

Calendar No. 496

118TH CONGRESS }
2d Session }

SENATE

{ REPORT
118-217 }

IMPROVING GOVERNMENT SERVICES ACT

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 2866

TO IMPROVE THE CUSTOMER EXPERIENCE OF THE
FEDERAL GOVERNMENT, ENSURE THAT FEDERAL
SERVICES ARE SIMPLE, SEAMLESS, AND SECURE,
AND FOR OTHER PURPOSES



SEPTEMBER 10, 2024.—Ordered to be printed

U.S. GOVERNMENT PUBLISHING OFFICE

49-010

WASHINGTON : 2024

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

GARY C. PETERS, Michigan, *Chairman*

THOMAS R. CARPER, Delaware	RAND PAUL, Kentucky
MAGGIE HASSAN, New Hampshire	RON JOHNSON, Wisconsin
KYRSTEN SINEMA, Arizona	JAMES LANKFORD, Oklahoma
JACKY ROSEN, Nevada	MITT ROMNEY, Utah
JON OSSOFF, Georgia	RICK SCOTT, Florida
RICHARD BLUMENTHAL, Connecticut	JOSH HAWLEY, Missouri
LAPHONZA R. BUTLER, California	ROGER MARSHALL, Kansas

DAVID M. WEINBERG, *Staff Director*

ALAN S. KAHN, *Chief Counsel*

LENA C. CHANG, *Director of Governmental Affairs*
CHELSEA A. DAVIS, *Senior Professional Staff Member*
WILLIAM E. HENDERSON III, *Minority Staff Director*
CHRISTINA N. SALAZAR, *Minority Chief Counsel*
ANDREW J. HOPKINS, *Minority Counsel*
LAURA W. KILBRIDE, *Chief Clerk*

Calendar No. 496

118TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ 118-217

IMPROVING GOVERNMENT SERVICES ACT

SEPTEMBER 10, 2024.—Ordered to be printed

Mr. PETERS, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 2866]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 2866), to improve the customer experience of the Federal Government, ensure that Federal services are simple, seamless, and secure, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill, as amended, do pass.

CONTENTS

	Page
I. Purpose and Summary	1
II. Background and Need for the Legislation	2
III. Legislative History	3
IV. Section-by-Section Analysis of the Bill, as Reported	4
V. Evaluation of Regulatory Impact	5
VI. Congressional Budget Office Cost Estimate	6
VII. Changes in Existing Law Made by the Bill, as Reported	7

I. PURPOSE AND SUMMARY

S. 2866, the *Improving Government Services Act*, would require high impact service providers—agencies which have a large customer base or provide critical services—to develop, implement, and submit to Congress annual written comprehensive customer experience (CX) strategies (or “CX Action Plans,” as defined in the bill). The customer experience strategies would include the following elements: (1) plans to adopt customer service best practices; (2) assessments of backlogs regarding key agency services and proposals to more efficiently resolve customer requests; (3) determinations of

services agencies can “colocate” (share a location) with other federal services or offer as self-service options; and (4) proposals for customer experience improvement over the short-, medium- and long-terms. The bill requires the Office of Management and Budget (OMB) to share agency best practices and publish a report with recommendations to streamline and colocate federal agencies.

II. BACKGROUND AND NEED FOR THE LEGISLATION

The *Improving Government Services Act* ensures that agencies are planning for long-term improvements to customer experience while modernizing their service delivery. The federal government and this bill define “customer experience” as the public’s perception of and overall satisfaction with interactions with any government agency, product, or service.¹ While many agencies have led successful efforts to improve their customer experience, public satisfaction with federal services remains low, trailing the satisfaction levels of most private sector services.²

S. 2866 would require agencies to propose ways to adopt customer experience strategies that have been successful in the private sector, including providing telephone call-back options, enhancing tools for employees responsible for customer experience, and simplifying online forms. Agencies, like the Department of Veterans Affairs (VA) and the Department of Homeland Security (DHS), have adopted these strategies, which have helped them improve public trust in agencies and reduce the amount of time the public spends accessing their services. For example, in 2018, the VA made customer experience its top priority, which led the agency to improve veterans’ trust in the VA from 55% in 2016 to nearly 80% in 2023.³ Among its improvements, VA established a single phone number to access benefits and services, introduced AskVA to provide veterans a faster and more convenient way to resolve their questions, and deployed a chatbot to help customers find needed information more easily. In 2022, the VA reported that AskVA successfully resolved 98% of inquiries it received through its new system.⁴

In May 2023, DHS announced that several efforts to streamline customer experience—such as simplifying paperwork processes and allowing for repopulation of data submission in forms—reduced the time the public spends accessing its services by 20 million hours annually.⁵ This legislation strives to extend these improvements government wide, by requiring agencies that deliver the most and

¹General Services Administration, Customer Experience: Federal Customer Experience (www.performance.gov/cx/index.html) (accessed Nov. 10, 2023).

