

## 9. INTEGRATING SERVICES WITH INFORMATION TECHNOLOGY

This year, the President is proposing to spend about \$64 billion for Information Technology (IT) and associated support services to deliver results for the American people, providing timely and accurate information to citizens and Government decision makers while ensuring security and privacy.

As one of the largest users and acquirers of data, information and supporting technology systems in the world, the United States Government will continue its

efforts to strengthen our capabilities in managing technology and information in order to be the world's leader in information technology. Departments and agencies are determined to build upon past success including their experience with enterprise architecture and to apply new principles and methods such as earned value management (EVM) to achieve greater savings, better results and improved customer service levels.

### ACHIEVING RESULTS

The Federal Government continues to deliver results through the adoption of electronic government management principles and best practices for the implementation of information technology. Departments and agencies are focused on:

- Improving service levels to citizens and Government decision makers;
- Making better purchasing decisions;
- Securing our systems and data; and
- Reducing duplication and related costs.

With these goals in mind, the Federal departments and agencies are fulfilling the goals of the Clinger-Cohen Act of 1996. This Act also requires the Director of the Office of Management and Budget (OMB) to submit an annual report to the Congress on the results we are achieving from Federal IT spending. This Budget chapter and Table 9-1, "Effectiveness of Agency's IT Management and E-Gov Processes," included on the CD-ROM, fulfill the statutory reporting requirement. Other management guidance provided to Federal departments and agencies is included on Table 9-2, "Management Guidance," and is available at [www.whitehouse.gov/OMB/memoranda](http://www.whitehouse.gov/OMB/memoranda).

*Government Performance.*—The Federal Government has shown improvement over the last year in achieving the goals specifically included in the President's Management Agenda, the Expanded Electronic Government initiative. For example, each IT investment must have specific performance targets tied to a specific significant benefits for our citizens and performance must be defined, valued and delivered in terms of measurable outcomes.

The Federal departments and agencies continue to improve in their efforts to guarantee success and results for the taxpayer. The Administration continues to monitor the performance of its IT investments. With the release of the FY 2006 President's Budget, there were 342 major projects representing about \$15 billion on the "Management Watch List," i.e., those project justifications needing improvement in performance measurement, earned value management or system se-

curity. Before the start of the fiscal year, agencies were directed to remedy the shortfalls identified prior to expending funds. The agencies have worked to correct the weaknesses or have put measures in place to monitor the progress of the project. If a project is still on the "Management Watch List," agencies must describe their plans to manage or mitigate risk before undertaking or continuing that project. As of September 30, 2005, 84 percent of the agencies (21 of 25) had acceptable FY 2006 business cases. As a result, from last year's "Management Watch List," only 19 business cases, valued in FY 2006 at \$314.5 million from four agencies remain. As of the printing of this budget, 263 of 857 projects valued at \$9.9 billion are on the "Management Watch List." These projects still need to address performance measures, implementation of earned value management, security or other issues before obligating funding in FY 2007.

The Report on Information Technology (IT) Spending for the Federal Government (Exhibit 53) located at [www.whitehouse.gov/OMB](http://www.whitehouse.gov/OMB), provides details of the Administration's proposed 2007 IT investments. Related documents on IT security and Electronic Government (E-Government) will also be available at [www.whitehouse.gov/OMB](http://www.whitehouse.gov/OMB) and will be published by March 1, 2006.

Since the Administration's guidance on capital assets has not changed from FY 2005 through FY 2007, investments were studied for trends and potential duplications across Government entities. At about \$64 billion, the 2007 Federal IT portfolio represents nearly a 3 percent increase over the FY 2006 President's Budget (see July 2005, Update to the Report on Information Technology (IT) Spending for the Federal Government (Exhibit 53) located at [www.whitehouse.gov/OMB](http://www.whitehouse.gov/OMB).) The following represents the highlights:

	FY 2005	FY 2006	FY 2007	Percent Change
Major IT Investments .....	1,130	1,087	857	-21%
Not Well Planned and Managed <sup>2</sup> .....	745	358	263	-27%
Well Planned and Managed .....	385	682	594	-13%

	FY 2005	FY 2006	FY 2007	Percent Change <sup>1</sup>
(Value in millions)				
Major IT Investments .....	\$32,341	\$40,979	\$36,999	-10%
Not Well Planned and Managed <sup>2</sup> .....	\$23,863	\$16,218	\$9,938	-39%
Well Planned and Managed .....	\$8,478	\$24,761	\$27,061	9%

<sup>1</sup> Change from FY 2006 to FY 2007.

