

STATEMENT OF NORMAN ENGER
DIRECTOR FOR E-GOV INITIATIVES
OFFICE OF PERSONNEL MANAGEMENT

before the

SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,
INTERGOVERNMENTAL RELATIONS AND THE CENSUS
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

on

ELECTRONIC GOVERNMENT: A PROGRESS REPORT ON THE SUCCESSES AND
CHALLENGES OF GOVERNMENT-WIDE INFORMATION TECHNOLOGY SOLUTIONS

MARCH 24, 2004

THANK YOU MR. CHAIRMAN. I WOULD LIKE TO REQUEST THAT MY FULL
TESTIMONY BE ENTERED INTO THE RECORD.

MY NAME IS NORMAN ENGER AND I SERVE OFFICE OF PERSONNEL
MANAGEMENT (OPM) DIRECTOR KAY COLES JAMES AS A DIRECT REPORT AS
OPM E-GOVERNMENT PROGRAM DIRECTOR FOR THE FIVE OPM E-GOVERNMENT
INITIATIVES.

IT HAS BEEN A PRIVILEGE AND A PLEASURE TO WORK WITH OPM DIRECTOR KAY
COLES JAMES. HER LEADERSHIP HAS LET THE OFFICE OF PERSONNEL
MANAGEMENT BECOME A LEADER IN E-GOVERNMENT. OPM IS THE SECOND
AGENCY TO ACHIEVE A GREEN STATUS IN E-GOVERNMENT AS PART OF THE
PRESIDENT'S MANAGEMENT AGENDA QUARTERLY SCORECARD. THE FIVE OPM

E-GOVERNMENT INITIATIVES ARE USING INFORMATION TECHNOLOGY (IT) TO PROVIDE ENTERPRISE HUMAN CAPITAL SOLUTIONS AND TRANSFORM GOVERNMENT HUMAN RESOURCE SYSTEMS. OPM IS MANAGING PARTNER TO FIVE OF THE ORIGINAL TWENTY-FOUR PRESIDENTIAL E-GOVERNMENT INITIATIVES, UNDER THE INTERNAL EFFICIENCY AND EFFECTIVENESS E-GOVERNMENT PORTFOLIO.

E-GOV, IN TOTAL, PROVIDES THE FRAMEWORK AND METHODOLOGIES TO CONSOLIDATE REDUNDANT PROCESSES AND RESOURCES INTO A MODERN, TRUSTED FEDERAL HUMAN CAPITAL ENTERPRISE ARCHITECTURE. OUR GOAL AT OPM IS TO WORK WITH OMB AND AGENCIES TO DELIVER AN E-GOVERNMENT THAT SUPPORTS THE MODERNIZATION OF HUMAN RESOURCE SYSTEMS AND THE IMPROVEMENT OF HUMAN CAPITAL ACTIVITIES ACROSS THE FEDERAL GOVERNMENT. WE HAVE AN INTEGRATED VISION OF OUR FIVE INITIATIVES THAT FRAMES THE CIVILIAN EMPLOYEE LIFECYCLE FROM RECRUITMENT TO RETIREMENT. OUR INITIATIVES ENABLE THE FEDERAL GOVERNMENT TO BETTER LEAD, MANAGE AND DRIVE ENTERPRISE WIDE SOLUTIONS FOR HUMAN RESOURCE MANAGEMENT. THEY SUPPORT THE RECRUITMENT, SELECTION AND EFFECTIVE MANAGEMENT OF HUMAN CAPITAL RESOURCES ACROSS GOVERNMENT. I WOULD LIKE TO PROVIDE MORE DETAIL ON THE TWO OPM INITIATIVES THAT ARE BEING EXAMINED IN MORE DETAIL BY THIS SUBCOMMITTEE: RECRUITMENT ONE-STOP AND E-PAYROLL.

