportation Security Administration and Coast Guard moved to DHS in fiscal year 2003; amount was subsequently paid by DHS in fiscal year 2004	0	N/A	
Total	**$23,323,000**	**$18,646,000**		**$21,027,424**	**$18,501,924**	

Source: GAO analysis of DHS-provided data.

[a]The fiscal year 2004 planned amount reflects revisions due to revised cost estimates. Note that fiscal year 2004 planned requests include unpaid fiscal year 2003 amounts from Interior and Justice. The fiscal year 2004 DHS request also includes $1.57 million unpaid from DHS/FEMA and unpaid amounts from two former Transportation agencies, the Transportation Security Administration and Coast Guard.

Funding shortfalls occurred that were related to two funding partner agencies: Interior did not make planned fiscal year 2003 or fiscal year 2004 contributions, and Commerce did not make its planned fiscal year 2004 contribution. Interior officials stated that their request to reprogram funds in 2004 to support Disaster Management was not approved by Congress. Commerce officials reported that they did not make their fiscal year 2004 contribution because Commerce's appropriations bill included a restriction preventing the National Oceanic and Atmospheric Administration (NOAA), the principal Commerce participant for Disaster Management, from contributing fiscal year 2004 funds to any of the e-gov initiatives.

DHS officials reported that the late timing of contributions was predominantly the result of agencies having to reformulate internal financial plans to meet the unforeseen e-government requirement. For example, Justice and two agencies transferred from Transportation made their fiscal year 2003 contributions in fiscal year 2004 for a variety of

reasons. Justice officials reported that they were not permitted to reprogram the required funds during fiscal year 2003. Instead, they negotiated with OMB to make their fiscal year 2003 contribution in fiscal year 2004. A portion of Transportation's fiscal year 2003 contribution was delayed by the transfer of key organizations—the Coast Guard and Transportation Security Administration—to DHS.

According to Disaster Management officials, interruptions caused by late funding contributions and shortfalls included a delay in adding new responder groups to Disaster Management Interoperability Services (DMIS),[1] delays in holding meetings and workshops with the emergency management community (including first responders) to facilitate development of interoperability standards, and delays in implementing an alternative site to ensure continuity of operations for the DMIS and DisasterHelp.gov servers.

e-Authentication

Managing partner agency: General Services Administration (GSA)

Purpose: Minimize the burden on businesses, the public, and government when obtaining services online by providing a secure infrastructure for online transactions, eliminating the need for separate processes for the verification of identity and electronic signatures.

Funding: In fiscal year 2003, e-Authentication had 14 funding partner agencies, and the funding plan called for $25 million in agency contributions to be divided among these partners based on criteria such as expected transaction volume and agency size. For fiscal year 2004, the total funding requirement was divided equally among the partner agencies ($377,000 per partner), with GSA contributing a larger amount ($600,000). On June 29, 2004, the e-Authentication project manager sent a memorandum out to members of the Executive Steering Committee explaining that the new federated identity architecture approach that the initiative had decided to adopt could be completed at a lower cost ($1.86 million less) than the original approach (developing an e-authentication gateway),[2] and therefore, the initiative was reducing expected fiscal year

[1]Disaster Management Interoperability Services provides information on interoperability services to the responder community.

[2]For more information regarding the initiative's original approach, see GAO, *Electronic Government: Planned E-Authentication Gateway Faces Formidable Development Challenges*, GAO-03-952 (Washington, D.C.: Sept. 12, 2003).

2004 agency contributions from $377,000 to $244,361. Table 5 details contributions to the initiative for fiscal years 2003 and 2004.

Table 5: e-Authentication Contributions for Fiscal Years 2003–2004

	Fiscal year 2003			Fiscal year 2004		
Funding partner[a]	Planned	Obligated	Comment	Planned[b]	Obligated	Comment
Agriculture	$1,200,000	Same		$244,361	Same	
Commerce	500,000	Same		244,361	$234,969	NOAA was legally restricted from contributing to e-gov projects in fiscal year 2004
Defense	2,500,000	Same		244,361	Same	
Education	2,500,000	2,000,000	Negotiated reduction; Education agreed to lead a proof-of-concept effort	244,361	Same	
Energy	0	N/A		244,361	Same	
Environmental Protection Agency (EPA)	2,300,000	350,000	Negotiated reduction; included agreement for in-kind resources and grant to be administered by EPA	244,361	Same	
General Services Administration	2,800,000	Same		600,000	Same	
Health and Human Services	500,000	Same		244,361	Same	
Housing and Urban Development	300,000	279,000	Negotiated reduction; agency did not have enough funds available	244,361	Same	
Justice	0	N/A		244,361	Same	
Labor	2,000,000	Same		244,361	Same	
National Aeronautics and Space Administration	500,000	450,000	Negotiated reduction; agency did not have enough funds available	244,361	Same	
Social Security Administration	3,000,000	Same		244,361	0	In-kind resource provided in lieu of requested funds
State	2,000,000	Same		0	N/A	