<sup>2</sup> Reflects investments on Management Watch List as well as those rated Unacceptable.

In reviewing the overall IT portfolio, the trend of decreasing major IT investments is attributed to departments' and agencies' efforts to better manage their Capital Planning and Investment Control (CPIC) process in conformance with their enterprise architectures. Although the trend may indicate a problem, the maturing CPIC processes provide for greater oversight and evaluation of the investments achieving and/or addressing intended results by departments' and agencies' Chief Information Officers. This oversight and understanding allows for changes in the IT portfolio to address mission priorities, consolidation and elimination of redundant investments.

The Administration continues its oversight to ensure the American taxpayer's dollars are being invested wisely. This oversight includes analysis of overlapping or duplicative IT investments as well as high risk projects. Avoiding duplication is one of the four principal criteria agencies must report on high risk projects as included in OMB's Memorandum M-05-23, "Improving Information Technology Project Planning and Execution," dated August 4, 2005.

The other three criteria are:

- establishing and validating baselines with clear goals;
- managing and measuring projects to within 10% of baseline goals using earned value management; and
- having a qualified project manager.

Agencies work with OMB to identify high-risk projects (those requiring special attention from oversight authorities and the highest level of agency management) and report on them quarterly to OMB. As a result, oversight authorities and agency management now have data on how these projects are performing at least quarterly to ensure improved execution and performance. OMB is working with the agencies to implement corrective actions in cases where a project did not meet one or more of the four principal criteria.

When duplication across Federal agencies has been identified, the Administration has an ongoing process, through inter-agency taskforces, to bring together the appropriate agencies and help them to consider broad-based approaches to promote inter-agency data sharing and cooperation in building common solutions, rather than maintaining separate investments. Upon migration to common, Government-wide solutions, agencies will shut down redundant systems which will not only save money but also free-up resources for agencies to better focus on achieving their missions. These inter-agency taskforces focus on the agency Lines of Business

(LoB) rather than a specific technology or investment. In FY 2006, there was significant progress made on six LoB efforts. These are:

- Case Management
- Federal Health Architecture
- Financial Management
- Human Resources Management
- Grants Management
- Information System Security

*Case Management.*—The Department of Justice with the Department of Homeland Security developed the business and architectural solution for sharing investigative case management information. The work will continue this year under the leadership of the Department of Justice to ensure the solution is applicable Government-wide to improve the effectiveness and efficiency of sharing information for law enforcement, investigation and civil and criminal litigation case management.

*Federal Health Architecture (FHA).*—The Department of Health and Human Services (HHS) continues to work through the Office of the National Coordinator for Health Information Technology (ONCHIT). In October 2005, the American Health Information Community (AHIC) was established by the Secretary of HHS. The AHIC comprises representation from the private sector, industry, State and local government, and the Federal Government, and will advise the Secretary of HHS on health information technology issues. A total of \$5.5 billion for health information technology is being requested for FY07, a slight increase from the FY2006 request of \$5.4 billion.

Throughout the coming year, the Administration will continue to focus on the improvement of the quality and efficiency of health care by ensuring the appropriate steps are taken to eventually enable Federal health information technology systems to share health information amongst Federal agencies, with the private sector, and with other governmental entities. Specifically, the Administration will focus on the areas of standards implementation, additional standards development and harmonization, alignment of agency investments, and increased interoperability.

*Financial Management (FM) and Human Resources Management (HR).*—As part of the FY 2006 budget process, OMB designated the following agencies as LoB service provider candidates, capable of entering into competitions for servicing interested Federal agencies:

- FM: GSA, Interior, Treasury, and Transportation
- HR: USDA, Interior, Treasury, HHS, and DOD

This year, these departments and agencies will focus on agency migrations and on fulfilling the promise of service providers to realize economies of scale and improved service delivery to customer agencies. Agencies will continue to use their existing legacy systems for the remainder of their system life cycle. At the point when an agency needs to replace or upgrade their HR or FM system, they will migrate to service providers. Although there were additional requests by departments and agencies to become cross-agency service pro-

viders, the Administration has not expanded the list of potential providers beyond the original service providers selected last year.