²*Public Satisfaction with Agency Services Recovers a Bit*, Fedweek (Feb. 6, 2023) (www.fedweek.com/federal-managers-daily-report/public-satisfaction-with-agency-services-recovers-a-bit/); McKinsey & Company, *How US Government Leaders Can Deliver a Better Customer Experience* (June 9, 2023) (www.mckinsey.com/industries/public-sector/our-insights/how-us-government-leaders-can-deliver-a-better-customer-experience); National Academy of Public Administration and Center for Intergovernmental Partnerships, *Modernizing Public Benefits Delivery* (June 2023) (s3.us-west-2.amazonaws.com/napa-2021/CIP/Documents/Modernizing-Public-Benefits-Delivery_NAPA_June-2023_Final.pdf).

³*OMB Seeks to ‘Build Trust’ in Government Services, Speed Up CX Expert Hiring Across Agencies*, Federal News Network (Aug. 30, 2023) (federalnewsnetwork.com/management/2023/08/omb-seeks-to-build-trust-in-government-services-speed-up-cx-expert-hiring-across-agencies/).

⁴U.S. Department of Veterans Affairs, Veterans Experience Office: *VA Contact Centers Modernize to Improve the Veteran Experience* (June 5, 2023).

⁵U.S. Department of Homeland Security: *DHS Improves Customer Experience by Simplifying Services Used by the Public* (May 30, 2023).

highest impact services assess whether adopting similar strategies can improve customer experience.

Improvements in customer experience have not been consistently achieved across government. Increased demand for services at several agencies have resulted in increased backlog and wait times. For example, demand for U.S. passports is at an all-time high; the Bureau of Consular Affairs issued 22 million passports in FY 2022 to a record setting 46% of Americans with U.S. passports (up from 30% in 2008, and 5% in 1990). However, the increased demand has also increased the State Department’s processing times from 6 to 8 weeks pre-pandemic to 10 to 13 weeks in June 2023—a level of wait time the State Department is not “content to maintain.” In response, the State Department plans to launch an Online Passport Renewal program, which received positive customer reviews during a pilot of the program.⁶

Some efforts to improve service delivery can also unintentionally create additional barriers on customers. For example, in November 2022, the Government Accountability Office (GAO) found that while the Social Security Administration (SSA) increased remote service delivery during COVID-19, challenges in implementing accessible and online services resulted in the public filing fewer SSA benefit claims.⁷ This bill would ensure that agencies publish data about their backlog issues and continually measure their performance against prior years’ strategies—ensuring that modernization efforts accomplish their intended outcomes.

Decreasing wait times for services can improve customer satisfaction and increase overall public trust in government.⁸ The bill ensures that agencies balance increasing efficiency of and access to critical services with improving protections of personally identifiable information in customer data. Strengthening data security and incorporating fraud prevention solutions will help agencies create improved customer experiences that also mitigate risks to the public.

III. LEGISLATIVE HISTORY

Senator Gary Peters (D-MI) introduced S. 2866, the *Improving Government Services Act*, on September 20, 2023, with original cosponsors Senator James Lankford (R-OK) and Senator John Cornyn (R-TX). The bill was referred to the Committee on Homeland Security and Governmental Affairs. Senator Ron Wyden (D-OR) joined as an additional cosponsor on October 30, 2023.

The Committee considered S. 2866 at a business meeting on October 25, 2023. At the business meeting, Senator Peters offered a substitute amendment to the bill as well as a modification to the substitute amendment. The Peters substitute amendment as modi-

⁶House Committee on Oversight and Accountability Subcommittee on Government Operations and the Federal Workforce, Testimony Submitted for the Record of Assistant Secretary of State Rena Bitter, U.S. Department of State: Bureau of Consular Affairs, *Please Leave your Message at the Tone: Addressing Post-Pandemic Backlogs and Delays at Federal Agencies*, 118th Cong. (June 21, 2023) (H. Hrg. 118-45).

⁷Government Accountability Office, *Social Security Administration: Remote Service Delivery Increased during COVID-19, but More Could Be Done to Assist Vulnerable Populations* (GAO-23-104650) (Nov. 17, 2022).

⁸McKinsey & Company, *How US Government Leaders Can Deliver a Better Customer Experience* (June 9, 2023) (www.mckinsey.com/industries/public-sector/our-insights/how-us-government-leaders-can-deliver-a-better-customer-experience); Senate Committee on Homeland Security and Governmental Affairs, Testimony Submitted for the Record of Martha A. Dorris, *Hearing on Putting People First: Building Trust in Government*, 117th Cong. (June 23, 2023) (S. Hrg. 117-651).

fied would require agencies to provide affirmative notice to customers when those customers interact with a computer program which simulates conversation with human users; require agencies to measure backlog issues against previous years' customer experience reports; and would add the House Committee on Oversight and Accountability and the Senate Committee on Homeland Security and Governmental Affairs as recipients of OMB's required public report on recommendations for streamlining federal services. The Committee adopted the modification to the Peters substitute amendment by unanimous consent and adopted the substitute amendment as modified by unanimous consent, with Senators Peters, Hassan, Sinema, Rosen, Ossoff, Blumenthal, Butler, Paul, Lankford, Romney, and Scott present.