THE GOAL OF THE **RECRUITMENT ONE-STOP INITIATIVE** IS TO IMPROVE THE PROCESS OF LOCATING AND APPLYING FOR FEDERAL JOBS. WE ARE DELIVERING TO BOTH JOB SEEKERS AND FEDERAL AGENCY RECRUITERS A WEALTH OF EXCITING NEW FEATURES AND CAPABILITIES. BASED UPON CURRENT USE, USAJOBS WILL LOG MORE THAN 75 MILLION VISITS BY AMERICANS THIS YEAR; OVER ONE-HALF MILLION RESUMES WILL BE CREATED; AND MORE THAN 350,000 VACANCIES ADVERTISED. OPM IMPLEMENTED COMPLETELY NEW, STATE-OF-THE-ART USAJOBS TECHNOLOGY IN AUGUST OF 2003.

WITH THE NEW SYSTEM, JOB SEEKERS IMMEDIATELY RECEIVED A NUMBER OF BENEFITS INCLUDING AN IMPROVED USER INTERFACE BUILT ON INDUSTRY BEST PRACTICES FOR EASE OF USE AND NAVIGATION; A POWERFUL AND FLEXIBLE JOB SEARCH ENGINE CAPABLE OF MATCHING SKILLS AND INTERESTS AGAINST THE FULL TEXT OF JOB ANNOUNCEMENTS; AND ENHANCED TOOLS FOR BUILDING AND MANAGING RESUMES. FOR HUMAN RESOURCES SPECIALISTS WE IMPLEMENTED IMPROVED TOOLS TO MANAGE JOB POSTINGS, CANDIDATE COMMUNICATIONS, AND CANDIDATE SOURCING.

WITH THESE ENHANCEMENTS THE NEW USAJOBS SYSTEM IS RECEIVING HIGH PRAISE FROM JOB SEEKERS. CUSTOMER SATISFACTION IS BEING MONITORED USING THE AMERICAN CUSTOMER SATISFACTION E-GOVERNMENT WEBSITE INDEX. SINCE LAUNCHING THE NEW TECHNOLOGY, CUSTOMER SATISFACTION

JUMPED FIVE POINTS DURING THE LAST QUARTER ACHIEVING AN AVERAGE SCORE OF 73 ON THE INDEX. THE AVERAGE AS OF TODAY IS SLIGHTLY OVER 75. THIS SCORE IS FOUR POINTS BETTER THAN THE GOVERNMENT WIDE AVERAGE AND ONE POINT BETTER THAN THE COMBINED GOVERNMENT AND INDUSTRY AVERAGE. THE USAJOBS SCORE IS CONTINUING TO TREND UPWARD BASED ON A PROGRAM OF CONTINUOUS IMPROVEMENT.

RECENTLY USAJOBS ROLLED OUT A NEW DISPLAY FOR JOB ANNOUNCEMENTS THAT REPRESENTS A TRANSFORMATION IN THE WAY THAT VACANCY INFORMATION IS PRESENTED. THE NEWLY FORMATTED ANNOUNCEMENT DELIVERS VACANCY INFORMATION IN AN ATTRACTIVE AND EASY TO READ FORMAT THAT GIVES JOB SEEKERS ALL OF THE INFORMATION THEY NEED TO HAVE IN ORDER TO MAKE A DECISION TO PURSUE AN OPPORTUNITY IN ONE SHORT PAGE. AS THIS CHANGE TAKES HOLD, WE EXPECT OUR CUSTOMER SATISFACTION NUMBERS TO CLIMB EVEN HIGHER.

FORMAL USABILITY TESTING OF JOB SEEKERS HAS SHOWN US HOW THE TRADITIONAL WAY WE HAVE DISPLAYED OUR JOB OPPORTUNITIES NEEDED SUBSTANTIAL IMPROVEMENT. BY LATE THIS SPRING OR EARLY SUMMER, WE WILL IMPLEMENT ADDITIONAL ENHANCEMENTS THAT WILL STREAMLINE THE APPLICATION PROCESS AND GIVE JOB SEEKERS REAL-TIME ACCESS TO INFORMATION REGARDING THE STATUS OF JOB APPLICATIONS THEY HAVE FILED.