*Grants Management.*—Currently, more than 900 programs in over 26 grant-making agencies provide \$526 billion annually in Federal financial assistance. The evolution of grants management processes and systems has largely happened in a decentralized manner resulting in highly stove-piped operations. The cross-agency team identified a “consortia-based” approach to implementation and developed a process for forming consortia and agencies participating in consortia as members. The consortia approach aligns agency work teams (consortia) around shared business interests. Each consortium provides planning, leadership, business, and program direction with the goal of defining a common solution to meet its members’ needs. The target operating model states the grants management community will process grants in a decentralized way using common business processes supported by shared technical support services and estimates savings of more than \$2.4 billion can be expected between FY 2008 through FY 2015 through this consortia approach. To realize these benefits and cost savings, the Administration asked the taskforce for recommendations for agencies with the skills and capabilities to function as a Consortium Provider. The recommendations were evaluated similarly to the financial management and human resources cross-agency service providers assessing past performance, current capabilities and ability to operate a customer-focused organization. On the basis of the review, the following agencies were designated as eligible to be grants management consortia providers:

- Department of Education
- Department of Health and Human Services
- National Science Foundation

This year, the consortia providers will develop the infrastructure and capabilities necessary to cross-serve other agencies including fee-for-service models with performance metrics.

*Information Systems Security.*—The cross-agency taskforce analyzed commonly used IT security processes and controls in an effort to identify the extent to which consolidation opportunities existed in the Federal Government. Their analysis indicated more than 25 percent (\$1.4 billion) of the overall funds (\$4.5 billion in FY 2006 up from \$4.2 billion in FY 2005) go towards implementing four common processes—training, reporting, incident response and evaluating and selecting security products and services. The taskforce identified common solutions to be shared across Government and developed a joint business case outlining a general concept of operations with overall milestones and budget estimates. The Administration asked all agencies to submit proposals to either become a service provider for other agencies, or migrate to another agency from which they would acquire expert security services. Upon reviewing the proposals, the Administration will select the service providers for training and reporting during FY 2006 in conjunction with the Department of Homeland Security,

who is continuing to serve as the program manager for this effort and will work with those agencies proposing to become service centers to bring greater clarity to their proposals. The taskforce will continue to explore the establishment of security centers of excellence in areas of incident response and evaluating and selecting products and processes.

With this President’s Budget, the Administration plans to establish the following new LoBs:

- *IT Infrastructure.*—to further refine the opportunities for IT infrastructure consolidation and optimization and develop Government-wide common solutions. The LoB taskforce will define specific common performance measures for service levels and costs, identify best practices and develop guidance for transition plans within agencies and/or across agencies for activities such as IPv6. Consolidation and optimization of IT infrastructure represents a significant opportunity for future cost savings. Based on industry benchmarks and analysis of agencies’ FY07 IT budget submissions, the Federal Government could potentially save between 16 percent and 27 percent annually on its IT infrastructure budget and between \$18 billion and \$29 billion over 10 years by taking a more coordinated approach to spending on commodity IT infrastructure, such as help desks, data centers, and telecommunications. IT infrastructure consolidation and optimization case studies also demonstrate agencies could improve IT service levels and, when relieved of the burden of managing these non-core functions, can concentrate more on mission priorities and results.
- *Geospatial.*—to identify opportunities for optimizing and consolidating Federal geospatial-related investments to reduce the cost of Government and improve services to citizens through business performance improvements. The LoB taskforce will analyze cost benefits, alternatives and risks, define roles and responsibilities, expected outcomes, performance measures, milestones, and timelines. The Federal Geographic Data Committee will continue to develop the National Spatial Data Infrastructure and full implementation will require Federal agencies to play a critical role; therefore, the establishment of the Geospatial LoB will ensure sustainable business model for Federal partners to establish a sustainable business model for Federal partners to collaborate on geospatial-related activities and investments.
- *Budgeting.*—to build toward a “budget of the future” employing standards and technologies for electronic information exchange to link budget, execution, performance, and financial information throughout all phases of the annual budget formulation and execution cycle. As first outlined in the FY 2004 Report to Congress on Implementation of the E-Government Act of 2002, the LoB taskforce will identify opportunities for common

solutions and automated tools to enhance agency and central budget processes. It will also:

- Promote integration and standardize information exchange between budget formulation, execution, financial management, and performance measurement systems and activities across Government;
- Institutionalize Budget and Performance Integration, including aligning programs and their outputs and outcomes with budget levels and actual costs; and
- Provide Government with enhanced capabilities for analyzing budget, performance, and financial information.

