MODERNIZING GOVERNMENT

The 2020 Budget supports the Administration's work to modernize Government for the 21st Century. The American people deserve a modern Government that will refocus efforts on core mission areas, provide excellent customer service, and ensure accountable stewardship.

The President's Management Agenda (PMA) lays the foundation for a portfolio of work to address critical challenges where Government has failed to keep up with technical advances and business process improvements.

PRESIDENT'S MANAGEMENT AGENDA

The PMA outlines a long-term vision for an effective Government that better achieves its missions and enhances key services on which the American people depend. It advances three drivers of change—technology, data, and the workforce—through multiple paths, recognizing that real transformation requires cross-functional change across disciplines. The PMA sets 14 Cross-Agency Priority (CAP) Goals where Executive Branch agencies can collaborate to drive modernization, including critical areas such as cybersecurity, customer experience, payment accuracy, information technology (IT), human resources, and procurement.

IT Modernization

The 2020 Budget supports agency investments to modernize IT systems and improve the value they provide to the American people.

Modernizing Government Technology (MGT) Provisions[1] **and the Technology Modernization Fund (TMF).** MGT provisions

[1] Pub. L. No. 115-91, National Defense Authorization Act for Fiscal Year 2018, Title X, Subtitle G (§§ 1076 through 1078).

provide financial resources and technical expertise to improve Federal technology. A key component of the MGT provisions is the TMF, which enables agencies to reimagine and transform how technology is used to deliver mission and services. Agencies propose projects to a TMF Board and, if selected and funded, repay funds within five years.

- From among nearly 50 proposals totaling over $500 million in the first 10 months, the Board has so far funded seven projects totaling almost $90 million. Projects are listed at *https://tmf.cio.gov.*

- The Administration requests $150 million for the TMF in 2020 to provide seed funding for additional projects and to allow the TMF to tackle more complex, Government-wide efforts.

In addition, MGT provisions authorized agencies to establish IT Working Capital Funds (WCFs) as a dedicated resource for IT modernization. The Budget requests necessary transfer authority to better enable agencies to operationalize these IT WCFs and fully implement flexibilities of the MGT provisions. The Budget reflects instances where agencies are establishing IT WCFs.

Modernizing IT to Increase Productivity and Security (CAP Goal 1). Through this goal, the Administration is building and maintaining more modern, secure, and resilient IT to enhance mission delivery and productivity.

- Federal Agencies have delivered on the action items provided in the *Report to the President on Federal IT Modernization*,

completing all of the 52 tasks outlined and informing further priorities and next steps included in this goal.

- The Administration released Office of Management and Budget (OMB) Memorandum M-19-03, Strengthening the Cybersecurity of Federal Agencies by enhancing the High Value Asset Program, creating a formal program to support all agencies in High Value Asset identification, assessment, remediation, and response to incidents.

- The Administration released the draft *2018 Federal Cloud Computing Strategy* on September 24, 2018, for public comment, soliciting feedback from industry, agencies, and the American people.

- The Administration released a draft memorandum, Strengthening the Cybersecurity of Federal Agencies through Improved Identity, Credential, and Access Management, on April 6, 2018, for public comment, to better control information access and protect information.

- The Department of Homeland Security (DHS) and OMB piloted enhancements to the cybersecurity controls required by the Trusted Internet Connection program.

- Agencies continue to implement the Continuous Diagnostics and Monitoring program, with all Chief Financial Officers Act agencies now sharing data with the Federal Dashboard.

Data, Accountability, and Transparency

Leveraging Data as a Strategic Asset (CAP Goal 2). The Administration is creating the first comprehensive Federal Data Strategy for managing and using Federal data.

- In 2018, the Administration launched the Federal Data Strategy outlining Principles, Practices, and a Year 1 Action Plan on *https://strategy.data.gov*. The Data Incubator Project creates practical case

studies for future complementary Federal data management and use.

- The Budget supports the Federal Data Strategy by establishing a U.S. Federal Data Service within the Department of Commerce's Office of the Undersecretary for Economic Affairs.

- The Administration will begin implementing the Foundations for Evidence-Based Policymaking Act of 2018, including designating agency Statistical Officials and Chief Data Officers, requiring machine-readable data, improving secure access to data, and strengthening privacy protections.

