STATEMENT OF VIVEK KUNDRA
FEDERAL CHIEF INFORMATION OFFICER,
ADMINISTRATOR FOR ELECTRONIC GOVERNMENT AND
INFORMATION TECHNOLOGY
OFFICE OF MANAGEMENT AND BUDGET

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TASK FORCE ON GOVERNMENT PERFORMANCE

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"DATA-DRIVEN PERFORMANCE: USING TECHNOLOGY TO DELIVER RESULTS"

Good afternoon, Mr. Chairman and members of the Committee. Thank you for inviting me to testify on how the Federal government can use information technology to improve the performance of government.

Enabling a High-Performance Government

The Administration is committed to leveraging the power of technology to deliver results. The President appointed a team of senior leaders to drive improvements in performance tools and capabilities, including Aneesh and myself, to make sure that we are executing at the highest standard. The American people deserve and expect a government that is efficient, accountable and fully worthy of their trust.

Through the use of technology, data can be collected, analyzed and used to make decisions in real-time as never before. For example, companies have transformed the way goods are shipped around the world through the effective capture and management of shipping data. Not only can customers now expect to see where their packages are at any point in the shipping process with the click of a button, but they can also ship their packages more quickly and cheaply than ever before. And shipping providers benefit from this detailed data to optimize routes, better predict delivery

times and measure and improve performance. For example, one carrier—UPS—has utilized route planning technology to eliminate millions of miles from their delivery routes, saving 10 million gallons of gas and reducing CO_2 emissions by 100,000 metric tons (the equivalent of removing 5,300 passenger cars from the road for an entire year).[1]

Information can be sent across the globe in a matter of seconds, connecting us in ways that were not possible before. Buyers and sellers, students and teachers, governments and their citizens can find one another regardless of physical location and new relationships and social networks can form spontaneously. Twenty first-century technology and telecommunications are flattening communications and markets and have contributed to a period of unprecedented innovation, making us more productive, connected citizens.

Competition enabled by technology has catalyzed innovation and improved customer service. Not only can we buy virtually anything online now, but the availability of other consumer's feedback helps inform our buying decisions. Whether buying a book or booking a vacation, crowd sourced feedback arms us with information to make better decisions and sellers must produce quality products and services or risk becoming extinct.

Unfortunately, the public sector has lagged behind when it comes to utilizing technology to drive performance.

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[1] As reported by UPS 2009-08-04:
http://www.pressroom.ups.com/Fact+Sheets/UPS+Saves+Fuel+and+Reduces+Emissions+the+%22Right%22+Way+by+Avoiding+Left+Turns

Closed, Opaque, Secretive: Poor Performance

The government's management of information technology illustrates how a lack of enabling technology and transparency has led to poor results. Historically, the closed, secretive and compliance-based management approach, used to oversee more than $70 billion in Federal IT investments, has not served taxpayers well. If an IT project was identified as being poorly planned or poorly managed, it was placed on a "Management Watch List," which was little more than a static PDF document on a website. This compliance-based approach was carried out behind closed doors with little evidence of improved performance.

Out of the $70+ billion being spent annually on information technology, more than $20 billion was accounted for on this Management Watch List PDF[2]. Taxpayers have spent billions on systems that were mismanaged, poorly planned or ill-conceived from the start. This management approach presumed government has a monopoly on the best ideas, with the debate and engagement limited to the confines of the four walls of Washington.

This Administration is committed to creating an unprecedented level of openness in government and firmly believes that having an engaged and informed public is the foundation for a government that works for the people. On his first full day in office, President Obama issued a memorandum to all Federal agencies directing them to break down barriers to transparency, participation and collaboration between the Federal government and the people it serves. This week, the Administration issued the Open Government Directive to hardwire accountability and instruct every agency to open its doors and data to the American people.

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[2] Reported Q4 FY 2008: http://georgewbush-whitehouse.archives.gov/omb/pubpress/2008/102308_vue-it.html

<u>Building a New Foundation: Open, Transparent and Participatory</u>

On June 30, 2009, we launched the IT Dashboard to provide transparency into the performance of Federal IT investments.

The IT Dashboard is a platform that enables anyone with a web browser to track Federal IT investments and hold the government accountable for progress and results. The Dashboard allows the public to see which IT projects are performing well (and which are not), offer alternative approaches and provide direct feedback to the chief information officers (CIOs) at Federal agencies – in effect, keeping tabs on the people responsible for taxpayer dollars. The Dashboard represents a shift from a closed, secretive and opaque approach to management to one that is open, transparent and participatory.