OPM DIRECTOR KAY COLES JAMES IS COMMITTED TO IMPROVING THE FEDERAL HIRING PROCESS. THE RECRUITMENT ONE-STOP INITIATIVE AND THE NEW USAJOBS WEB SITE ARE KEY COMPONENTS IN MAKING THIS GOAL A REALITY. THIS INITIATIVE IS REDUCING THE COMPLEXITY IN FEDERAL HIRING AND MAKING IT EASIER TO HIRE QUALIFIED APPLICANTS. IT WILL DECREASE THE COST AND TIME ASSOCIATED WITH FILLING JOBS.

THE **E-PAYROLL INITIATIVE** ADVANCES THE E-GOVERNMENT AGENDA BY CREATING GREATER EFFICIENCIES IN FEDERAL PAYROLL PROCESSING. WE ARE REDUCING 26 FEDERAL PAYROLL SYSTEMS TO 2 PARTNERSHIPS COMPRISING FOUR PAYROLL PROVIDERS THAT PROVIDE PAYROLL PROCESSING SERVICES. THE CURRENT 26 SYSTEMS THAT PAY 1.8 MILLION CIVILIAN EMPLOYEES EMPLOY A VARIETY OF PAPER AND ELECTRONIC PROCESSING WITH A NUMBER OF INHERENT PROBLEMS. FOR EXAMPLE, RECORDS ARE NOT EASILY SHARED AMONG AGENCIES AS FEDERAL EMPLOYEES CHANGE JOBS IN THE FEDERAL SYSTEM; AND RECORDS ARE MANUALLY RETIRED UPON EMPLOYEES' RETIREMENT AND RESIGNATION.

WE WANT E-PAYROLL TO BE A SIMPLE, EASY TO USE, COST EFFECTIVE, STANDARDIZED, INTEGRATED HUMAN RESOURCE AND PAYROLL SERVICE TO SUPPORT THE MISSION AND EMPLOYEES OF THE FEDERAL GOVERNMENT.

AS THE MANAGING PARTNER, OPM ESTABLISHED AND LED A WORKING GROUP TO ANALYZE FEDERAL CIVILIAN PAYROLL SERVICE DELIVERY FROM A GOVERNMENT-WIDE PERSPECTIVE IN ORDER TO IDENTIFY OPTIONS FOR THE MODERNIZATION AND IMPROVEMENT OF PAYROLL SYSTEMS AND PROCESSES. THE WORKING GROUP, WHICH CONSISTED OF OPM, THE OFFICE OF MANAGEMENT AND BUDGET AND PAYROLL PROVIDERS, DETERMINED THAT CONSOLIDATION OF PAYROLL SERVICE DELIVERY AND STANDARDIZATION OF PAYROLL PROCESSES WERE THE FIRST STEPS IN ACHIEVING INTEGRATED HUMAN RESOURCE AND PAYROLL SERVICES.

PAYROLL CONSOLIDATION WILL PROVIDE FEDERAL EMPLOYEES MORE EFFICIENT AND EFFECTIVE SERVICE. THEY WILL HAVE BETTER INFORMATION, CONSISTENT NET PAY, ON-LINE ENROLLMENTS, AND ELECTRONIC ACCESS TO INFORMATION. SERVICE DELIVERY WILL BE IMPROVED THROUGH STANDARDIZED SYSTEMS. STANDARDIZATION OF HUMAN RESOURCE AND PAYROLL RULES HAS OCCURRED AND DEVELOPMENT OF A HIGH LEVEL ENTERPRISE ARCHITECTURE IS UNDERWAY. WE HAVE SUCCESSFULLY COMPLETED MIGRATIONS OF THE DEPARTMENT OF ENERGY, AMERICAN BATTLEFIELD MONUMENTS COMMISSION, SURFACE TRANSPORTATION BOARD, AND THE NUCLEAR REGULATORY COMMISSION TO PAYROLL PROVIDERS.

