

1. Background - the dimensions of American government

American government comprises a variety of actors playing multiple roles, a complex and variable system of federalism, and an increasingly interconnected array of public and private organizations addressing essential societal goals.

What constitutes "government?"

Government is the means by which society pursues essential objectives: maintaining collective security, administering justice, providing the institutional infrastructure of the economy, ensuring that vital social capital is enhanced through improvements in health and education and through strong families and communities. When people talk about "the government," they often mean elected officials in Washington or the state capital. They might also mean the array of government agencies that watch over the environment, collect taxes, build roads, fight crime, or conduct a host of other activities. Government can also mean the local tax assessor, the town clerk, city hall, or a tribal council. Government is actually a dynamic mixture of these goals, structures, and functions.

By any measure, American government is big and pervasive. A variety of domestic Federal functions have broad effect throughout the United States: social insurance programs like Social Security and Veterans Benefits; a national tax code; the postal service; land, wildlife, and other resource management programs; environmental quality and remediation projects; the national park system; the interstate highway system. In the mid-1990s, these and other non-defense programs and agencies employed about 2.1 million people and spent about \$1.6 trillion.

State and local governments represent an even larger force. Of the 19.5 million people employed in civilian government jobs in 1995, 85 percent were employed by states (4.7 million) and localities (11.9 million, including about 5 million public school employees). In most functional areas, including public health, welfare, and safety, state and local employment exceeds Federal numbers by wide margins. Total expenditures of state and local funds for these programs was approximately \$1.3 trillion in 1994. Of the \$1.6 trillion in Federal outlays noted above, \$218 billion or about 17 percent was in the form of intergovernmental transfers rather than spending on direct Federal functions.

The sheer number of units of government is, of course, concentrated at the local level. In 1992, there were nearly 39,000 general-purpose units of local government in the United States (about 3,000 counties, 19,000 cities, and 16,000 towns), plus more than 14,000 school districts and more than 31,000 special districts handling public water works, sewer systems, fire protection, and other special local functions.

These patterns of employment, spending, and responsibility mean that most people and organizations interact with government at the state and local levels. Many government programs and functions operate at more than one jurisdictional level, with Federal, state, and local agencies playing different roles in a single program. Public education, for example, is governed by local boards of education, who make district-level policy and carry out statewide curricula requirements. State education departments set those uniform requirements, certify teachers, and distribute state aid to local school districts. In most states, elementary and secondary education is funded through a complicated mixture of mostly state and local funding, with small amounts of Federal aid available for targeted programs, such as Head Start and school lunches.

The interconnectedness of the public sector can encourage the spread of innovation

While elementary and secondary education have long been under mostly local and state control, other multi-level public programs have been designed and controlled with a much more forceful Federal presence. In recent years, design and control responsibilities for some of these programs, public assistance being the most notable, have been "devolved" to the states and often from there to local communities. At the same time that decision-making has moved to the state and local levels, however, Federal oversight has been expanded and tied to increasingly detailed flows of information about specific activities and performance. For example, the welfare reform law of 1996 (PL 104-193) gave states broad authority to redesign their cash assistance programs and to create strong welfare-to-work programs in their place. This grand devolution of discretion, however, has been accompanied by requirements to track and report nearly 200 separate data elements to the Federal government. Many of these require entirely new information systems that connect states to localities, localities to one another, and states to their counterparts around the country. This richly interconnected environment complicates many aspects of government operations, but it also provides a setting in which many actors are experimenting with new tools and new ways of working. As a result, the public sector seems to provide a more supportive environment for the spread of innovation. The fact that electronic benefits transfer (EBT) is now the preferred method of benefits distribution across all Federal programs is testament to this fact. EBT began more than ten years ago as an

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experiment in Ramsey County, Minnesota. It was developed by the county human services agency in response to a local crisis in which no bank would cash welfare checks without a user fee. Cited by the Ford Foundation Innovations in American Government Program, EBT spread among state welfare agencies, and then to other kinds of programs. In 1994, a task force created by the National Performance Review called for a single electronic delivery method for all Federal benefits.

Who cares about the way government works?

Consider the possibilities for a Digital Government from the point of view of the people and organizations who interact with government services, rules, or information: private citizens, businesses, nonprofit organizations, and government agencies and employees themselves. Often, reports and recommendations for improving government urge that public agencies pay more attention to their "customers," or more actively engage their "stakeholders," or focus on "the citizen." These terms usually serve to focus attention on the "person in the street." While this is undeniably important, they also tend to downplay or ignore the roles and importance of the others. It therefore seems useful to outline the full range of actors concerned with the way government works.

