

TESTIMONY

**STATEMENT OF ALDONA VALICENTI
PRESIDENT, NASCIO – REPRESENTING
CHIEF INFORMATION OFFICERS OF THE STATES
BEFORE THE
COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
JULY 11, 2001**

Mr. Chairman, and distinguished Members of the Committee:

I am honored to appear before you today, representing the chief information officers of the states, to discuss the E-Government Act of 2001, as well as to offer some perspectives on how the experience of the states can be useful to the Federal Government as it prepares its own strategic approach for electronic government services. The Federal Government has a great opportunity at present to learn from the states - the laboratories of democracy - and to evaluate its own efforts to date, and to develop a comprehensive approach for the creation of a truly citizen-centered, electronic government that enhances the delivery of public services to citizens with greater efficiency. If done with thought and foresight, this approach should strengthen the relationship between the citizen and his or her government.

NASCIO is supportive of many of the elements of S. 803, and we commend you, Mr. Chairman, for your leadership and continued attention to the issue. For our purposes, I will comment on provisions of the bill as they fit into NASCIO's considerations of the critical elements of a comprehensive approach to e-government. These critical elements are:

- Executive leadership and commitment - creation of a "center of gravity" for federal e-government operations
- Integration across agencies and program stovepipes
- Creation of a regular, meaningful intergovernmental consultation process
- The will to invest in IT to achieve goals, including cost savings

- Focus on a citizen-centric approach to service delivery

Executive leadership and commitment - creation of a "center of gravity"

NASCIO has testified to the Congress to its support for the creation of a dedicated Federal CIO position. NASCIO sees, among the many critical roles of the position, the need for central focus of leadership, and one Federal point of contact to interface with the states on information technology issues. More generally, the CIO is, as the Kennedy School of Government has stated, a "center of gravity" around which information technology, the great enabler of our modern age, revolves. This is proving true for private industry, and academia as well as for government. A majority of the states have created a state-wide, or enterprise-wide, office responsible for the development, application, and management of information resources technology, and in many cases, that office reports to the Governor. As a result, NASCIO has pointed out the strengths of a CIO model with direct access to the state executive. This model, as the General Accounting Office pointed out in its September 2000 report on the issue, gives the CIO the high visibility and prestige necessary to work across agencies, and to be a full member of the executive management team. One concern of this approach is that a Federal CIO, separate from the Office of Management and Budget, would lose the leverage that comes with direct authority over budgets. The proposed structure in S. 803, by leaving the Federal CIO function within the Office of Management and Budget, does not invest the position with the visibility of a separate, high-level office that we have seen work so well in many states, but it does maintain this budgetary leverage. The Bush Administration has pursued a similar approach, with the very recent appointment, within OMB, of an associate director for information technology and e-government, responsible to the Deputy Director for Management, who retains the responsibilities of the federal CIO. Under all these models, NASCIO recognizes that the

value of a Federal CIO is directly related to the office's infusion with the appropriate authority to integrate IT resources, and this empowerment is the most critical factor in that office's success.

Integration across agencies and program stovepipes

Any successful, enterprise-wide approach to electronic government requires the ability of the CIO to be able to set standards and enforce compliance across agencies. In my own experience in Kentucky, I saw first hand how critical this function is. Legislation was created that provides me, as the Commonwealth CIO, with responsibility for reviewing and overseeing large and integrated IT projects and systems for compliance with statewide strategies, policies, and standards, including alignment with the Commonwealth's business goals, investment and other risk management policies. Critical elements of the legislation authorized the CIO to grant or withhold approval of IT projects, and is accountable for oversight with regard to IT services and procurement. The CIO also approves and prioritizes capital planning information technology items across the Commonwealth. In addition, the Commonwealth CIO chairs an Enterprise Architecture and Standards committee to ensure that IT systems can be integrated and compatible. These authorities enable me to move the statewide enterprise toward integration and commonality, and to reap the benefits of increased efficiency, reduced redundancy, reduced costs, and greater service to citizens. Creation of a regular, meaningful federal interagency and intergovernmental consultation process.

We also support the Act's provisions which establish the CIO Council, consisting of representation from CIO's of all major federal agencies, and empowered to be the principal interagency forum for improving agency practices related to all aspects of federal government information resources. Again, drawing from my own experience in Kentucky, the Commonwealth CIO chairs a Governance Team, composed of CIOs from all branches of state government, who discuss and coordinate on IT issues, policies, directions, and investments.