Funding partner[a]	Fiscal year 2003			Fiscal year 2004		
	Planned	Obligated	Comment	Planned[b]	Obligated	Comment
Treasury	3,200,000	3,179,000	Negotiated reduction; agency did not have enough funds available	244,361	Same	
Veterans Affairs	1,700,000	Same		244,361	Same	
Total	**$25,000,000**	**$22,458,000**		**$4,021,054**	**$3,767,301**	

Source: GAO analysis of GSA-provided data.

[a]In July 2003, the Executive Steering Committee voted to add an additional 10 members (the Departments of Energy, Justice, Homeland Security, the Interior, and Transportation and the Nuclear Regulatory Commission, the National Science Foundation, the Office of Personnel Management, the Small Business Administration, and the U.S. Agency for International Development); however, only two members (Energy and Justice) were asked to contribute in fiscal year 2004. Funds were to be requested of all 10 members in fiscal year 2005.

[b]Planned amounts reflect the fiscal year 2004 reduction based on the lower cost of the federated identity architecture approach.

GSA officials reported that five agencies did not make their full monetary contributions as planned in fiscal year 2003 and two agencies did not do so in fiscal year 2004. In each of these instances, reductions were negotiated between GSA and the funding partner agency and generally included a provision for in-kind resources (e.g., staff time) in lieu of the full monetary amount. For example in fiscal year 2003, in lieu of the $2.3 million contribution planned for EPA, GSA agreed to a $350,000 cash transfer; a $125,000 grant to be funded, administered, and managed by EPA; and various in-kind contributions. As another example, the Department of Education agreed to lead a proof-of-concept effort to test the use of its federal student aid personal identification number identity credential through the planned E-Authentication gateway in lieu of providing the full requested monetary amount. Project officials reported that NASA, the Treasury, and Housing and Urban Development's contributions were reduced because these agencies simply did not have the funds available to contribute the planned amounts. In fiscal year 2004, the Social Security Administration provided in-kind resources in lieu of its planned funding contribution. Finally, in fiscal year 2004, Commerce did not make its full planned contribution because a stipulation in the fiscal year 2004 omnibus appropriations bill prohibited NOAA from spending any fiscal year 2004 appropriations on the OMB-sponsored e-government initiatives.

GSA officials reported that the administrative burden associated with the memorandum of understanding process and appropriations enacted late in the fiscal year contributed to the late timing of contributions in fiscal years

2003 and 2004. For example, the officials noted that in some cases proposed memorandums of understanding that had already been signed by GSA officials were lost in the process of traversing partner agency offices, resulting in the need to obtain signatures from high-level officials multiple times.

e-Loans

Managing partner agency: Department of Education

Purpose: Create a single point of access for citizens to locate information on federal loan programs, and improve back-office loan functions.

Funding: Although the funding allocation for each of the e-Loans initiative's five partners is very simple ($397,000 per agency for both fiscal years), the initiative is somewhat unusual in that the managing partner does not centrally manage all the funds or activities of the initiative. Rather, the initiative is divided into four work streams with partner agencies taking the lead on specific work streams. The lead agencies used their own funding up to $397,000 per fiscal year, and if planned costs exceeded that amount, they obtained contributions from other funding partner agencies. For example, the Department of Housing and Urban Development manages one of the four work streams and used its own fiscal year 2003–2004 funds to support it, as well as receiving contributions from Agriculture in 2003 and 2004 and from Veterans Affairs in 2004. Table 6 details monetary contributions to the e-Loans initiative for fiscal years 2003 and 2004.

Table 6: e-Loans Funding for Fiscal Years 2003–2004

Funding partner	Fiscal year 2004			Fiscal year 2004		
	Planned	Obligated	Comment	Planned	Obligated	Comment
Agriculture	$397,000	Same		$397,000	Same	
Education	397,000	Same		397,000	Same	
Housing and Urban Development	397,000	Same		397,000	Same	
Small Business Administration	397,000	175,000	Negotiated reduction due to reduced contract costs for work stream deliverable	397,000	97,000	Negotiated reduction; work could be supported under existing contract at no additional cost
Veterans Affairs	397,000	Same		397,000	Same	
Total	**$1,985,000**	**$1,763,000**		**$1,985,000**	**$1,685,000**	

Source: GAO analysis of Education-provided data.

