

July 9, 2002 - NASCIO Members Testify on Federal Grant Management & APD Process

**TESTIMONY OF ALDONA VALICENTI
CIO, COMMONWEALTH OF KENTUCKY
PAST PRESIDENT, NATIONAL ASSOCIATION OF STATE CHIEF INFORMATION OFFICERS
(NASCIO)**

**HOUSE SUBCOMMITTEE ON TECHNOLOGY AND
PROCUREMENT POLICY
UNITED STATES HOUSE OF REPRESENTATIVES
HEARING ON STATE/LOCAL INFORMATION TECHNOLOGY GRANT MANAGEMENT
JULY 9, 2002**

Mr. Chairman and Members of the Committee, I am honored to be here as the Chief Information Officer for the Commonwealth of Kentucky and on behalf of the National Association of State Chief Information Officers (NASCIO). NASCIO appreciates your attention to this important issue, which affects every one of our CIOs. The relationship between the federal government and state governments is a critical partnership in the provision of service to our citizens. Through such programs as Temporary Assistance to Needy Families (TANF), Medicaid and the Food Stamp programs, the federal government provides assistance to America's needy, adding to the states' own efforts in support of their citizens' needs. Information technology has played an increasing role in these programs, allowing states to automate many functions. The regulatory processes for federal funding for information systems have evolved over time to meet the oversight requirements of the specific agencies and programs. However, this approach is becoming increasingly out of sync with the states' recognition that human services must be consolidated and integrated - so that citizens can meet their needs with as little effort as possible. The regulatory process for federal funding for human services IT programs - the Advance Planning Document (APD) and the related cost-allocation process - is in dire need of reform. This reform should first enable, then encourage - and finally even reward - the states' efforts to build integrated IT infrastructure.

The states are moving to provide services to citizens from an integrated, "one stop" or "one screen" approach, allowing one office to work a citizen case, or allowing several offices to work from one case file managed on a common IT system. The states are doing this for a range of reasons. First, new approaches to human services emphasize moving citizens off assistance to self sufficiency, rather than simply providing financial assistance. This requires an integrated IT infrastructure. Second, citizens are demanding a holistic approach to service, becoming increasingly less and less willing to visit offices to provide the same information, over and over again. Finally, the common IT infrastructure that provides the basis for integrated services provides cost efficiencies in maintenance and operation, an important consideration as states continue to struggle with the effects of the downturn in the economy.

This ideal of the provision of all or most federal/state assistance - welfare, labor, food, education, and health assistance - will only be possible through an integrated information system that can evaluate an individual's or a family's need and eligibility for all of these services. In this direction, many states are working to consolidate the traditional stovepiped information systems through which these services are provided now - but are encountering significant difficulty with federal regulation that focuses more on approval processes and accounting for expenditures rather than accounting for service to citizens.

The states are encountering two primary obstacles: the bureaucratic Advance Planning Document process by which states apply for federal funding assistance for information systems, and the burdensome cost-allocation process that discourages investment in efficiency-building cross-program IT infrastructure. I would like to emphasize one point before addressing these challenges - NASCIO absolutely agrees that the goal of federal/state grant management is to maximize flexibility AND accountability. Congress must be assured that funds are spent for the purposes for which they are authorized and appropriated. Having said this, our purpose is to remove or modify those legislative or

regulatory barriers that restrict innovation, not those that provide accountability for how federal funds are spent.

NEED: Restructure the APD Process to Allow for Greater Flexibility to Use Federal Funds for Cross-program IT Infrastructure Many states are initiating innovative approaches to "integrating the front end" - that is, developing systems where citizens can, in the process of providing their personal information and qualifications on one site or to one office, determine their eligibility and how to receive services across a variety of federal and state programs. However, the APD (the Advance Planning Document) process is currently as much an obstacle as a facilitator in the implementation of integrated systems.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 reinforced the states' motivations to create an integrated approach to providing human services. As welfare agencies shifted focus from providing checks to recipients to moving recipients off assistance programs into self-sufficiency, they found that they require information from programs other than welfare - such as education, employment training, and housing. These programs are managed under separate state agencies in many cases. As a result, states came to realize they needed information systems that allowed state human services workers to access data from these programs across agencies at the state level. However, they soon found that because these programs are supported by federal funds also from separate federal agencies and programs, there are few clear processes for using funds from two or more federal human service programs to build the common IT infrastructure for integrated information systems.

