

of the agencies' most important digital services. The Budget also funds the USDS headquarters to maintain and expand the team that can coordinate these efforts across the Federal Government. As an example, USDS will work closely with agencies to provide the new agency teams with hiring, training, and procurement support.

To dramatically improve customer satisfaction with Federal technology services, there is a critical need for IT specialists to serve on digital services teams. To that end, the Budget supports the Administration's aggressive goal of hiring and placing 500 top technology and design experts to serve in the Government by January 2017. In addition, USDS worked with the Office of Personnel Management (OPM) to create a term-appointment hiring authority for Digital Services Experts to more quickly get talent into Government service. Working with OPM to expand these flexible hiring options and spread proven hiring practices across the Federal Government will remain a priority in 2016 and 2017.

Finally, the Administration has been expanding opportunities for the current Federal IT workforce to rise to the challenge and sharpen their skills by increasing training opportunities for these professionals. For example, this past year the Chief Information Officer (CIO) Council, Chief Acquisition Officer Council and the Office of Management and Budget (OMB) launched the IT Solutions Challenge. Throughout the course of several months, over 40 IT and acquisition professionals worked in teams to develop innovative solutions for some of the Federal Government's most challenging IT problems. These types of training programs work in tandem with an enhanced focus on expanding the Government's digital acquisition expertise. In the past year, 30 Federal acquisition professionals piloted an innovative approach to digital IT acquisition training.

Leveraging the Best Processes. The passage of the first major IT reform legislation in almost 20 years, the Federal Information

Technology Acquisition Reform Act (FITARA) in December 2014, gave the Administration's ongoing work under Smarter IT Delivery an added boost. To aid in Government-wide implementation, OMB released guidance to agencies on FITARA implementation—Management and Oversight of Information Technology Resources. This guidance empowers Federal executives to help ensure that IT resources and tools are used effectively and strategically to help programs better meet their missions. It also places an emphasis on the IT workforce by focusing on the relationship between bureau and departmental CIOs, requiring agencies to have a robust IT workforce planning process, and positioning CIOs so that they can reasonably be held accountable for how effectively their agencies use modern digital approaches.

The Administration has also encouraged data-driven processes to provide effective oversight of Government IT. For example, the Administration's PortfolioStat process—a data-based review of agency IT assets—has not only strengthened Federal IT, but made it significantly more cost effective. PortfolioStat and other IT reform efforts have helped the Government achieve more than \$3.5 billion in savings over the past four years while ensuring agencies are efficiently using taxpayer dollars to deliver effective and innovative solutions to the public. PortfolioStat promotes the adoption of new technologies, such as cloud computing and agile development practices. As a result of these continuing efforts, the Federal Government now spends approximately 8.2 percent of its IT budget on provisioned services, such as cloud computing. In addition, agile development—an incremental, fast-paced style of software development that reduces the risk of failure—is now used for half of new software projects compared to just 35 percent in 2012 and IT hardware spending has declined 25 percent from 2010 levels. In 2017, the use of PortfolioStat to increase efficiency in the Federal IT portfolio will continue.

Contracting with Innovative Companies. The Federal Government must work with private-sector innovators to ensure the best