Customers are the direct consumers of specific services. Retirees who receive Social Security benefits are customers; so are the families who vacation in state parks and the parents who bring their children to public health clinics.

Stakeholders are specific individuals, organizations, or groups that have an interest in the existence, design, cost, or outcome of a government action or program. Advocacy organizations, other units of government, and those subject to government oversight or regulation are all stakeholders in the programs that engage them. Employers, for example, care about proposed changes in minimum wage laws, and health care advocates are stakeholders in the development of managed care regulations.

Citizens are individuals who have defined rights and responsibilities in democratic processes and institutions, such as the right to vote or the right of free expression. When your neighbor enters the voting booth or rises to speak at a town meeting, she is not a consumer of government services, but an active participant in the democratic process.

Government agencies and public officials can be cast in the customer and stakeholder roles just as individuals or businesses can. A county may be the customer of the state health department and rely on it to provide a full range of public health services that the county might otherwise need to perform. States are stakeholders in many Federal programs, such as the Interstate Highway system, ready to debate and influence the laws and policies that define them.

Most interaction with government takes place at the state and local levels

Often, the same person or organization plays several of these roles. A physician is licensed by a state board of medical examiners (making him a regulated entity), benefits from the extensive research resources of the National Library of Medicine (of which he is a customer), is active in committees of the State Medical Society which try to influence health care policy (a stakeholder), and personally urges his local school board to consider a tougher attendance policy (a citizen exercising his right to free speech and public participation).

Given all these roles and relationships, the form and features of "Digital Government" can potentially influence every kind of government service, regulatory program, decision-making process, and institution of governance.

Government services are a fabric of public and private threads

In an increasing number of situations, responsibility for public functions is divided between government agencies and one or more non-governmental organizations. A common administrative example is the outsourcing of information technology functions to private corporations. Both businesses and government agencies have tried to cut their costs and sharpen their focus on their core missions by hiring outside contractors to perform ancillary functions for them. Computer centers, printing and distribution operations, and travel services are all areas where government agencies have taken advantage of private sector expertise to streamline their operations.

A more long-standing and common example is found in many human service programs where government agencies define, regulate, and fund programs that are actually operated by nonprofit (and, increasingly, by profit making) service providers. Sometimes these same programs are also offered by government agencies directly.

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Shelters for homeless people are a common example at the local level. State and local governments define and regulate programs that are operated by many different nonprofit agencies such as the Salvation Army, church groups, and specially organized not-for-profit corporations. Day care programs are usually operated by nonprofit organizations or private individuals after being licensed by state agencies. Often the government agencies provide training, conduct inspections, and set rates of payment or regulate the fees that providers can charge to their clients. Local trash collection, probably the oldest example of this phenomenon, is now privatized in most communities. Private sector operation of prisons and other correctional services represents one of the newest, and more controversial, examples of this trend to mix public and private activities in a single program operation.

Other major public services are a more loosely connected, but equally complex, combination of public and private operations. Safe public air travel, for example, relies on effective interaction among FAA regulation and air traffic control, private and publicly owned airports, and commercial airlines operating as private concerns, regulated public carriers, and charters.

Public policies shape information content, flow, and infrastructure

Public information policies have a defining influence on the use of information and technology in both government and society. Some policies affect societal values such as intellectual property rights, rights of free expression, personal privacy, and access to information and to the infrastructure that delivers it. Other policies set forth the principles of information and technology use and management within government.

Policies related to the free flow of information in society were reflected in the Telecommunications Act of 1996, designed in part to foster a National Information Infrastructure (NII) as a necessary condition for universal access and continued economic growth. Intellectual property rights were updated by the passage of the Electronic Intellectual Property Act of 1998. The NII has its problems, however. A 1995 Harris & Associates public opinion poll showed a majority of people (51 percent) were very concerned about threats to their personal privacy — a figure that has increased every year since 1977. The Internet Alliance recently reported that state legislatures considered more than 700 bills related to the Internet last year, on topics such as protecting children, controlling unwanted commercial e-mail, and protecting consumer privacy online. This year, they expect the number of bills to double. These growing concerns over the effects of the Internet on personal privacy, free expression, and electronic commerce have led to Federal and state statutes and a series of court cases, all concerned with the challenges that new technologies present for personal, political, and economic values.

