Middle Class Economics: Smarter IT Delivery

The President's 2016 Budget is designed to bring middle class economics into the 21st Century. This Budget shows what we can do if we invest in America's future and commit to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America. It lays out a strategy to strengthen our middle class and help America's hard-working families get ahead in a time of relentless economic and technological change. And it makes the critical investments needed to accelerate and sustain economic growth in the long run, including in research, education, training, and infrastructure.

These proposals will help working families feel more secure with paychecks that go further, help American workers upgrade their skills so they can compete for higher-paying jobs, and help create the conditions for our businesses to keep generating good new jobs for our workers to fill, while also fulfilling our most basic responsibility to keep Americans safe. We will make these investments, and end the harmful spending cuts known as sequestration, by cutting inefficient spending and reforming our broken tax code to make sure everyone pays their fair share. We can do all this while also putting our Nation on a more sustainable fiscal path. The Budget achieves about $1.8 trillion in deficit reduction, primarily from reforms to health programs, our tax code, and immigration.

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The Administration has embarked on a comprehensive approach to fundamentally improve the way that the government delivers technology services to the public. This year, the Administration stood up the United States Digital Service (USDS), a core group of tech experts housed at the White House Office of Management and Budget. This small team has worked with Federal agencies on a targeted set of high-impact IT projects. Demand for this type of work is high - all agencies have digital projects and programs that are critical to delivering on their mission. To scale the success of this small team and ensure that all agencies have access to this critical skill set, the Budget includes a $105 million investment to scale digital service teams within 25 key agencies across the Federal Government. These digital service teams will work on high-priority citizen- and business-facing projects that improve the way we deliver information and services to the American people. The Budget also includes investments to increase the success rate of highest priority projects in government, by promoting best practices increasing oversight and accountability for IT spending, and improving IT procurement.

Smarter IT Delivery is oriented around three core objectives: bringing the best IT professionals into government, establishing effective processes to drive outcomes and accountability, and partnering with the most innovative companies.

People. Getting the best talent working inside of Government is a key component of our Smarter IT Delivery strategy. Every agency in Government has citizen-and business-facing digital services that are critical to their mission. Too often, these services have been delivered over budget, behind schedule, and in ways that do not meet citizen needs. The success rate of these projects is improved when we get the best tech talent working inside government to help deliver these projects. The Budget will be used to recruit more of our country's top technologists and entrepreneurs to work within agencies on the highest priority projects, with support and oversight from OMB.

- **The United States Digital Service.** In 2014, the Administration piloted the USDS by recruiting a group of private sector tech experts into Government service. Since its inception,

this team of America's best digital experts have worked in collaboration with Federal agencies to implement cutting edge digital and technology practices on the Nation's highest impact programs. This work includes the successful re-launch of HealthCare.gov in its second year, the Veterans Benefits Management System, and coordinating critical data for the Ebola response in West Africa. In addition to their work on these high priority projects, this small team of tech experts has worked to establish best practices and standards that agencies leverage on high priority projects, provide accountability to ensure agencies see results, and recruit highly skilled digital service experts and engineers into Government. The Budget will advance this important work and allow the Digital Service to expand the unit's capacity to work on high priority projects. USDS will also help coordinate cross-agency technology initiatives such as veterans' benefits, electronic health records, federal student loan processing, and other high-priority projects.

- **Scaling Digital Service Experts across Government.** To build on this success, the Budget scales and institutionalizes this new approach to technology, investing $105 million to for 25 key agencies to develop their own digital service teams. These small, high impact teams will drive the quality and effectiveness of the agency's most high-priority programs. The central OMB Digital Service team will also help coordinate cross-agency technology initiatives such as coordinating data for, federal student loan processing, and others. The U.S. Digital Service, within the Office of Management and Budget, will work alongside agencies to help stand up these teams, providing support for hiring, training, and procurement recruiting. In addition, the Budget includes investments for training current Federal IT professionals to scale modern development practices across the workforce.

Process. The Administration has made significant progress encouraging data-driven processes to provide effective oversight of government IT. By establishing mechanisms such as PortfolioStat, a data-driven review of agency IT portfolios, we have not only strengthened federal IT, but made it significantly more cost effective.

- **PortfolioStat**. The government has achieved more than $2.2 billion in savings over the past three years through PortfolioStat, while ensuring agencies are efficiently using taxpayer dollars to deliver effective and innovative solutions to the public. PortfolioStat promotes the adoption of new technologies, such as cloud computing and agile development practices. In 2014, PortfolioStat sessions were paired with data from the Benchmark and Improve Mission-Support Operations Cross-Agency Priority goal, linking key IT metrics to other administrative functions. This inclusion allowed agency decision-makers to better set priorities, allocate resources, and improve processes within their agencies. In 2016, we will continue to use PortfolioStat to drive efficiencies in IT programs.

- **Digital Services Playbook** and **TechFAR**. In 2015 and 2016, we will continue encouraging the adoption of the *Digital Services Playbook* and *TechFAR Handbook*. The *Playbook* outlines key "plays" drawn from private and public-sector best practices that will help Federal agencies deliver services that work well for users and require less time and money to develop and operate. The *TechFAR Handbook* explains how agencies can execute key plays in the *Playbook* in ways consistent with the Federal Acquisition Regulation (FAR), which governs how the Government buys goods and services from the private sector. Both the *Playbook* and *TechFAR* are edited on GitHub, where they serve as living documents that can be shared and shaped by digital experts across the country. During 2015, the Administration will be working to develop

IT acquisitions training for the Federal IT acquisition workforce based on the principles and techniques provided in the *Digital Services Playbook* and *TechFAR*. In 2016, the Administration will begin implementing these training sessions for agency personnel, resulting in agencies throughout government having personnel trained in innovative acquisition practices.

Companies. The Government must work with private sector innovators to ensure the best use of cutting edge technologies and practices. However the existing procurement system can still present barriers to entry that prevent agencies from contracting with these firms. To ensure the best partners are working with agencies, the Administration is working to strengthen vendor relationships and bring innovative companies into the marketplace. The Administration has already piloted feedback systems where vendors can rate their experience in dealing with Federal acquisitions, and has also made it simpler for agencies to view and analyze vendor performance information. These efforts will be expanded in 2016.

Additionally, the Administration will be pursuing legislative proposals to make it easier for small startups and other innovative companies to break into the Federal marketplace, while also streamlining procurement processes of goods and services for agencies. The Administration supports raising the simplified acquisition threshold from $150,000 to $500,000 to broaden the range of purchases including IT purchases that can be accomplished with minimal complexity. The Administration is also seeking new pilot authority to allow agencies to set aside work for small and innovative companies on projects where access to cutting edge technology and creative solutions is needed most.