In conjunction with the launch of the Dashboard, we also reshaped the capital planning process to lower the reporting burden on agencies. We reduced the number of data elements requested from agencies by more than 50 percent, (from 58 elements to 24 elements) significantly lowering the reporting burden on agency capital planning personnel. Rather than annually collecting a massive array of information that might not be used, we shifted to the monthly collection of focused information that informs better decision making.

What gets measured gets done. Narrowing what we measure to key elements ensures we focus on what is actionable, what is most important and what needs to get done.

Even though it is less than six months old, the IT Dashboard is already changing the way in which agencies manage their IT investments. In July 2009, the Department of Veterans Affairs (VA), under the leadership of Secretary Shinseki, announced that it was temporarily halting 45 IT projects which were either behind schedule or over budget. After a thorough review of each project, the VA announced that 12 of these projects

would be cancelled. We were able to catch these projects, in part, thanks to the IT Dashboard, which helped to shed light on the performance of projects across the Federal government. To provide better value, efficiency and effectiveness for taxpayers' dollars, insight alone is not sufficient; action is required. The VA implemented a management protocol that translates insight into action, called Program Management Accountability System (PMAS). This protocol requires projects to establish milestones to deliver functionality to its customers. Failure to meet set deadlines indicates a problem within the project. Under PMAS, a third missed customer delivery milestone is cause for the project to be halted and re-planned.

The Department of Homeland Security (DHS) and the Department of Housing and Urban Development (HUD) are also conducting "bottom-up" comprehensive reviews of their IT portfolios using the IT Dashboard. The reviews will identify problematic projects and outline opportunities for improvement.

President Barack Obama tests out the new Federal Government IT Dashboard outside of the Oval Office on July 2, 2009.

Going forward, we need to adopt an evidence based approach to governance by employing platforms like the IT Dashboard so we can report, analyze, monitor and predict performance. We plan to roll out similar dashboards across other functional

areas throughout the government, including an open government dashboard to track our performance.

In the same way that the Federal government makes better decisions through the IT Dashboard, the Administration is making available high-value data that helps to promote national priorities and improve the everyday lives of Americans through Data.gov. The Data.gov platform was launched May 21, 2009 with 47 datasets. Since launch, the number of data sets has grown to over 100,000, covering everything from healthcare to commerce to education. And the number is only increasing. Thousands more data sets will be published starting this week. When the Department of Agriculture makes nutrition information available, families can make smarter eating choices. When the Department of Education makes key information available about colleges and universities, students can make better-informed choices about the quality and cost of their education. When the Department of Labor makes safety information available, employers can better protect their workers.

Government that Works

Technology is a powerful tool, but technology alone will not improve performance. To change the way Washington works, senior leaders across the government must embrace and establish a culture of openness and accountability.

In his testimony before this Committee on October 29th, Chief Performance Officer and Deputy Director for Management Jeffrey Zients outlined five key principles for a successful performance management program including: buy-in from senior leaders, strategic alignment, outcome-oriented targets, relentless review and transparency. Technology can support these principles, but technology is not going to magically set agency goals, create strategic alignment, develop outcome-oriented targets, review performance or deliver on an open and transparent government.

Given the size and complexity of the Federal IT portfolio, the challenges we face are substantial and persistent. The Dashboard is not a substitute for good management. Its value comes from leaders who use the information on the Dashboard to make tough, evidence-based decisions on the future of IT investments. That is why agency CIOs across the Federal government and the Office of E-Government and IT conduct sessions with program officials and project managers to review program performance and determine steps for turning around failing programs, grounded in the principles that the Chief Performance Officer has outlined.

Closing

For too long, the American people have experienced a culture of secrecy in Washington, where information is locked up and taxpayer dollars disappear without a trace. This led to a poorly performing government, with little accountability and wasteful spending.

In our everyday lives, we can track our packages, monitor flight status and evaluate the health of our personal investment portfolio on a real-time basis. Similarly, the Federal government must aggressively embrace technologies that help improve performance and deliver results. Through initiatives like the IT Dashboard and Data.gov, we are changing the default setting of the Federal government from that of being closed, opaque and secretive, to one that is open, transparent and participatory. The Open Government Directive demonstrates the Administration's commitment to hardwire accountability and drive performance to restore the American people's confidence in their government.

This concludes my statement. Thank you for your time today and I look forward to your questions.