Two shortfalls from planned amounts were associated with the Small Business Administration (SBA); however, both instances represent negotiated reductions. In fiscal year 2003, as a result of e-Loans budget negotiations between SBA and OMB and the expected contract cost of work stream deliverables, SBA's fiscal year 2003 contribution was reduced. Education officials stated that this decision was supported by the partner agencies. In fiscal year 2004, SBA originally intended to spend $300,000 of its $397,000 commitment for activities that SBA subsequently determined could be supported under an existing contract at no additional cost. Accordingly, SBA reallocated the funds to support other e-gov work.

Education officials noted that all partner agencies were affected by the enactment of appropriations late in fiscal years 2003 and 2004, which affected agencies' ability to transfer or make funds available. Nevertheless, the officials reported that despite the timing of appropriations, partner agencies made their contributions in a timely manner.

e-Rulemaking

Managing partner agency: Environmental Protection Agency (EPA)

Purpose: Allow citizens to easily access and participate in the rulemaking process. Improve access to, and quality of, the rulemaking process for individuals, businesses, and other government entities while streamlining and increasing the efficiency of internal agency processes.

Funding: In fiscal year 2003, the e-Rulemaking project management office requested $100,000 apiece from nine partner agencies to support the initiative's activities. These allocations were reflected in OMB's passback instructions to the agencies. In addition, the Department of Transportation—the former managing partner of the initiative—was asked to transfer $5 million to EPA. For fiscal year 2004, the initiative's funding workgroup developed a plan allocating a budget of $11.5 million among 35 anticipated funding partners, based on criteria such as agency budget size and average number of rules issued per year. OMB, however, issued passback instructions to only eight of the nine agencies that had funded the initiative in fiscal year 2003 and DHS.[3] Table 7 details contributions to the initiative for fiscal years 2003 and 2004.

Table 7: e-Rulemaking Contributions for Fiscal Years 2003–2004

	Fiscal year 2003			Fiscal year 2004		
Funding partner	Planned	Obligated	Comment	Planned[a]	Obligated	Comment
Agriculture	$0	N/A		$775,000	$0	Planned amount not reflected in OMB passback
Commerce	0	N/A		300,000	0	Planned amount not reflected in OMB passback
Commodity Futures Trading Commission	0	N/A		85,000	0	Planned amount not reflected in OMB passback
Defense	100,000	Same		775,000	Same	
Education	0	N/A		150,000	0	Planned amount not reflected in OMB passback
Energy	100,000	Same		300,000	186,000	Planned amount not reflected in OMB passback
Environmental Protection Agency	100,000	Same		775,000	Same	
Federal Communications Commission	0	N/A		300,000	0	Planned amount not reflected in OMB passback
Federal Deposit Insurance Corporation	0	N/A		85,000	0	Planned amount not reflected in OMB passback

[3]In fiscal year 2004, OMB did not issue passback instructions to the Nuclear Regulatory Commission for funding contributions to e-Rulemaking.

Funding partner	Fiscal year 2003			Fiscal year 2004		
	Planned	Obligated	Comment	Planned[a]	Obligated	Comment
Federal Election Commission	0	185,000		0	N/A	
Federal Energy Regulatory Commission	0	N/A		300,000	0	Planned amount not reflected in OMB passback
Federal Maritime Commission	0	N/A		85,000	0	Planned amount not reflected in OMB passback
Federal Reserve Board	0	N/A		150,000	0	Planned amount not reflected in OMB passback
Federal Trade Commission	0	N/A		85,000	Same	
General Services Administration	0	N/A		150,000	0	Planned amount not reflected in OMB passback
Health and Human Services	100,000	Same		775,000	Same	
Homeland Security	0	N/A		750,000	Same	
Housing and Urban Development	100,000	Same		300,000	Same	
Interior	0	N/A		750,000	0	Planned amount not reflected in OMB passback
Justice	0	N/A		300,000	0	Planned amount not reflected in OMB passback
Labor	100,000	Same		775,000	Same	
National Aeronautics and Space Administration	0	N/A		150,000	0	Planned amount not reflected in OMB passback
National Archives and Records Administration	0	N/A		85,000	0	In-kind resource provided in lieu of requested funds
National Science Foundation	0	N/A		85,000	0	Planned amount not reflected in OMB passback
Nuclear Regulatory Commission	100,000	0	Agency unable to contribute funds to development	150,000	0	Planned amount not reflected in OMB passback
Office of Management and Budget	0	N/A		85,000	0	No reason given