The Administration continues to leverage Government buying power while reducing redundant purchases through the SmartBUY program. Launched in June 2003, the SmartBUY program continues to provide increased cost avoidance savings to Federal agencies through new and existing agreements with commercial software providers. In FY 2005, the Federal Government signed a SmartBUY agreement with Oracle Inc. which provides a mandatory contract vehicle for all agencies purchasing Oracle database and database with security software products. The Federal Government has achieved avoidance of \$174.8 million in the first six months of the contract alone. The SmartBUY Office continues to manage four agreements. The Administration anticipates the establishment of a new agreement in Spring 2006 with Antivirus software developers and will continue to identify and develop new agreements throughout the year.

*Government IT Workforce.*—Qualified Federal IT Project Managers with skilled interdisciplinary teams are the first line of defense against the cost overruns, schedule slippages, poor performance, and weakened security which threaten agencies’ ability to deliver efficient and effective services to citizens.

On April 15, 2005, the Administration requested agencies to develop and submit to OMB plans for closing important IT skill and competency gaps. (Memorandum to the President’s Management Council from Deputy Director for Management, “Human Capital Planning for the IT Workforce”) The Chief Information Officers (CIO) Council identified IT Project Management, IT Architecture (Enterprise and Solutions), and IT Security as job activities important at the Federal level due to their direct contribution to fulfilling the E-Government element of the President’s Management Agenda. Agency plans were submitted to OMB on August 30, 2005. The following chart highlights the current and planned staffing as submitted to OMB:

	# of Positions on Board	FY 2006 # of Positions to be Filled
IT Project Management .....	4,618.95	599.95
IT Security .....	9,030.40	488.47
IT Architecture (Enterprise) .....	1,168.67	179.80
IT Architecture (Solutions) .....	941.70	148.03
Total .....	15,759.72	1,416.25

Across all job areas, the most frequently occurring skill and competency gaps were:

- *Federal/OMB Enterprise Architecture*—Activities related to the business-based framework developed by OMB for Government-wide improvement;
- *Risk Management*—Knowledge of methods and tools used for risk assessment and mitigation of risk;
- *Standards*—Knowledge of standards which are either compliant with or derived from established standards or guidelines;
- *Process Design*—Activities related to the strategic establishment of the flow of information, control or materials from one activity to another;
- *Systems Analysis and Design*.—Activities related to the design, specification, feasibility, cost, and implementation of a computer system for business. Knowledge of the development and implementation process, metrics and tools for analysis, design and project management, quality factors and post evaluation techniques.

Although agencies are reporting gaps in the Enterprise Architecture (EA) job areas, a review of agency EA’s indicates much progress has been made in EA Government-wide compensating for this skill gap through contractor support services. This is evidenced by all agencies having an effective EA (average evaluation of the EA section of the FY 2007 Business cases is 3.33 of 5) as assessed by OMB.

While agencies reported on their Exhibit 53’s more than 70% of major IT investments as having a qualified project manager, there continue to be gaps in project management capabilities. In many cases, a project manager supports multiple investments, diminishing their effectiveness. Across the FY 2007 Business Cases, the average evaluation of the Project Management section is 3.21 (with a “3” defined as much work remains in order for Project Management to manage the risk of this project).

Agencies are addressing Project Management issues in several ways including additional training, mentoring, development of Communities of Practice, skills incentive programs, efforts to increase retention of staff, and increased recruiting efforts. Agency plans indicate in FY 2006 an overwhelming majority of these positions present a Medium or High risk to the agency of not being able to accomplish mission objectives (such as delivering critical functionality on schedule and within budget). Given competing budgetary priorities, the Administration will focus IT staffing efforts on job areas not demonstrating adequate results. As such, the agencies will, within agencies’ funding levels, prioritize the hiring of IT Project Management positions rather than EA positions where possible. This prioritization of staffing allows agencies to make efficient use of resources while improving the quality of agency Project Management.