Policies about access to government information have also been evolving. The U.S. Federal government is the largest producer of information and publications, worldwide, a distinction unlikely to change given the current emphasis being placed on extending its reach through use of the Internet and World Wide Web. The creation, analysis, dissemination, storage, and disposal of Federal government information is guided by a plethora of policy guides, including the Freedom of Information Law (FOIL), the GPO Electronic Information Access Enhancement Act, and the Electronic Records Management rules of the National Archives and Records Administration (see Table 1), all designed to manage these information resources while insuring their accessibility and availability to the American public. These laws and guidelines have paved the way for the current information-aware legislative environment.

Public information policies address both societal values and practical goals

Federal and state information policies increasingly address the acquisition, management, and use of information technologies. This fast-paced major reorientation to government's use of information and information technologies is attested to by a spate of Federal and state policies enacted to better manage information resources and better capture the results from their use.

The Clinton administration recognized the value of information and information technologies in reports and recommendations, such as those from *The National Performance Review*, making clear the high status of information on the national agenda. The Government Performance and Results Act (GPRA) is designed to improve the confidence of the American people in the activities of the Federal government by holding Federal agencies accountable for meeting performance objectives and program missions. GPRA mandates long-range strategic planning, annual performance planning, and performance-based budgeting. Agency information technology plans must be aligned with the agency program goals, and must indicate specifically how information technology will contribute to mission attainment. The Clinger-Cohen Act redirects Federal agencies' attention from IT acquisition management to IT investment management. It also creates a chief information officer position in the agencies, reporting directly to the agency head, whose primary responsibilities are information management and

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development of an information architecture. GPRA, Clinger-Cohen, and a variety of other Federal statutes and rules clearly elevate IT to a top level function in Federal agencies. What this means and how it will be accomplished in the long run remain to be seen.

Table 1. Federal Laws and Policies Governing Information Resources

Clinger-Cohen Act of 1996 (PL 104-106)
Electronic Freedom of Information Act of 1996 (HR 3802)
Electronic Intellectual Property Act of 1998
Executive Order No. 12864, President's Advisory Council on the National Information Infrastructure
Executive Order No. 13011, "Federal Information Technology"
Freedom of Information Act of 1966 (5 USC 552)
Government Performance & Results Act of 1993 (PL 103-62)
GPO Electronic Information Access Enhancement Act of 1993 (PL 103-40)
Improvement of Information Access Act of 1991
OMB Circular A-130
Paperwork Reduction Act of 1980
Paperwork Reduction Act of 1995 as amended (PL 104-13)
Privacy Act of 1974 (5 USC 522a)
"Raines Rules" October 25, 1996 OMB Memorandum Telecommunications Act of 1996 (PL 104-104)

States have developed information policies that often mirror, but sometimes differ from, Federal principles. Most states have adopted Freedom of Information Laws, for example, but some have outlined the conditions under which fees may be charged beyond the marginal cost of reproduction — a departure from a key tenet of the Federal policy. Minnesota, Florida, and Kentucky have long histories of attention to data content and public access issues. Most state policies, however, focus on the management of information resources and technology. Florida's CIO Council, for example, has recently issued policies that focus on government data as a statewide asset, and that treat security issues under the rubric of risk management. California has also paid close attention to policies and practical guidelines that evaluate risk in IT development. Massachusetts presents a portfolio of IT initiatives to its legislature each year, focusing on total costs and benefits rather than one idea at a time. Similarly, New York's policies rest on principles that favor interagency cooperation and statewide benefits over the needs of individual agencies. Texas is a leader in policies and activities related to electronic commerce.

Local governments are also information policy makers, with authority over cable TV franchises, as well as responsibility for the use of information and technology to support local government functions. New York City, for example, has recently issued an executive order creating a Technology Steering Committee with wide ranging responsibility for coordination and oversight of technology strategies and investments. Philadelphia is credited with using IT investment strategies to help accomplish a major economic turnaround.

Viewed in its totality, American government is an organism of structural and functional complexity in which Federal, state, and local levels all play critical, intertwined roles. In addition, government and the private and nonprofit sectors often share responsibility for public programs and resources. Moreover, public institutions and services, and the policies which guide them, are evolving to account for these changing relationships and for the effects of rapidly advancing technology. Information technology, already deeply embedded in most government operations, will continue to be vitally important to administration, decision making, and direct service delivery. It will also be a critical factor in the evolving relationships between government and other kinds of organizations, and between government and citizens. All of these elements, and their intricate dynamics, represent rich areas for new research.