Funding partner	Fiscal year 2003			Fiscal year 2004		
	Planned	Obligated	Comment	Planned[a]	Obligated	Comment
Office of Personnel Management	0	N/A		150,000	0	Planned amount not reflected in OMB passback
Pension Benefit Guaranty Corporation	0	N/A		85,000	Same	
Security and Exchange Commission	0	N/A		300,000	0	Planned amount not reflected in OMB passback
Small Business Administration	0	N/A		150,000	25,000	Planned amount not reflected in OMB passback
Social Security Administration	0	N/A		300,000	$0	Planned amount not reflected in OMB passback
State	0	N/A		150,000	0	Planned amount not reflected in OMB passback
Transportation	5,100,000	4,847,500	In-kind resources provided in lieu of full requested amount	775,000	544,208	Balance to be paid in fiscal year 2005
Treasury	100,000	Same		775,000	Same	
Veterans Affairs	0	N/A		300,000	0	Planned amount not reflected in OMB passback
Total	**$5,900,000**	**$5,732,500**		**$11,505,000**	**$5,850,208**	

Source: GAO analysis of EPA-provided data.

[a]Planned amount reflects the amount requested by the e-Rulemaking project management office based on the plan approved by the initiative's funding workgroup.

E-Rulemaking officials reported that the combination of shortfalls and late contributions negatively affected the initiative, specifically in fiscal year 2004. In fiscal year 2003, two agencies, the Nuclear Regulatory Commission (NRC) and Transportation, did not make their full contributions as planned. Although OMB's passback to NRC for fiscal year 2003 included the $100,000 amount allocated to each partner, NRC asserted that it was not subject to OMB's budget guidance because it derives most of its budget from user fees. Accordingly, NRC did not make its planned contribution. Transportation, the former managing partner of the initiative, provided monetary funds and in-kind support in lieu of its full planned contribution in fiscal year 2003. In fiscal year 2004, Transportation did not make its full contribution because it believed the amount should be reduced because of the transfer of the Transportation Security Administration and the Coast Guard to DHS in fiscal year 2003. However, based on subsequent discussions between E-Rulemaking and

Transportation officials, Transportation officials told us that they have agreed to pay the remaining fiscal year 2004 balance in fiscal year 2005. Additionally, the Department of Energy did not make its full contribution as planned because the OMB passback did not reflect the planned amount. This occurred because OMB erroneously assessed the Department of Energy at the same total contribution to e-gov initiatives in the passback as it had the Department of Education (the two departments have similar abbreviations).

In fiscal year 2004, although e-Rulemaking requested funds from 35 agencies based on the budget workgroup's funding plan, OMB issued passback instructions to just nine agencies, resulting in a shortfall of $5.6 million, nearly half of the initiative's planned budget. Of the agencies that did not receive passback instructions, only three agencies contributed monetary resources in fiscal year 2004, and one agency contributed in-kind resources in lieu of funds. E-Rulemaking officials reported that they were not provided with an explanation as to why OMB did not issue passback instructions to all 35 agencies as had been planned. According to OMB officials, the disconnect between the initiative's funding strategy and OMB's passback instructions represented a "timing problem," in that the passback instructions were based on the previously defined project scope of nine partners. The OMB officials did not state that the planned expansion of e-Rulemaking was inappropriate, noting that fiscal year 2005 passback instructions did reflect the larger number of partners. However, without passback instructions in fiscal year 2004, planned partner agencies did not make contributions, except in a few instances.[4] E-Rulemaking officials reported that the resulting shortfall in funds, compounded with delays in receiving funds from other agencies, required them to scale back agency migration to the Federal Docket Management System (FDMS), the centerpiece of the initiative. Specifically, although the initiative planned to migrate 10 agencies to the FDMS in its first phase of

[4]Three agencies contributed funds: the Pension Benefit Guaranty Corporation, the Federal Trade Commission, and the Small Business Administration. One agency, the National Archives and Records Administration, contributed in-kind resources in lieu of funds.

implementation, the revised schedule now includes only 5 agencies, 2 of which are component agencies of larger departments.[5]

Geospatial One-Stop

Managing partner agency: Department of the Interior

Purpose: Provide federal and state agencies with a single point of access to map-related data to enable consolidation of redundant data.

Funding: Planned contributions to the Geospatial One-Stop initiative were initially distributed among the agencies that were major federal geospatial data producers or were members of the Federal Geographic Data Committee. Partner agency concurrence in both fiscal years was obtained at a meeting hosted by the Interior. Partners willing to contribute more than the minimum $100,000 agency allocation indicated their intention to do so. Table 8 details funding for the initiative for fiscal years 2003 and 2004.

[5]The agencies originally included for phase 1 implementation included the Departments of Education, Energy, Health and Human Services, the Interior, and Transportation and the Equal Employment Opportunity Commission, the Federal Reserve System, the General Services Administration, the National Archives and Records Administration, and the Small Business Administration. Agencies scheduled to migrate to FDMS in phase 1 now include EPA, Housing and Urban Development, the Animal Plant Health Inspection Service (component of Agriculture), portions of DHS, and National Archives and Records Administration.