THROUGH AN INDEPENDENT BENCHMARKING SURVEY, E-PAYROLL HAS REFINED THE COST MODEL FOR THE INITIATIVE. THE SURVEY ALLOWED E-

PAYROLL TO QUANTIFY COSTS ACROSS FOUR CATEGORIES (1) PLANNING, (2) OPERATIONS, (3) MIGRATIONS, AND (4) SYSTEMS REPLACEMENT AND THEN MEASURE THESE WITH PRIVATE AND PUBLIC SECTOR DATA CONTAINED WITHIN THE EXISTING DATABASE. USING THE SURVEY PROVIDED FOR EXPLICIT DEFINITIONS OF CATEGORIES AND CONSISTENT APPLICATION THROUGH AN INDEPENDENT SOURCE. THE NEW MODEL REFLECTS LIFE-CYCLE SAVINGS TO THE GOVERNMENT OF \$1.1B.

DEVELOPMENT OF THE PAYROLL ADVISORY COUNCIL (PAC) ESTABLISHED A NEW FORUM IN WHICH OPM HAS ACHIEVED SIGNIFICANT OUTREACH THROUGH VARIOUS ESTABLISHED FEDERAL COUNCILS. THE PAC PARTICIPATES IN REVIEW OF POLICIES AFFECTING PAYROLL AND ALLOWS FOR A MORE EFFICIENT APPROACH TO INTEGRATING PERSONNEL AND PAYROLL POLICIES. SINCE THE PAC INCLUDES REPRESENTATIVES FROM THE E-PAYROLL PROVIDERS, DECISIONS FOR THE INITIATIVE ARE MORE READILY ATTAINED. ALL AGENCY STAKEHOLDERS IN E-PAYROLL PARTICIPATE IN BI-WEEKLY CONFERENCE CALLS AND QUARTERLY ON SITE MEETINGS. OUR E-PAYROLL PROJECT MANAGER CONTINUOUSLY MEETS WITH MIGRATING AGENCIES AND ESTABLISHED COUNCILS TO PROVIDE A STATUS OF THE INITIATIVE AND DISCUSS ANY ISSUES. E-PAYROLL HAS ALSO ESTABLISHED FOCUS GROUPS WITH AUTHORITY AGENCIES THAT AFFECT PAYROLL PROCESSING SUCH AS DEPARTMENT OF TREASURY, THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, AND THE SOCIAL SECURITY ADMINISTRATION.

OVERALL, THE E-PAYROLL INITIATIVE HAS REQUIRED SUBSTANTIAL MOVEMENT AND MIGRATION IN A VERY SHORT PERIOD OF TIME. THE TEAM HAS TAKEN A CHALLENGING PROCESS AND ACHIEVED TREMENDOUS RESULTS.

MR. CHAIRMAN, E-GOV INITIATIVES ARE NOT SIMPLY PROVIDING A TECHNOLOGY TOOL TO FEDERAL GOVERNMENT STAKEHOLDERS, NOR PROVIDING A NEW APPLICATION USING EXISTING TECHNOLOGIES. OPM E-GOVERNMENT IS IMPROVING GOVERNMENT BUSINESS MANAGEMENT AND MORE EFFICIENTLY MANAGING INFORMATION TECHNOLOGY INVESTMENTS. MR CHAIRMAN, THESE FIVE INITIATIVES OF PRESIDENT BUSH'S ADMINISTRATION REPRESENT A GIANT STRIDE IN THE TECHNOLOGICAL EVOLUTION OF A GOVERNMENT THAT IS RAPIDLY ACCELERATING TOWARD IMPROVED OPERATING EFFICIENCY ON THE MUCH HERALDED INFORMATION SUPERHIGHWAY. THESE DYNAMIC INNOVATIONS WE HAVE DISCUSSED THIS MORNING ARE SOLID EVIDENCE THAT E-GOVERNMENT IS TRANSFORMING THE WAY OUR GOVERNMENT OPERATES TODAY.

THANK YOU AND I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.