The APD process applies to Child Support, Welfare, Medicaid and Food Stamps, and is a means for states to inform and secure approval for federal reimbursement for a percentage of the costs associated with an information technology project that supports one of these programs in the state. First, the "Planning APD" must be submitted prior to initiating a project, then an "Implementation APD" that serves as a comprehensive written plan of action, followed by an Annual Advance APD to update federal agencies on progress and changes, and finally, an optional "As-Needed APD", that also serves notice of changes and can be used to request additional funding. The APD process began some time ago as an effort to provide federal expertise to states in the use of large mainframe computers to support human services provision. The process established a separate, distinct approval process for IT projects within overall state plans for programs, such as child welfare. While this made sense at the time for a variety of reasons, it is the states who are now at the forefront of innovation, combining the internet, networks and personal computers to dramatically increase efficiency.

The current APD process for a project that pertains to a program overseen by just one federal agency adds the unpalatable ingredients of bureaucracy and delay. One common complaint of the states is the federal penchant for form over substance. A state official related the experience of a federal agency returning an APD requesting, among other changes, that a 3 ½ page executive summary be expanded to the required full four pages. Another is the frustrating requirement that the project, even if being funded in part with state funding, not be started until an APD is approved. While this seems logical, much of the data required to complete the APD, such as degree of difficulty and some cost figures, cannot really be known until the project is underway. Finally, the system can produce prodigious delays. The initial Planning APD is approved automatically 60 days after submission - but the 60 day period begins again should the agency request clarification or a reworking of the cost-allocation. As long as the agency approves the APD *within 60 days of the last submission* by the state, it can claim to have approved the APD "within 60 days" - no matter how many times it restarted the clock. Further, as the GAO noted in its January 2002 report on Human Services Integration, by the time this process has run its course, the technology plan can become obsolete by the fast pace of technology development. A pilot project in New Mexico whose APD approval process is into its twelfth month, has been returned by the approving federal agency three times, each time re-starting the 60 day deadline. State officials estimate the technology has gone through three significant "jumps" in capability during that time - on average once every four months.

For IT projects where more than one federal agency might be involved, the challenge is compounded. In this case, a state must meet the individual APD requirements of each program (and agency). While there is a federal office that facilitates the processing of cross-program APDs, and a process for such do exist, some states remain unaware of this fact and other have not been able to effectively utilize the process. An example from my own Commonwealth of Kentucky is worth noting. What should have been a fairly straightforward effort to purchase common desktop PC software to determine eligibility for a range of our Cabinet of Families & Children programs, including TANF, Medicaid and food stamps, in reality had to be shepherded through the separate APD approval process for multiple agencies by our human services department CIO. Our CIO had to travel to Washington to meet with representatives of each agency to accomplish this. The result of having to secure separate approvals from multiple agencies was significant delay in implementing a common-sense approach to services management. In another example from New Mexico, a state pilot project to merge eligibility determination for nine (9) human services programs was begun in July 2001. After the initial APD was rejected due to different and often contradictory requirements from the various federal agencies, the state decided to scale back the consolidated programs from nine (9) to only three (3). After a second draft of the APD was rejected in November 2001, the state is seeking private grant funds to determine if it can complete the effort without using federal funds at all. It is clear that the APD process is not encouraging states to use federal program funds to create common IT infrastructure.

As a result of this feedback, NASCIO proposes that OMB, GAO, the states and related associations begin a collaborative discussion on the issue. The goal of this discussion should be to explore ways to increase agency flexibility in working with states, possibly to include legislative alternatives. This flexibility should be geared towards encouraging and rewarding states who create efficiencies by investing in common IT infrastructure and systems that support multiple programs.

NEED: Streamline the Cost Allocation process: "Stovepiped" funding streams have resulted in the notorious examples we are all so familiar with: separate computers or printers, for different programs (ie one for child welfare and another for Medicaid eligibility) on the same desk. The cost allocation process evolved logically as a subprocess of the APD process to allow for a way out of strict stovepiped funding. Cost allocation allows for some degree of allocating funds between federal and state sources, and between programs. The very appropriate goal is to ensure that federal funds are spent for the purposes for which they were authorized and appropriated. However, the states face a significant challenge in working with federal agencies for approval of cross-program cost allocation plans. Federal agencies have not been issued clear guidance what cost allocation models are appropriate for cross program IT infrastructure, and as a result, do not feel comfortable approving many such APDs with this type of cost allocation. The result, when combined with the APD process described above, is that federal agencies often first require the states to submit cost allocation plans on their own, providing very little guidance. They then often reject such plans due to their discomfort brought on by their own lack of guidance. The ensuing delays often penalize the states for pursuing funding for common infrastructure, even though this infrastructure serves the recognized goal of integration and efficiencies. States report that agencies often give one of two answers as to why they reject many cross-program IT APD requests. The first is the Office of Management and Budget (OMB) - most agencies assume a conservative interpretation of OMB APD guidelines, particularly when these are broad and not specific - and worry that OMB will not approve of these plans. The second is the General Accounting Office - agencies have told states that they worry that the GAO will conduct an audit and disapprove of complex APDs that build IT infrastructure across programs.