- The Budget supports the Federal Geographic Data Committee's work to improve management of geospatial data and implement the provisions of the Geospatial Data Act of 2018.

Workforce for the 21st Century

Developing a Workforce for the 21st Century (CAP Goal 3). The Federal workforce represents a critical part of realizing change. Failure to address fundamental workforce needs will render other modernization work ineffective. This goal reflects a transformational shift in strategic human capital management based on three pillars:

1. Actively Managing the Workforce: Improving employee performance management and employee engagement;

2. Developing Agile Operations: Reskilling and redeploying human capital resources; and

3. Acquiring Top Talent: Enabling simple and strategic hiring practices.

The goal is co-led by OMB, the Office of Personnel Management (OPM), and the Department of Defense. DHS, the Departments of Veterans Affairs, Health and Human Services (HHS), and the Interior lead three subgoals. Almost all agencies participate in some capacity.

The first year of implementation focused on defining a baseline for how agencies address poor performers, distribute financial awards, and hire staff. The Administration is using existing authority to remove barriers and fix processes. Examples include issuing direct hire authority for science, technology, engineering, and mathematics positions; modernizing Senior Executive Service processes; strengthening performance management; and acting to increase employee engagement. Going forward, this goal will focus on continuous improvement within agencies.

Additional Focus Areas to Strengthen Mission, Service, and Stewardship

Improving Customer Experience (CAP Goal 4). Customer satisfaction with Federal services lags by as much as nine points behind the private sector. To close this gap, the Administration has identified Federal programs that provide the highest impact customer-facing services. These programs are implementing Government-wide customer feedback measures aligned with private-sector best practices and creating action plans for improvement. Performance data and action plans will be posted online for the public.

Agency Initiatives to Transform Customer Experience

The General Services Administration (GSA) and the U.S. Digital Service launched *https://www.login.gov*, a single, common identity platform that lets users access Government services more securely, easily, and quickly. This site has grown to more than 12 million users and continues to grow.

The Departments of Labor, Education, Defense, and Veterans Affairs; the Small Business Administration; GSA; and OPM have created an interagency journey map of how servicemembers interact with programs across Government during their transition to civilian employment. With this perspective, the team is now identifying improvements that matter most to the customer.

Sharing Quality Services (CAP Goal 5). This goal created a new shared service model to improve performance, customer experience, and operational costs. The new model establishes Government-wide centralized capabilities offered through Quality Service Management Offices that each oversee one functional area, such as financial management, procurement, payroll, etc. In an early effort to apply this model in 2018, GSA awarded blanket purchase agreements for the NewPay initiative for software as a service solutions for payroll and time and attendance services across Government. The Budget provides funds to begin migrating the Departments of Agriculture and the Interior and GSA to NewPay.

Shifting from Low-Value to High-Value Work (CAP Goal 6). The Administration has lifted nearly 60 redundant, obsolete, or unnecessary requirements from all Federal agencies and proposed to eliminate or modify more than 400 congressionally required plans and reports that are outdated or duplicative. In addition, OMB is coordinating with OPM and GSA to reform burdensome data collection and reporting requirements.

Category Management (CAP Goal 7). Increasing the use of proven, enterprise solutions for more than $300 billion in common goods and services allows the Government to leverage its buying power and reduce unnecessary, expensive duplication. As a result, the Government has avoided $17 billion in costs, applied category management principles to nearly 45 percent of common spend, exceeded metrics for use of top-tier Government-wide solutions by $11 billion, and exceeded small business goals.

Results-Oriented Accountability for Grants (CAP Goal 8). This goal helps maximize the value of grant funding by applying a risk-based, data-driven framework to balance compliance requirements with demonstrating successful results for the American taxpayer. The *Analytical Perspectives* chapter 17 "Aid to State and Local Governments" provides more information about this Goal.

**Shifting to High-Value Work:
Leveraging Technology**

The Administration is using Robotics Process Automation and other emerging technologies to reduce error, improve compliance, and focus the Federal workforce on higher-value work.

GSA's Office of the Chief Financial Officer shifted staff to higher-value work after automating tasks that consumed approximately 12,000 labor hours per year at an estimated half the cost.

The National Aeronautics and Space Administration's Shared Services Center has four bots running nine different processes, including distributing funds, procurement, documenting images, scanning files, and creating folders to establish grants packages.