Senator Paul offered an amendment that would add language which prohibits the authorization of additional funds for the purposes of carrying out this bill. The Committee did not adopt the Paul amendment by voice vote, with Senators Peters, Hassan, Sinema, Rosen, Ossoff, Blumenthal, Butler, Paul, Lankford, Romney, and Scott present.

Senator Paul offered an amendment that would require GAO to conduct a study on the bill's effectiveness and sunset the bill two years after enactment. The Committee did not adopt the Paul amendment by voice vote, with Senators Peters, Hassan, Sinema, Rosen, Ossoff, Blumenthal, Butler, Paul, Lankford, Romney, and Scott present.

Senator Paul offered an amendment that required agencies, which failed to meet the goals set out in their strategies, to terminate five employees at the General Schedule-15 or Senior Executive Service levels and reallocate their funds to other junior employees. The Committee did not adopt the Paul amendment by voice vote, with Senators Peters, Hassan, Sinema, Rosen, Ossoff, Blumenthal, Butler, Paul, Lankford, Romney, and Scott present.

The bill, as amended by the Peters substitute amendment as modified, was ordered reported favorably by roll call vote of 10 yeas to 1 nay, with Senators Peters, Hassan, Sinema, Rosen, Ossoff, Blumenthal, Butler, Lankford, Romney, and Scott voting in the affirmative, and Senator Paul voting in the negative. Senators Carper, Johnson, Hawley, and Marshall voted yea by proxy, for the record only.

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1. Short title

This section establishes the short title of the bill as the "Improving Government Services Act."

Section 2. Definitions

This section defines the terms "agency," "customer," "customer experience," "CX Action Plan," "designated entity," "Director," "high-impact service provider," "human-centered design," "service delivery," and "voluntary customer feedback."

Section 3. Comprehensive Customer Experience Action Plan

Subsection (a) requires high-impact service providers, and any other agencies designated by the Director of OMB, to develop and

submit annual customer experience action plans to the Director, Congress, and the public starting one year after enactment.

Subsection (b) outlines the elements that agencies should include in their CX Action Plans. It describes the types of best practices agencies should consider in their CX Action Plans, which include streamlining and improving accessibility of services, eliminating unnecessary administrative burdens, implementing fraud prevention capabilities, and incorporating customer experience best practices from the private sector. This subsection would require CX Action Plans to identify and address backlog issues for key agency services, like passport services at the Department of State and veterans' records at the VA.

Subsection (b) also requires agencies to increase customer self-service options, and improve protection of personally identifiable customer data. It would require agencies to ensure they have the needed resources to implement CX Action Plans, like proper guidance and training materials for customer-facing employees. This subsection would also require agencies to measure the progress of each year's action plan against the previous years and include proposals for improving customer experience in the medium term (three to five years) and long term (five to ten years).

Subsection (c) requires agencies to adhere to existing and future guidance from OMB when carrying out the responsibilities of this bill.

Section 4. Oversight and annual report

This section tasks the OMB Director with ensuring agencies comply with this legislation and share leading customer experience practices. OMB must also review agencies' CX Action Plans and release an annual report on ways to streamline and co-locate critical federal services.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office's statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 2866, Improving Government Services Act			
As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on October 25, 2023			
By Fiscal Year, Millions of Dollars	2024	2024-2029	2024-2034
Direct Spending (Outlays)	*	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply? Yes	
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

S. 2866 would require federal agencies, when designated by the Office of Management and Budget (OMB), to develop annual plans related to serving their customers. Those plans would need to include:

- Written comprehensive strategies,
- Implementation plans to improve the experience of people receiving government services,
- Details on the average amount of time it takes for agencies or their designated entities to resolve customer requests, and
- Assessments of ways for agencies to streamline or combine services.

Finally, the bill would require OMB to annually report to the Congress on the plans, facilitate sharing of best practices between agencies, and recommend opportunities to streamline or combine the provision of federal services.

Under current law, the federal government is developing policies to improve the customer service performance of federal agencies under Executive Order 14058 and the President's Management Agenda. Because the bill's requirements are similar to current federal policies, CBO estimates that implementing S. 2866 would have no significant cost over the 2024–2029 period. Any spending would be subject to the availability of appropriated funds.

Enacting S. 2866 also could affect direct spending by some agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

This legislation would make no change in existing law, within the meaning of clauses (a) and (b) of subparagraph 12 of rule XXVI of the Standing Rules of the Senate, because this legislation would not repeal or amend any provision of current law.