Going forward, the Administration will measure agency progress in further strengthening IT management—both in terms of hiring progress as well as train-

ing, mentoring, development of skills incentive programs, etc.—on a quarterly basis to inform PMA Scorecard decisions and reflected in the Human Capital Scorecard requirement.

Other initiatives sponsored or organized by the Office of Personnel Management, the General Services Administration, and the CIO Council further strengthen the Federal information technology workforce and ensure agencies can achieve their mission. An IT Quarterly Forum convenes to discuss and share promising practices regarding information technology initiatives. A partnership between CIO University and seven universities graduated over 600 students trained in Federal information technology management. Finally, the Scholarship for Service (Cyber Corps) Program provides more than 300 student scholarships and paid internships working on information security at agencies.

*Securing Government Systems.*—The Federal Government continues to improve the identification and resolution of long-standing, serious, and pervasive IT security problems. Agencies report quarterly on their efforts to address IT security weaknesses against key IT security performance measures.

The 2005 agency Federal Information Security Management Act (FISMA) reports reveal increased attention and progress in the area of system certification and accreditation. In FY 2005, the percentage of certified and accredited systems rose from 77 percent to 85 percent. In addition, overall quality of the certification and accreditation processes at agencies increased, with over two-thirds of the agencies having a process in place rated as “satisfactory” or better by the Inspector General (IG). To complement the certification and accreditation process, over 75 percent of agencies can demonstrate they have an effective process in place for identifying and correcting weaknesses.

Several agencies have made outstanding progress in FY 2005. For example, the Department of Defense moved from 58 percent to 82 percent of systems certified and accredited and the Department of Veterans Affairs improved from 14 percent to 100 percent.

The overall security status and progress in percentage of systems, from FY 2002 to FY 2005, is as follows:

	FY 2002	FY 2003	FY 2004	FY 2005
Effective Security and Privacy Controls (C&A) .....	47%	62%	77%	85%
Tested Contingency Plans .....	35%	48%	57%	60%
Total Systems reported .....	7,957	7,998	8,623	10,289

The number of agencies where the IG has verified the process exists to remediate IT security weaknesses (POA&M):

FY 2002 .....	N/A (was not required in until FY 2003)
FY 2003 .....	12
FY 2004 .....	18
FY 2005 .....	19

While notable progress in resolving IT security weaknesses has been made, challenges remain and new threats and vulnerabilities continue to materialize. Additional information and detail concerning the Federal

Government’s IT security program and agency IT security performance can be found in OMB’s Annual Report to Congress on IT Security. The next such report will be issued by March 1, 2006 and will be made available on OMB’s website.

*Initiative to Secure Federal Information Systems and Facilities.*—Inconsistent agency approaches to facility security and computer security are inefficient and costly, and increase risks to the Federal Government. On August 27, 2004 the President signed Homeland Security Presidential Directive (HSPD) 12, “Policy for a Common Identification Standard for Federal Employees and Contractors,” which requires agencies to implement a mandatory, Government-wide standard for secure and reliable forms of identification for Federal employees and contractors. HSPD–12 requires a complex deployment on an accelerated time table. During FY 2006–FY 2008, agencies are required to complete issuance of these IDs to all applicable employees and contractors and install infrastructure to use them.

*Protecting Privacy.*—OMB instituted several important measures for privacy management this fiscal year. On February 11, 2005, OMB’s Memorandum M–05–08, “Designation of Senior Agency Officials for Privacy,” requesting each executive department and agency to identify a Senior Agency Official for Privacy to assume overall responsibility and accountability for ensuring the agency’s compliance with privacy law and policy. The Administration requested the Senior Agency Officials for Privacy across Government to assume responsibility for coordinating their agencies’ responses on the FISMA privacy template. Finally, privacy has been added to the “maintaining green” criteria of the Expanded Electronic Government element of the President’s Management Agenda.

*Making Government Accessible to All.*—The efficient, effective, and appropriately consistent use of Federal agency public websites is important to promote a more citizen centered Government. Federal agency public websites are information resources funded by the Federal Government and operated by an agency, contractor, or other organization on behalf of the agency. They present Government information or provide services to the public or a specific non-Federal user group and support the proper performance of an agency function.