Table 8: Geospatial One-Stop Funding for Fiscal Years 2003–2004

Funding partner	Fiscal year 2003			Fiscal year 2004		
	Planned	Obligated	Comment	Planned	Obligated	Comment
Agriculture	$135,000	Same		$135,000	Same	
Commerce	200,000	Same		300,000	100,000	NOAA was legally restricted from contributing to e-gov projects in fiscal year 2004
Defense[a]	425,000	625,000		425,000	624,200	
Environmental Protection Agency	160,000	Same		160,000	Same	
Homeland Security[b]	100,000	Same		100,000	Same	
Interior	245,000	Same		1,925,000	225,000	Requested $1.5 million increase was not funded by Congress; $200,000 in in-kind resources provided
National Aeronautics and Space Administration	200,000	Same		200,000	Same	
Transportation	200,000	100,000	Negotiated reduction due to in-kind resources provided	200,000	Same	
Total	**$1,665,000**	**1,765,000**		**$3,445,000**	**$1,744,200**	

Source: GAO Analysis of Interior provided data.

[a]The Defense components involved were the National Geospatial-Intelligence Agency and the U.S. Army Corps of Engineers.

[b]Upon formation of DHS, e-gov funding moved from FEMA to DHS department level.

Although the Geospatial One-Stop initiative experienced no shortfalls from its overall planned budget in fiscal year 2003, one agency, Transportation, contributed less than planned because in-kind resources were provided in lieu of the full requested amount. In fiscal year 2004 there were two shortfalls. Geospatial One-Stop officials reported that shortfall from Interior arose because its fiscal year 2004 requested increase was not funded by Congress and an agreement was made for Interior to provide $200,000 of in-kind resources in lieu of monetary funds. Additionally, there was a shortfall of $200,000 from Commerce because of the prohibition on NOAA contributing funds to e-government projects in fiscal year 2004.

Project officials stated that extensive paperwork and staff time were invested in getting agreements drafted, reviewed, finalized, and signed.

Some potential partners who could have participated at a lower level of funding were not invited because of the high overhead required to establish interagency agreements. The project officials stated their belief that the considerable amount of staff time required for managing the cross-agency approach to funding could be more effectively used carrying out the actual work of the project. They also stated that the burden of the administrative overhead to administer agreements made it infeasible to allocate costs fairly among partner agencies.

GovBenefits

Managing partner agency: Department of Labor

Purpose: Provide a single point of access for citizens to locate and determine potential eligibility for government benefits and services.

Funding: Planned funding partner contributions for the GovBenefits initiative were based on a funding plan developed in October 2002 that placed each of the 10 partner agencies, including Labor, into one of three categories based on the anticipated volume of benefit program information each agency would generate for the GovBenefits Web site. The same approach was used in fiscal years 2003 and 2004. As managing partner, Labor contributed the largest share. Table 9 details GovBenefits funding for fiscal years 2003 and 2004.

Table 9: GovBenefits Funding for Fiscal Years 2003–2004

	Fiscal year 2003		Fiscal year 2004		
Funding partner	**Planned**	**Obligated**	**Planned**	**Obligated**	**Comment**
Agriculture	$1,019,000	Same	$1,019,000	Same	
Education[a]	1,019,000	Same	1,019,000	Same	
Energy	491,000	Same	491,000	Same	
Health and Human Services	1,019,000	Same	1,019,000	Same	
Homeland Security	491,000	Same	491,000	0	Planned amount not reflected in OMB passback
Housing and Urban Development	1,019,000	Same	1,019,000	Same	
Labor	2,000,000	Same	4,000,000	Same	
Social Security Administration	1,019,000	Same	1,019,000	Same	
State	755,000	Same	755,000	Same	
Veterans Affairs	1,019,000	Same	1,019,000	Same	
Total	**$9,851,000**	**Same**	**$11,851,000**	**$11,360,000**	

Source: GAO analysis of Labor-provided data.

[a]In addition to its fiscal year 2003 contribution, the Department of Education transferred $500,000 to the GovBenefits initiative to build a Web site for the e-Loans initiative, which is not reflected in the planned or obligated amount.

The GovBenefits initiative received all planned contributions from funding partners in fiscal year 2003. In fiscal year 2004, only one agency, DHS, failed to make its contribution as planned, resulting in a $491,000 shortfall. According to OMB officials, the planned allocation for GovBenefits was erroneously not included in its annual budget guidance to DHS. GovBenefits project officials reported that funding partner agencies transferred funds as soon as memorandums of understanding were agreed upon.