We are particularly encouraged by the provisions of S.803,

which require the establishment of regular forums with leaders in information resources management in state, local and tribal governments, including NASCIO (referenced in the bill language by our prior name, the National Association of State Information Resource Executives). It is difficult to overestimate the importance NASCIO places on consultation and coordination between federal and state authorities on information technology policy and programs. We must emphasize that nearly all legislation has a technology impact and often, the states are the implementers of change in federal policy. Appropriate and full prior consultation has the potential to drastically reduce the unintended, but often of great impact, consequences of new federal policies and regulations that are implemented at the state and local level. I'll take a moment to review some of the major federal-state IT coordination issues that we have identified. Probably the issue with the largest near-term impact, the Health Insurance Portability and Accessibility Act (HIPAA), has a mixed record on federal-state coordination. While this was a very much-needed piece of legislation, during the development, comment and passage of the Act, policymakers perceived HIPAA to be largely a health care, information privacy and information security issue - and not also as a technology and implementation issue. As a result, realistic implementation understandings were not reached, and under the current implementation scheme, compliance dates will be difficult, if not impossible, for multiple states to meet. This situation could have been avoided with greater consultation, from the beginning of the legislative process through the development of the regulations to implement the Act. Other systems where greater consultation and cooperation would enhance efficiency and service are the transfer system and interstate compact for child support, and the information technology approval process at the Department of Health and Human Services. Greater federal-state coordination in areas such as these, and in future initiatives, could provide dramatic efficiencies in service to our nation's neediest citizens.

There are also some very significant success stories in federal-state coordination on IT issues - the one that everyone knows, of course, is the Y2K problem, and it is one that points out the great strengths of having a centralized, empowered point of contact around which industry and government alike could organize to deal with the problem. Another strong example of successful cooperation is the Department of

Justice's National Information Architecture. This effort is designed to create a national governmental information architecture, to facilitate the flow of information across all governmental levels, and to increase information accuracy, timeliness, and completeness with a reduction in associated expenses. The Department of Justice, NASCIO, and the states have worked together successfully to create the basic elements of this system, and its success has attracted interest from other federal agencies.

As a first step in what we hope will be a consistently growing consultative mechanism, NASCIO has recently been given the opportunity to have a representative of NASCIO attend and participate in, on a limited basis, the current Federal CIO Council. NASCIO believes this is a critical development in increasing intergovernmental Federal-State communications and coordination on IT issues.

The will to invest in IT to achieve goals, including cost savings

In 1996, Governor Patton's "EMPOWER Kentucky" initiative was designed to re-engineer how state government worked. Out of the re-engineering effort and process redesign, it became clear that information technology would become a key enabler of how services would be delivered. As part of the re-engineering process, process improvement teams continually look at services provided across the Commonwealth to determine where efficiencies can be obtained by providing a shared service or enterprise-wide solution.

With an initial \$173 million investment in the EMPOWER Kentucky initiative, we expect to return a cumulative benefit of \$550 million in savings to the state's general fund by 2004.

NASCIO is supportive of the creation of the Interagency Information Technology Fund, and are encouraged by the level of annual funding the Act calls for. We would recommend that these funds also be specifically targeted for innovative intergovernmental projects, such as the aforementioned National Information Architecture program of the Department of Justice, that have the promise setting a framework for future and meaningful integration between federal agencies and states.

Focus on a citizen-centric approach to service delivery

NASCIO believes that citizens must see themselves as the owners of their government, and electronic government can be used to convey that ownership to the people. This will require citizen-centric design, personalization options, visibility through marketing, and access for all. Nearly every state in the Union has created an on-line "portal", defined by the National Governors Association as "an umbrella web site or a starting point that provides users with links to the information they want". These sites are organized around functional lines, designed to give citizens easy access to the services they require without having to navigate through various government levels.

As part of Kentucky's effort to move in this direction, the Commonwealth developed a "KyDirect" portal to provide government services and the ability to purchase goods and services on-line. KyDirect allows for access by the citizens of Kentucky to an ever-growing number of on-line actions and services:

- Access KyCARES, an online services/information directory and guide for Federal, State and Community Providers
- Purchase birth, death, marriage and divorce certificates.
- File business reports online.
- Purchase of school books from an online bookstore for educators, parents and others.
- Purchase unique Kentucky arts and crafts, publications from the Historical Society
- Request Kentucky driver history records
- Make a pledge on-line to Kentucky Educational Television

As a result of Kentucky's and other state's experiences with centralized portals, we support the legislation's call for building on the FirstGov website launched last year by the General

Services Administration. NASCIO worked with FirstGov to link all 50 states to the FirstGov portal, which occurred with the unveiling of the updated site only two weeks ago, and NASCIO is working with FirstGov to determine our next steps.

At the end of my discussion, I will return to this issue of portals, and state experiences with them, to point out some of the remarkable success some of my state CIO colleagues in other states have achieved with their portals. Specifically, in addition to a snapshot of the portal page for my own Commonwealth of Kentucky, we'll take a brief look at the portal pages for Pennsylvania, Washington State, and others.

Conclusion

Mr. Chairman, I appreciate the opportunity to testify before you and your distinguished colleagues on the E-Government Act of 2001, and to provide to you the perspective of the state chief information officers on the evolution of e-government. We find much to agree with, in principle, in S. 803, and we are pleased at the emphasis on centralized leadership, increased funding for innovative programs, on regular forums for intergovernmental consultation and cooperation, and on building and improving upon the FirstGov federal portal. Again, NASCIO views the Federal Chief Information Officer as an essential focus for leadership and a central contact point for coordinating federal and state technology efforts. In closing, I encourage all of you to consider the experience of the states, and in particular, of the state chief information officers, as a resource as you continue to consider the critical issue of how best to provide services to our citizens through electronic government. Thank you.

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