Since integrating services by building common infrastructure and systems that support multiple programs is often the very purpose of modernizing the IT systems for these programs, the result is that states either choose not to modernize, or when possible, do so only with state funds. For example, a State of Arizona project found federal cost-allocation guidelines to be so vague that they needed to seek clarification from the federal agencies involved, who could provide no specific recommendations. Arizona submitted several possible cost-allocation models on their own, which were all ultimately rejected.

The cost allocation process adds a large and burdensome accounting and bureaucratic layer onto the

administration of these programs. Teams of accountants must be hired at the state level to monitor the cost allocation process, accountants who must then track their own time for cost allocation purposes. One state program official estimated that the cost-allocation process, requiring determination of how much time individual state employees were spending working with which program, chewed up nearly 20% of the federal funding that was provided for that program in the first place! The solution to this complex problem will also be complex, and NASCIO does not pretend to have an easy answer. We are, however, prepared to engage in a collaborative effort to arrive at one. This collaborative discussion should determine how to increase federal agencies' comfort level with existing OMB and GAO guidance on cross-program cost allocation processes. This could include perhaps the creation of a "prior review" mechanism by which GAO would first review a state's cost allocation plan if it involved a complex, cross-program cost allocation element. Another alternative with potential is the allowance for a "cost per service" allocation formula, one that my colleague Larry Singer can elaborate on.

Finally, Mr. Chairman, I would like to conclude that many of the challenges and ideas discussed here today have already been recognized and/or embraced by a wide variety of government and associated organizations - including the Office of Management and Budget, in their vision for IT programs for the federal government itself. Mark Forman at OMB has made progress in pushing federal agencies to design their IT programs, from their very inception, to serve multiple agencies' needs, as in OMB's Quicksilver initiatives. We see the further extension of this philosophy in discussions about the Administration's proposed Department of Homeland Security. Administration officials have made it clear that a key factor in the success of its mission will be its ability to share information horizontally across the organization and with other departments, as well as vertically with states and localities. These examples show that the federal government is getting its own house in order, recognizing that "stovepipes" and stand-alone systems are detrimental to the goal of shared information and integrated services. Now, extending this philosophy to the management of state and local IT human services funding, with the implementation of a few modest reforms, can move us closer to that goal. Thank you.

**TESTIMONY OF LARRY SINGER
CHIEF INFORMATION OFFICER, STATE OF GEORGIA
HOUSE SUBCOMMITTEE ON TECHNOLOGY AND
PROCUREMENT POLICY
UNITED STATES HOUSE OF REPRESENTATIVES
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Mr. Chairman and Members of the Committee,

Thank you for inviting me before you today. It is a great pleasure and honor for me to have an opportunity to speak to you. I am also grateful for the work of this committee. I have three points for my testimony today. The first is that the review of information technology expenditures associated with federal programs should become part of the actual review of the program itself rather than through a separate review process. Second, federal funds should be permitted to be used on program systems' run on integrated networks. Third, federal funds should be authorized for the purchase of proprietary software for programs with the understanding that custom developed software continues to be placed in the public domain. All of these reforms will help state governments focus on delivering services to their constituencies in a more effective and efficient manner without sacrificing accountability while reducing costs to both federal and state programs.

Point One: Review of Information Technology Expenditures Associated with Federal Programs Should Become Part of the Review of the Program Itself Rather Than Through a Separate Review Process

Currently all states' program plans are reviewed by a federal agency prior to the receipt of federal dollars. That process applies whether the funding is for Medicaid, transportation, or child support enforcement. All of those programs undergo appropriate and rigorous scrutiny. Unfortunately, however,

in addition to that scrutiny information technology expenditures associated with those programs sometimes have to go through a completely separate and additional review process. The Advance Planning Document (APD) process requirements applied by the Departments of Health and Human Services and Agriculture force states to submit detailed plans, all related procurements, systems approaches, and IT expenditures for approval prior to each procurement or project initiation. Of all federal grant processes, this APD process is the most cumbersome, expensive and provides the least value to the federal oversight process and to the states.