Cost-effective and consistent access to and dissemination of Government information is essential to promote a more citizen-centered Government. The Administration’s recent guidance identifies procedures to organize and categorize information and make it searchable across agencies to improve public access and dissemination, discusses using the Federal Enterprise Architecture Data Reference Model (DRM), and reminds agencies of the breadth of their existing responsibilities primarily related to information access and dissemination.

Agencies are managing innovative information dissemination programs for their own agency information and services. While agencies remain ultimately responsible for disseminating their own information, they are working collaboratively to provide access to the public

and are taking advantage of a variety of dissemination channels. Consequently, Federal information is disseminated by Federal agencies as well as diverse nonfederal parties, including State and local government agencies, for-profit organizations, and educational and other not-for-profit organizations such as libraries and community centers. These dissemination channels also aid the public in accessing Federal information and services by providing the skills, knowledge, and training for citizens to access various information resources (see <http://www.whitehouse.gov/omb/inforeg/section—213—report—04-2005.pdf>).

The Federal Government continues to ensure electronic information technology is accessible to people with disabilities as required by Section 508 of the Rehabilitation Act of 1973. The creation of the Buy Acces-

sible Wizard, a web-based application developed by the General Services Administration, helps agencies determine relevance, applicability, and compliance to Section 508 when managing electronic and information technology products and services. The application helps Federal program managers to consistently and correctly apply the Federal Acquisition Regulation to their market research. In April 2005, the Civilian Agency Acquisition Council and the Defense Agency Acquisition Council published a final rule requiring micro purchase to comply with the requirements of Section 508. Micro purchases were previously exempt from these requirements to give agencies time to update purchase card training modules on the 508 requirements and implement necessary training. Free on-line training is available at <http://www.section508.gov>.

### SUCCESSFULLY USING ELECTRONIC GOVERNMENT

The departments and agencies continue to seek to leverage information technologies to make Government services available to the citizen while ensuring security of those systems, the privacy of the citizen information and the prudent use of taxpayer money. E-Government is about providing direct and measurable results supporting departments' and agencies' mission and goals. For departments and agencies, the benefits must far outweigh the cost of implementation. In the coming months, the Presidential E-Government initiatives graduate from development and implementation phases to mature service offerings supported by service fees. Increased agency adoption and customer utilization will become the primary measures of success. The expanded availability of Government information and the utilization of an increased percentage of transactions between the Federal Government and citizens will be measured, where appropriate.

Examples of how the tenets of E-Government are helping to deliver services to the citizen and make the Government more effective include:

The Department of Interior (DOI) has the responsibility to manage federally owned resources, protect the environment, prevent, detect, and investigate criminal activity and manage visitor use and protection programs. The Incident Management Analysis and Reporting System (IMARS) provides a Department-wide information collection, analysis, and reporting system for incident information, which are defined as any occurrence requiring documentation.

Currently, it is not possible to query and analyze incidents across multiple National Park Service (NPS) parks or other DOI Bureaus. The new system aggregates and disseminates incident information, improving DOI's ability to prevent, detect, and investigate criminal activity, and thereby aid in protecting the public, as well as natural and cultural resources. The system also helps DOI to prioritize protection efforts and complete reports required to evaluate agency programs and services.

An advisory council insures the requirements of DOI bureaus are included. The Council includes representatives from non-law enforcement subject areas, as well as the NPS, the Bureau of Reclamation, Fish and Wildlife Service, the Bureau of Indian Affairs, and the Bureau of Land Management. The system will also interface with criminal information sharing networks at other Federal, State, and local governments. Information on the system is accessible to those who are disabled, and resources are available to answer questions or provide assistance when necessary. Services and information disseminated by the system can also be provided in alternative media as well.

The timeliness and number of successfully adjudicated cases, as well as the number of illegal incidents leading to damage or loss to Federal or private property located on DOI lands or areas of interest are key performance indicators demonstrating the impact of the system on agency programs and services. The system will reduce operational costs by replacing and integrating isolated law enforcement efforts into a centralized and common infrastructure, and eliminate the need for duplicative technologies and training.

*The Department of Education* has improved mission critical internal processes by developing an online e-monitoring system to provide grant monitoring functionality for Department staff. The system allows all Department users, across multiple agencies, access to essential grant management information. The application enhances the Department's ability to effectively manage grants by improving the efficiency of the Department's grant processing. For example, the system allows users to analyze budget and financial summary data over the lifecycle of the grant, as well as monitor, track, and report grant status and trends. The system also aids in grants processing by allowing users to reassign grants for review and receive notice of inadequate and excessive grant drawdown.