HHS is using artificial intelligence to help identify opportunities to consolidate contract vehicles, which will offer significant cost savings.

Getting Payments Right (CAP Goal 9). Preventing improper payments that result in a monetary loss is a high priority for the Administration. For additional details, please refer to the *Analytical Perspectives* volume chapter 9, "Payment Integrity," which includes Budget proposals aimed at preventing these improper payments.

Improving Outcomes through IT Cost Transparency (CAP Goal 10). This goal aims to leverage budget, acquisition, and financial data from authoritative sources using automation. Federal employees will be able to shift efforts to analysis and strategy recommendations rather than duplicating data entry, often not from authoritative sources.

Improving the Management of Major Acquisitions (CAP Goal 11). Federal agencies will ensure contracts supporting transformative and other priority projects will meet or beat delivery schedules, provide exceptional customer service, and achieve savings or cost avoidance for the taxpayer. The implementation strategy includes strengthening talent management and agency governance as well as tracking investments using portfolio management principles.

Modernizing Infrastructure Permitting (CAP Goal 12). The Administration is working to reduce the overall time to make decisions for major infrastructure projects with the goal of reducing time to an average of two years. These efforts have already resulted in $1 billion in cost savings through avoided permitting delays. The public can now track agency performance online at *https://www.permits.performance.gov*.

Security Clearance, Suitability, and Credentialing Reform (CAP Goal 13). This goal promotes a Federal workforce that reliably protects Federal Government people, property, systems, and information through an enhanced risk management framework.

Improving the Transfer of Federally Funded Technologies from Lab-to-Market (CAP Goal 14). This goal will strengthen the ability of federally funded innovations to transition from discovery in the laboratory to impact in the marketplace, including by reducing regulatory burden, strengthening partnerships, and enhancing how to measure return on Federal investment. See *Analytical Perspectives* chapter 21, "Research and Development," for more information.

OTHER PRIORITIES TO MODERNIZE GOVERNMENT

Government Reform and Reorganization. Another tool to modernize the Federal Government for today's mission needs is reorganization. In June 2018, the *Delivering Government Solutions in the 21ˢᵗ Century* plan laid out specific examples of organizational misalignment. The *Analytical Perspectives* volume chapter 8 provides more information about the Administration's reform priorities and phased implementation approach.

Acquisition Modernization. The Federal Government spends a half trillion dollars through contracts each year to help deliver the mission in hundreds of agencies. While user-driven and innovative acquisitions continue to achieve results, most agencies remain encumbered by an antiquated and complex system. The Administration

will unveil an Acquisition Modernization Plan to guide incremental transformation through continuous process improvement testing, feedback, re-testing, and scaling. The Administration will work with the Congress on appropriate pilot authorities to allow tailored flexibility, if necessary, to test ideas to improve value and efficiency, consistent with principles of impartiality, transparency, and a robust supplier base.

Enterprise Risk Management (ERM). ERM is a tool to support strategic planning, improve performance, and foster a more risk-aware culture. In June 2018, OMB updated OMB Circular No. A-123, Appendix A, Management of Reporting and Data Integrity Risk, to integrate prior guidance for internal controls with current ERM policy. Agencies will now use a risk-based approach to assess, document, test, and report on internal controls over reporting and data integrity. Increasing maturity among agency ERM programs will support decision making across the PMA.

Performance Management. The Administration continues to leverage best practices from across sectors to drive improvement via the Federal Performance Management Framework.

In 2018, agencies continued quarterly, data-driven performance reviews of over 80 Agency Priority Goals. OMB held strategic review meetings with the major agencies to discuss management successes, challenges, and risks for over 265 strategic objectives and identify course corrections where needed. The Administration also issued a five-year strategic plan with key strategies and guidance to implement the Program Management Improvement Accountability Act.

Strengthen Use of Evidence. To further implement the Foundations for Evidence-Based Policymaking Act of 2018, the Administration will direct agencies to establish multiyear learning agendas to strategically plan their evidence-building activities in order to improve policy and programs. Agencies will also designate an Evaluation Officer to help lead evidence-building activities.

Real Property. The Administration has prioritized optimizing the Federal real property portfolio to achieve the mission and minimize cost. The *Analytical Perspectives* volume chapter 10 describes recent accomplishments and the vision to achieve this reform.