The APD process had great value when it was developed around thirty years ago. It was developed around the time of the initial implementation of information systems to determine eligibility for Medicaid, Food Stamps and the general welfare program then known as AFDC. With the roll-out of eligibility determination responsibilities to states, there was great fear among federal authorities of whether states would be able to handle large systems deployments and procurements. At that time states were not using systems to any great extent, and the only real public sector success with large scale information systems had been with federal programs such as Social Security & Medicare. As a result, it made sense to impose specialized reviews to take advantage of the much greater expertise and experience at the federal level to assist states and to provide assurance of state capabilities to expend funds in a responsible manner when procuring or planning information systems.

Today, however, states are the largest consumers of IT resources in this country, larger than the financial services, retail and manufacturing industries, larger even than the federal government. States understand their environments, associated risks, and all have established procurement rules that are consistent with those imposed on federal agencies by the General Services Administration. In addition the people at the Department of Health and Human Services (HHS) charged with responsibilities for review of state plans and procurements are no longer the same individuals responsible for the development, procurement or operation of their own federal agency's information systems, and in fact, in most cases reviewers have no significant IT experience, training or knowledge, their expertise and responsibility is only in the approval process associated with the APDs themselves. The APD process simply does not provide the value it once did. In fact, it is a deterrent to the application of procurement and systems best practices such as modular and iterative systems development and smaller iterative risk reducing procurements. In addition, the APD process now represents an extra burdensome bureaucratic step that adds unnecessary delays, costs, and hinders innovative and industry standard approaches to complex system deployments.

Congress has tried to address this problem in the past. To avoid the protracted decision making process associated with APD approvals, Congress acted to limit the time a federal agency can ponder their decisions to 60 days. As a result, however, within 60 days a state can often be assured of at best "conditional approval." The conditional approval, of course, is of little value since the reviewers can later determine that it in fact wasn't approved. Further, because approval is required at the planning stage, approval of the procurement stage, and at contract award stage, the 60 days' limit for each of those stages provides no relief at all to the time penalty on state's projects, with cumulative timeframes for federal approval extending from six months to a year on even modest sized systems efforts. In today's world, these interim approvals take longer than what a whole project should take and add considerably to the risk profile of a project. In fact, the APD system creates a perverse disincentive to breaking down monstrous, expensive, high risk projects into smaller more manageable iterative projects by creating large gaps between phases where federal approval must be re-obtained. As a result, the risk is increased, delays for approval are inevitable, and it is not at all clear that the process adds value to either the state or the federal government. Instead it simply adds delays and cost to the project.

As an alternative to the APD process itself, and as a more effective method to review and approve IT approaches to program implementation, approvals should be part of the annual program plan approval process generally. There should be nothing special about information technology expenditures when compared to other program initiatives designed to improve program performance. Those IT expenditures should be considered another tool, no different than organizational, policy and process change initiatives. Having an integrated review process will foster a comprehensive understanding of state

change initiatives by reviewing the entire plan in context. With that approach rather than a separate review process for IT, federal agencies can focus on programmatic deliverable requirements rather than bureaucratic process requirements. States would be allowed more flexibility in approach and solution while appropriately still being required to fall within standard acceptable federal practices. This alternative approach would save states millions of dollars and provide a much more innovative and understandable approach to federal IT program oversight.

This proposed approach reflects the wisdom that Congress applied when passing the original welfare reform legislation. That legislation created block grants, allowing states to apply their TANF funds to IT projects without the historical APD review for those general welfare programs. Since that time there have been no major systems failures or federal censures, procurement scandals or failed audits related to TANF IT expenditures. In that same period of time there have been many such problems with the systems that have remained under the APD process.

I am asking that this committee consider legislation that requires that federal granting authorities and agencies limit their review of IT projects to the same level and type of review applied to other grants in the same program areas.

Point Two: Restrictions on cross program uses of federal funds when IT program systems share integrated networks and architectures should be eliminated.

The federal government prohibits the use of federal funds originally appropriated to support a specific program from being used to benefit any program area other than that specified program, and the states understand the importance of that principle. There should not be the opportunity for states, or for that matter federal agencies, to redirect appropriated funds for any purpose other than the designated congressional authorization.