Grants.gov

Managing partner agency: Health and Human Services

Purpose: Create a single portal for all federal grant customers to find, apply for, and ultimately manage grants online.

Funding: Planned contributions for Grants.gov's 11 partner agencies were allocated based on a fiscal year 2002–2004 funding algorithm that classified grant-making agencies by size. In addition to the 11 partner

agency requests, OMB identified development, modernization, and enhancement funds in specific agencies' budgets for Grants.gov funding.[6] Health and Human Services also received contributions in fiscal year 2004 from the Department of Energy and GSA. Table 10 details funding for Grants.gov for fiscal years 2003 and 2004.

Table 10: Grants.gov Funding for Fiscal Years 2003–2004

	Fiscal year 2003			Fiscal year 2004		
Funding partner	**Planned**	**Obligated**	**Comment**	**Planned**	**Obligated**	**Comment**
Agriculture	$450,000	Same		$445,500	Same	
Commerce	450,000	Same		225,000	118,038	NOAA legally restricted from contributing to e-gov initiatives; in-kind resource provided in lieu of full requested amount
Defense	450,000	Same		1,442,000	Same	
Education	1,365,000	Same		855,000	Same	
Health and Human Services	1,365,000	Same		1,902,500	Same	
Homeland Security	450,000	Same		635,000	Same	
Housing and Urban Development	1,365,000	Same		1,076,500	Same	
Justice	910,000	Same		805,000	Same	
Labor	910,000	Same		630,000	Same	
National Science Foundation	910,000	Same		455,000	Same	
Transportation	1,365,000	Same		682,500	Same	
U.S. Agency for International Development	0	N/A		1,132,000	Same	
Total	**$9,990,000**	**Same**		**$10,286,000**	**$10,179,038**	

Source: GAO analysis of data provided by Health and Human Services.

[6]The agencies that contributed development, modernization, and enhancement funds included the Departments of Agriculture, Defense, Education, Health and Human Services, Homeland Security, Housing and Urban Development, Labor, and Justice and the U.S. Agency for International Development.

Note: The table reflects agency contributions allocated by year, but these were not necessarily provided during that year. For example, the National Science Foundation provided its entire fiscal year 2002–2004 contribution in fiscal year 2002. Most Grants.gov partners provided funding in one fiscal year that covered more than one fiscal year.

In addition, Grants.gov received funding of $799,800 in fiscal year 2004 from nonpartner agencies. These funds consisted of $262,000 from the Department of Energy and $537,800 from the GSA.

Grants.gov received all of its planned partner contributions from its funding partner agencies in fiscal year 2003. In fiscal year 2004, Grants.gov received almost all of its planned partner contributions from its funding partner agencies; the exception was Commerce, because of the appropriations bill restriction on NOAA contributing funds to e-gov initiatives. Commerce contributed in-kind resources in lieu of the full requested funds in fiscal year 2004.

Integrated Acquisition Environment (IAE)

Managing partner agency: General Services Administration

Purpose: Create a secure business environment that will facilitate and support the cost-effective acquisition of goods and services by agencies, while eliminating inefficiencies in the current acquisition environment.

Funding: In addition to funding from GSA's General Supply Fund, the IAE initiative relied on monetary contributions from partner agencies in fiscal years 2003 and 2004. Planned contributions were allocated based on each agency's procurement volume as reported in the Federal Procurement Data System. Table 11 details funding for the IAE initiative for fiscal years 2003 and 2004.

Table 11: Integrated Acquisition Environment Partner Contributions for Fiscal Years 2003–2004

	Fiscal year 2003			Fiscal year 2004		
Funding partner	Planned	Obligated	Comment	Planned	Obligated	Comment
Agriculture	$635,334	$740,000		$759,909	Same	
Broadcasting Board of Governors	6,868	0	Decision made not to pursue funding	0	N/A	
Commerce	205,196	204,997		245,229	129,385	NOAA legally restricted from contributing to e-gov initiatives
Defense	8,585,596	Same		14,652,000	8,083,000	Negotiated reduction; in-kind resources provided in lieu of full requested amount
Education	79,846	Same		95,000	Same	

