

**\*\*\* THIS TESTIMONY IS EMBARGOED UNTIL \*\*\***  
**\*\*\* FRIDAY, MARCH 11, 2011 AT 10:00 A.M. \*\*\***

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Committee on Ways and Means.  
U.S. House of Representatives  
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Hearing on the Use of Data Matching to Improve Customer  
Service, Program Integrity, and Taxpayer Savings

Good morning Chairman Davis, Ranking Member Doggett, and other members of the Subcommittee. Thank you for the opportunity to discuss how well-designed technology systems are helping government agencies match data and, as a result, improve customer service, uphold the integrity of the programs they administer, and increase taxpayer savings.

My name is Ron Thornburgh, and I am the Senior Vice President of Business Development for NIC. NIC is the nation's leading provider of official government portals, online services, and secure payment processing solutions. Since 1991, the company's innovative eGovernment services has reduced costs and increased efficiencies for government agencies, citizens, and businesses across the country. Additional information is available at [www.nicusa.com](http://www.nicusa.com).

Prior to joining NIC, I served as the Secretary of State for the State of Kansas for 16 years and was very involved in the state's drive to enhance the state's digital government services during that time.

I commend the Subcommittee for examining how government can use data matching to better deliver services to its citizens. Importantly, forward-thinking leaders are doing this at all levels of government today. We see this first-hand, as NIC builds and manages digital government services similar to those being discussed by the Subcommittee. We are privileged to work with more than 3,000 federal, state, and local government agencies to build online services and manage websites – including the official state websites in Kentucky, Tennessee, and Nebraska.

It is my pleasure this morning to share examples and best practices from several of the states we serve. My testimony will cover a few of the types of solutions that are in place, as well as the challenges our state partners have overcome and what the future holds for these initiatives.

**ADDRESSING THE CHALLENGE IN MONTANA AND ARKANSAS**

The states we serve see a tremendous opportunity to create information technology systems and operating processes that more effectively deliver services to constituents. They focus on using cost-effective means of bringing together key data sets that are managed by different agencies and housed in IT systems that often do not talk to one another as effectively as they could.

For example, we have helped the state of Montana build an eGovernment solution called Montana Connections. This service allows Montana residents in need of public assistance to apply for Medicaid, children's health insurance, Temporary Assistance to Needy Families, and supplemental nutritional assistance. With only 975,000 people spread out across 150,000 square miles, Montana has always been at the forefront of using technology to communicate effectively with constituents about government services.

The system allows the citizens of Montana to complete a single online form that is then sent in real time to the four state entities that administer these programs as well as to multiple counties. This system allows for rapid determinations of eligibility, and program enrollment can then begin in days.

Launched in December 2010, Montana Connections has exceeded the state's expectations, processing more than 1,000 online applications in the first months. Prior to the use of this new online service, approximately half of all paper applications were deemed incomplete due to ineligibility or unanswered questions. The Montana Connections program was built with checks in place to ensure that every application is 100% complete and sent to the appropriate state and county offices. These actions alone have dramatically reduced the incomplete and misrouted application submissions that take up agency caseworker time and increase customer service calls and visits to government offices.

We also built a technically similar system in Arkansas to help the state's Department of Higher Education more effectively make financial aid available to students. This service aggregates the state's 21 scholarship, grant, and loan programs and allows citizens to provide basic screening information to determine eligibility and submit applications to any of the programs through a single online form. As a result of this data matching solution, financial aid applications increased 440% and more than \$150 million was distributed in the program's first year. By comparison, the State was unable to match all of the money in the program with deserving students before this online system was in place.

## **OVERCOMING BARRIERS**

These are just two examples of successful data matching programs. Like others, they have proven that the structural, cultural, technical, financial, and design barriers to interagency cooperation can be addressed successfully.

Structural – Any program involving more than one agency and a single IT system will require a collaborative approach. Agency leaders must agree to work together to reach a common goal, and this is an absolute requirement for any data matching program to

succeed. NIC and other private sector providers frequently help support this process by sharing best practices that have been successful in similar projects. We have also served as a neutral party who brings all sides to the table for constructive discussions.

Cultural – We believe such online technology solutions are removing the perceived stigma of applying for social services among people who may have been too uncomfortable or unable to go to a government office to apply for support but will do so thanks to the privacy afforded by the online system. Our partner in Montana shares this opinion and believes the Montana Connections program has opened up support to a new and deserving demographic. It is also worth noting that as of this week, nearly 2,300 people in Montana have completed the filing process and 267 were deemed ineligible for any programs.

Technical – Shared business rules are an essential component of a successful data matching initiative. In Montana, for example, all agencies participated in a detailed series of meetings to identify a common language and set of requirements without sacrificing their unique agency requirements. This defined how the systems talk to each other, which data points need to be collected, and how applicants are assigned unique identities that all of the systems can recognize.

Financial – Paying for new systems is a challenge every government faces. Many of the states we work with have used a self-funded approach to build systems and services without requiring any appropriations. Modest transaction fees applied to a limited number of commercially valuable services, primarily business-to-government, across the government enterprise are used to fund the development of eGovernment systems like the data matching solutions referenced in Montana and Arkansas without cost to the citizens or the agencies. We have used this model to deliver another department-level federal data system and believe a similar funding approach could support the types of data matching solutions the Subcommittee is discussing today.

Design – Data matching systems are only effective when constituents use them, and successful solutions place a high priority on developing straightforward user-friendly interfaces on a variety of delivery platforms. For example, NIC built a mobile-optimized version of the Arkansas financial aid system to accommodate the student audience's preferences, and more than 12% of site traffic is now coming through mobile devices.

## **CONCLUSION**

Mr. Chairman and members of the Subcommittee, states are using data matching successfully. The ambitious projects I have described are at different phases in their evolution, and we believe they will continue to provide opportunities to link diverse systems together in ways that:

- Provide real-time eligibility screens and approvals that improve service levels;
- Increase constituent satisfaction; and, very importantly,
- Eliminate fraud, waste, and abuse.

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In addition, we believe that the next generation of data matching solutions will reduce the administrative burden for agencies so they can redeploy employees to other priorities in the work queue, which ultimately is the most effective use of taxpayer resources.

Thank you for the opportunity to discuss this important issue and am happy to answer any questions you may have.