While the initiative is designed to assist Department employees in monitoring recipients of Department grants, and is not used by external partners, it does

improve the Department's interaction and communication with external partners and grantees. For example, the system allows users to log email, phone or mail communications of any given grant, as well as print mailing labels and send bulk emails to aid in information dissemination. Performance agreements of applicable Department employees required use of the system, reinforcing the importance of the initiative.

The system has been implemented in one program office, and there are plans to roll out the tool to other Department program offices over the next year. The system will be evaluated to assess performance and impact on improving the agency mission, and the Department is establishing performance measures (includ-

ing cost savings and avoidance) based on baseline data collected this year.

The Administration continues the focus of the department and agency specific services towards citizen-centered services. Overall funding for the President's E-Government initiatives has reduced annually since FY 2004 as the initiatives have met their milestones and have become incorporated into the daily operations of Federal departments and agencies. This reduction has come as result of moving the initiatives to fee-for-service models where appropriate, thereby eliminating the need for agency contributions. Chapter 9, Table 9-3, "Status of the Presidential E-Government Initiatives," included on the CD-ROM, provides an update for each project.

### LOOKING AHEAD—MORE RESULTS

Current Federal Government initiatives inclusive of the President's E-Government initiatives augmented by the current analysis of the LoBs will increase the requirement for departments and agencies to facilitate a change from a "closed" agency technical architecture to an interoperable Federal architecture. In order for the departments and agencies to overcome technical limitations arising from this need to interoperate and support emerging requirements and technologies, the Administration set June 2008 as the date by which all agencies' infrastructure (network backbones) must be using IPv6 and agency networks must interface with this infrastructure. In August 2005, OMB issued guidance to agencies in Memorandum M-05-22, "Transition Planning to Internet Protocol Version 6 (IPv6)," to ensure an orderly and secure transition from Internet Protocol Version 4 (IPv4) to Version 6 (IPv6). Since the Internet Protocol is core to an agency's IT infrastructure, beginning in February 2006, the Administration will use the Enterprise Architecture Assessment Framework to evaluate agency IPv6 transition planning and progress, IP device inventory completeness, and impact analysis thoroughness. The August 2005 memorandum discussed a series of actions agencies must take by specific dates. For instance, by November 15, 2005, agencies were to: (1) assign an official to lead and coordinate agency planning and (2) complete an inventory of existing routers, switches, and hardware firewalls. To date, 23 (of 24) large agencies have provided the requested information and 38 (of 107) small agencies.

Additionally, the President's National Strategy to Secure Cyberspace directed the Secretary of Commerce to form a taskforce to examine the most recent iteration of the Internet Protocol, IP version 6 (IPv6). The President charged the taskforce with considering a variety of IPv6-related issues, "including the appropriate role of government, international interoperability, security

in transition, and costs and benefits." The taskforce, co-chaired by the Administrator of the National Telecommunications and Information Administration (NTIA) and the Director of the National Institute of Standards and Technology (NIST), prepared a report discussing the benefits and impacts of IPv6. This report was published in January 2006.

The Administration will continue to use the Federal Enterprise Architecture data for business analysis to focus our efforts to direct information technology investments to improve service delivery to citizens and other entities. The Administration will continue to improve performance and achieve results by continuing our efforts in linking IT investments to program performance as demonstrated by the analytical tool called the Program Assessment Rating Tool (PART).

In 2007 and beyond, the Federal Government will continue to identify IT opportunities for collaboration and consolidation while improving services. Although the Federal Government continues to improve, much more work is needed to better serve the citizen. Through the PMA, the Clinger-Cohen Act, the E-Government Act, FISMA, budget guidance and other management tools, the Federal Government has the ability to be the best manager, innovator and user of information, services and information systems in the world. The President's E-Government initiatives will have graduated from development and implementation phases to mature service offerings supported by service fees. The future is to ensure reliability, security and continuity of services to the point where the services are thought of as utilities just like electricity and water. This service and results oriented approach will ensure the future Government IT investments will leverage existing capabilities to their maximum potential and will provide cost-effective and customer-centered services.