Funding partner	Fiscal year 2003			Fiscal year 2004		
	Planned	Obligated	Comment	Planned	Obligated	Comment
Energy	4,792,480	93,000	Planned amount not reflected in OMB passback	5,344,555	95,000	Planned amount not reflected in OMB passback
Environmental Protection Agency	190,600	Same		228,000	Same	
Equal Employment Opportunity Commission	4,293	0	Decision not to pursue funding	0	N/A	
Executive Office of the President	2,576	0	Decision not to pursue funding	0	N/A	
Federal Emergency Management Agency (FEMA)	26,615	0	FEMA transfer to DHS in fiscal year 2003; unpaid amount included in DHS's fiscal year 2004 request	0	N/A	
General Services Administration	3,250,507	Same		3,869,486	Same	
Health and Human Services	794,168	Same		953,000	Same	
Homeland Security	0	206,910	Coast Guard contribution (moved from Transportation to DHS in fiscal year 2003)	944,090	1,181,000	
Housing and Urban Development	66,968	Same		81,000	Same	
Interior	371,756	Same		446,000	Same	
Justice	734,068	Same		556,492	Same	
Labor	240,397	Same		288,000	Same	
National Aeronautics and Space Administration	2,729,361	2,120,000	Negotiated reduction; agency did not have enough funds available	2,183,104	Same	
National Archives and Records Administration	4,293	Same		0	N/A	
National Science Foundation	15,454	Same		18,000	Same	

Funding partner	Fiscal year 2003			Fiscal year 2004		
	Planned	Obligated	Comment	Planned	Obligated	Comment
Nuclear Regulatory Commission	6,868	0	Agency restriction on spending funds on development	8,000	Same	
Office of Personnel Management	24,040	Same		29,000	Same	
Peace Corps	2,576	Same	Decision made to not pursue funding in subsequent year	0	N/A	
Securities and Exchange Commission	2,576	0	Decision made to not pursue funding	0	N/A	
Small Business Administration	6,010	Same		7,000	Same	
Smithsonian Institution	8,586	0	Decision made to not pursue funding	0	N/A	
Social Security Administration	95,300	Same		57,217	Same	
State	364,888	Same		438,000	Same	
Transportation	418,119	181,830	Coast Guard and Transportation Security Administration moved to DHS in fiscal year 2003; Coast Guard contribution was made apart from Transportation, unpaid TSA amount was included in DHS fiscal year 2004 request	171,514	Same	
Treasury	557,205	Same		443,280	Same	
U.S. Agency for International Development	65,251	Same		78,000	Same	
Veterans Affairs	1,510,206	Same		1,812,000	Same	
Total	**$25,798,001**	**$20,505,866**		**$33,707,876**	**$22,010,387**	

Source: GAO analysis of GSA-provided data.

IAE project officials reported that for fiscal years 2003 and 2004, the Department of Energy contribution was lower than the planned amount because of an error by OMB that assessed the Department of Energy the

same amount as the Department of Education (the two departments have similar abbreviations). This resulted in nearly a $10 million shortfall over fiscal years 2003 and 2004. Officials reported that this indirectly impacted the initiative and reported that several applications were postponed and are now indefinite because the funds were not available at that time. In fiscal year 2004, remaining shortfalls from the planned amount represented negotiated reductions. For example, as reported by both IAE and DOD officials, DOD contributed less than the planned amount, instead providing in-kind support (e.g., staff time and existing IT resources) for project activities. Commerce's fiscal year 2004 shortfall was again attributable to the fiscal year 2004 appropriations bill language that prohibited NOAA from contributing to any of the e-gov initiatives.

GSA officials reported that continuing resolutions and "red-tape" issues such as paperwork and lost documents prolonged the transfer of funds. Specifically noted was the administrative burden on both the managing and funding partner agencies in crafting interagency agreements. Although in fiscal year 2003, requests were made from the smaller agencies (including the Broadcasting Board of Governments, the Equal Employment Opportunity Commission, the Executive Office of the President, the Securities and Exchange Commission, the Smithsonian Institution, and the Peace Corps), only the Peace Corps made its requested contribution. The IAE project manager reported that a decision was made that the administrative costs to process the memorandum of understanding and funding requests could not be offset by the funds collected and therefore fiscal year 2003 contributions were not pursued and funds were not sought from these agencies in fiscal year 2004.

Project SAFECOM

Managing partner agency: Department of Homeland Security

Purpose: Serve as the umbrella program within the federal government to help local, tribal, state, and federal public safety agencies improve public safety response through more effective and efficient interoperable wireless communications.

Funding: According to SAFECOM project officials, contributions were determined by OMB and communicated through budget passback instructions. Table 12 summarizes funding for fiscal years 2003 and 2004.