In the information technology arena, however, modern architecture and common networks and computing infrastructures make practical implementation of the principle problematic. There are many circumstances in which it is in the mutual interest of the federal and state governments to encourage exploitation of common networks and architectures to promote both reduced costs and information sharing. The common network or shared systems support multiple programs, and therefore, when funds appropriated for a specific program are used to finance portions of an integrated architecture, some of the benefit of that integrated architecture inure to the benefit of other programs. This is true despite the fact that if a separate "dis-integrated" architecture, network or computing environment were to be constructed solely to support the single intended program, the cost to that program, and therefore the size of the federal grant, will usually far exceed the proportional cost of participating in a shared environment. When funds from multiple federal grants are leveraged together to build a common infrastructure there is inherent confusion amongst federal oversight authorities in determining whether the intent of Congress is being followed with all due integrity, and out of an abundance of caution they create circumstances that inhibit this sort of effort. This despite the cost savings and potential for increased operational productivity would be to the benefit of the original specified program.

Computer systems were developed quite differently even fifteen years ago. At that time, large mainframe based applications would be developed, accessible by dedicated terminals that would only be able to access the application operating on the attached mainframe. Today, of course, with modern architecture and tools such as the internet, it is possible for intelligent terminals such as personal computers equipped with browsers to communicate across sophisticated networks with many mainframe or server based applications. Frequently that interoperable communication is beneficial. With the ongoing discussions of a federal Department of Homeland Security, for example, there is an acknowledgment that many different information systems supporting law enforcement, intelligence, infrastructure assurance, health and other critical functions of government should be able to connect across shared networks to serve the business objective of creating a more secure nation. One of the principle functions of the proposed new homeland security agency will be to promote that sort of information sharing. Similarly, the field of health and human services is better supported when there can be integration

between Medicaid, welfare, child protective services, juvenile justice programs and juvenile and family courts and others to meet the need of our nations most needy citizens and families. Most importantly states cannot afford to maintain redundant and overly complex and desperate network and technical architectures in order to conform to the arbitrary distinctions implied by "stovepipe" funding sources. The federal government suffers financially when each program must fund 100% of a dedicated architecture rather than a proportional share of a shared architecture.

There are tremendous inefficiencies with implied and express prohibitions on common networks or incidental benefit from dedicated funds to other public programs. With homeland defense grants to states, for example, public health agencies recently received funds to build a network connecting local public health offices with new statewide networks. Public health should not have to establish its own separate network, but rather existing state networks should be expanded to fit the new required capacity of public health. That is more cost effective for the federal granting authorities and states and more efficient without sacrificing the quality or integrity of the supported programs. The funding to increase the capacity of statewide networks to provide connectivity to public health offices may incidentally provide increased capacity to the state network generally, but with no additional cost to public health programs. I do not believe it is ever the intent of Congress to assure that no benefit accrues to other programs in this manner.

The requirement of completely separate funding streams at all costs does not take into account the networking opportunities and efficiencies of which states could take advantage, and often causes states to avoid opportunities for cost savings. The incidental benefit to other programs that may be gained by working on common architecture approaches with federal dollars should not be discouraged, and in fact should be strongly encouraged.

Having said that, however, it is equally clear that an appropriate method for assuring fiscal accountability in such an environment is needed. It will be a difficult process to establish one. While current, tried and true cost allocation methods may still work for such expenditures as personnel, office space and supplies whose actual time and use can be predicted and measured with great precision, we know that information traveling in electronic pulses is not the same measurable commodity. NASCIO, the professional association of my fellow state IT leaders, has proposed an approach where a "cost per service" approach or "CPU based costing" may make far greater sense than the current complex and outdated cost allocation process. There needs to be a unit based allocation process that assures that both federal and state auditors can assure that no misappropriation of funds has taken place, while promoting the very real technical benefits of shared services, networks and architectures. I propose that Congress direct the General Accounting Office and the Office of Management and Budget to work with NASCIO, the National Association of State Auditors and the National Governors Association to develop new rules and clear guidelines to federal granting agencies for the promotion of shared architecture and appropriate accountability.

Point Three: Restrictions against the use of federal funds to purchase proprietary applications and systems development should be eliminated.