Table 12: Project SAFECOM Funding for Fiscal Years 2003–2004

	Fiscal year 2003			Fiscal year 2004		
Funding partner	**Planned**	**Obligated**	**Comment**	**Planned**	**Obligated**	**Comment**
Agriculture	$1,431,000	Same		$1,520,000	Same	
Defense	3,345,000	Same		1,770,000	Same	
Energy	1,431,000	Same		1,430,000	Same	
Federal Emergency Management Agency (FEMA)	3,435,000	0	FEMA transfer to DHS in fiscal year 2003; unpaid amount was not re-requested in fiscal year 2004	0	N/A	
Health and Human Services	1,431,000	Same		1,520,000	Same	
Homeland Security	0	N/A		12,520,000	Same	
Interior	1,431,000	0	President's fiscal year 2003 budget did not include Interior funding; amount re-requested in fiscal year 2004, still unpaid	2,951,000	0	Reprogramming request denied
Justice	9,485,000	0	Reprogramming request denied by Congress; negotiated a reduced amount to be paid in fiscal year 2004	4,312,000	Same	
Transportation	3,435,000	0	Transportation Security Administration transfer to DHS in fiscal year 2003; unpaid amount was not re-requested in fiscal year 2004	0	N/A	
Treasury	9,485,000	9,500,000		0	N/A	
Total	**$34,909,000**	**$17,138,000**		**$26,023,000**	**$23,072,000**	

Source: GAO analysis of DHS-provided data.

SAFECOM officials reported experiencing shortfalls and receiving funds from partner agencies late in the fiscal year. As we previously reported, SAFECOM has been managed by three different agencies since its inception.[7] In fiscal year 2003, SAFECOM received only about $17 million of the $34.9 million OMB had allocated as contributions from funding partners. According to program officials, these shortfalls resulted from two major causes: (1) the inability of the Departments of Justice and the Interior to obtain congressional approval to reprogram funds from other accounts and (2) the impact of organizational realignments associated

[7]GAO, *Project SAFECOM: Key Cross-Agency Emergency Communications Effort Requires Stronger Collaboration*, GAO-04-494 (Washington, D.C.: Apr. 16, 2004).

with the creation of DHS in fiscal year 2003. SAFECOM officials reported that the shortfall experienced in fiscal year 2003 resulted in delays in the development of the standards and architecture efforts related to communications interoperability. For example, the timeline of the National Baseline Methodology and Assessment of communications interoperability was extended until sufficient funding was available. According to agency officials, Justice was not authorized to reprogram funds and negotiated to provide its fiscal year 2003 allocation in fiscal year 2004. The total amount contributed was a reduced amount negotiated with OMB. Although SAFECOM re-requested Interior's unpaid fiscal year 2003 contribution in addition to its fiscal year 2004 allocation, Interior officials reported that their reprogramming request was denied. According to DHS officials, fiscal year 2003 unpaid amounts from FEMA and the Transportation Security Administration were not re-requested in fiscal year 2004 at the direction of the DHS Under Secretary for Management.

SAFECOM officials also reported that in fiscal year 2004, they were unable to collect funding resources in a timely manner because of enactment of the fiscal year 2004 appropriation bill late in the fiscal year. Project officials reported that this affected the initiative's progress by delaying start dates for certain tasks and creating breaks in project service and performance.

Recreation One-Stop

Managing partner agency: Department of the Interior

Purpose: Provide a single-point-of-access, user-friendly, Web-based resource to citizens, offering information and access to government recreational sites.

Funding: The Recreation One-Stop initiative relied on monetary contributions from four partner agencies, including Interior, in fiscal years 2003 and 2004. Additionally, the initiative received $800,000 from the E-Government Fund[8] in fiscal year 2003. According to project officials, Recreation One-Stop partners agreed that agencies receiving major benefits from the initiative would contribute $50,000 annually, and agencies receiving fewer benefits would contribute $25,000 annually, with

[8]Title I, Section 101 of the E-Government Act of 2002 (Section 3604 of Title 44) establishes the E-Government Fund, which is to be used to support projects that enable the federal government to expand its ability to conduct activities electronically.

the managing partner contributing a larger share. Table 13 details contributions for fiscal years 2003 and 2004.

Table 13: Recreation One-Stop Funding for Fiscal Years 2003–2004

	Fiscal year[a] 2003		Fiscal year 2004	
Funding partner	**Planned**	**Obligated**	**Planned**	**Obligated**
Agriculture	$50,000	Same	$50,000[a]	Same
Defense (Corps of Engineers)	50,000	Same	50,000	Same
Interior	200,000	Same	200,000	Same
Smithsonian Institution	25,000	Same	25,000	Same
Total	**$325,000**	**Same**	**$325,000**	**Same**

Source: GAO analysis of Interior-provided data.

Note: Recreation One-Stop also received $800,000 from the E-Government Fund in fiscal year 2003.

[a]USDA's Forest Service directly paid for a Recreation One-Stop activity, in lieu of funds coming through the managing partner.

Recreation One-Stop officials reported that all fiscal year 2003 and 2004 planned contributions had been received; however, officials noted that the logistics of transferring funds according to agency-specific procedures was time-consuming, and as a result funding requests from "minor partners" were eliminated for fiscal year 2006.

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