This proposal is to roll back an unfortunate but well meaning effort by some bureaucrats in the department of Health and Human Services, and occasionally in other federal agencies, to manipulate the free market for information system applications through a single hastily developed rule, which has taken root in the federal grant system. That rule prohibits states from procuring any license to operate a software program product to manage a state function which is supported by federal dollars, if the intellectual property imbedded in that software program product is owned by a commercial entity. The original purpose for imposing this rule was based on the seemingly sound principle that the federal government should not need to compensate a single vendor multiple times for the acquisition of the same piece of software by multiple states. Unfortunately the rule has created some perverse incentives that have increased project risks to states substantially and increased costs to the federal granting authorities by many times over what they would be if this rule did not exist and the market was able to operate more freely.

To understand this problem one must examine the dynamics of the public sector IT application market in the context of the overall technology marketplace. Let's use as an example the child welfare program area. Several years ago, the federal government agreed to reimburse states' for the costs associated with the development and deployment of systems to support case management of programs such as child protective services, foster care and adoption through an effort known as SACWIS. There are fifty some states and territories eligible to receive these SACWIS grants to utilize information systems to deliver these child welfare programs. When this funding became available it was evident that there were many similarities between each state's child welfare programs, and therefore it was fair to assume that there would be similarities in their requirements for systems to support those programs. In order to gain benefit and reduce costs, HHS has prohibited the states from acquiring packaged or proprietary Child Welfare systems from commercial software vendors, under the assumption that states would share the systems developed by the earliest state implementers as a more cost-effective vehicle for the states and for the federal government.

Unfortunately, however, in reality information systems developed for a single purpose (like an individual state's use) do not "transfer" for other uses (like by another state) easily. Of necessity, the early SACWIS adopters' information systems have contracted with systems development and integration companies for custom developed SACWIS solutions, developed from scratch. Although the resulting software would be in the public domain, very little of it would be useable by another state. Software developed for commercial purposes is developed very differently from custom developed software designed to meet the explicit needs of an individual user. Those early adopter states developed the systems without regard for the design requirements that allow sufficient flexibility in terms of not only functionality, but also of technical issues that would enable the transfer of the system to a second user. The cost of developing reusable software systems traditionally is 15 - 25% greater in terms of both dollars and time than software that is developed with the intent of a single deployment to the entity for which it was developed. Since no state had any incentive to pay those costs, or to survey the rest of the market for systems requirements that may have been different than their own, what has resulted is that each state has had to pay for a custom developed SACWIS system at an average cost of nearly \$75 million. Multiply that by 50, and recognize that the federal government has provided reimbursement to the states at an average rate of nearly 60% and the whole national effort costs HHS and the federal taxpayer \$2.25 Billion. If instead a commercial vendor would have spent 25% more than the original \$75 million to build a system (absorbing the cost to make the system reusable, and of commercial quality) and then sold it to the 50 states for \$10 million each they would have made a substantial profit and the total cost to the federal government for SACWIS would have been only \$500 million, saving the federal granting authority over 75% or more than \$1.75 billion dollars that could have been better spent on the children in those programs. The states share was also similarly wasted. In fact, a scenario in which 2 or 3 vendors each developed a SACWIS solution would have provided for price competition that might have the dropped the costs to states and the federal government even further, with each of the vendors still potentially making a substantial profit.

SACWIS is only one example where if the rule against proprietary software were overturned there would be market conditions created that would promote commercial vendors providing reusable solutions to the financial benefit of the states and the federal funding authorities. Not only would there be substantial financial benefit as demonstrated, but the risk of systems failures, which have been rampant in SACWIS and other federal systems enduring the pressure of this rule, would be reduced, with states able to license solutions that have demonstrated their effectiveness in other states' implementations.

Over the last decade or so a new marketplace has developed in which commercial applications have been developed and entire industries benefit, in fact the entire US economy has benefited. Software companies such as Peoplesoft, SAP, BANN and Oracle, for example, have changed the industry with human resources, procurement and financial systems packages known as enterprise resource planning applications (ERP). Companies that used to build custom systems now purchase those systems creating tremendous benefit to our whole economy, with greater productivity and reduced costs in attaining it. It is about time that the public sector also enjoyed the benefit, like the commercial sector has, of commercial-

off-the-shelf (COTS) applications. To get there, I propose the removal of all bans on the acquisition of commercial and proprietary software program products when federal grants are involved.

Thank you for giving me the opportunity to make these points. It should be noted that most of the positions taken here have been expressed by my colleagues in the American Public Health and Human Services Association as well as by state IT and program executives in forums hosted by GSA, The Rockefeller Institute and others. I hope that you are able to act on these suggestions soon.