

Business Gateway Initiative - FY 08 Funding WorkGroup Allocation Recommendation Summary

Goal:

- The goal of the FY 08 Funding Group was to determine an allocation method to spread the \$4.8 million Business Gateway FY08 budget among the participating agencies.
- The goal of this document is to explain the FY 08 Funding Group’s recommendation in order to prepare for the May 11, 2006 Governance Board Vote.

Funding Group Timeline:

- Kick off meeting was held on 3/15/06.
- Working meeting was held on 3/29/06.
- Working meeting was held on 4/5/06.
- *Final unanimous recommendation from 14 agencies was made on 4/5/06.*

Description of Allocation Options Reviewed:

- Option #1 – Percentage Method
 - Each Agency’s FY 07 contribution as a percentage of the total Business Gateway FY 07 Budget was determined.
 - The calculated agency percentage was multiplied by the total Business Gateway FY 08 Budget to determine each Agency’s FY 08 contribution.
- Option #2 – Existing Allocation Method with enacted FY 2006 data
 - The FY 07 Allocation methodology was applied using updated enacted FY 2006 data.
- Option #3 - Workstream Allocation Method
 - The Business Gateway FY 08 Budget was broken out by workstream categories: O&M, Forms, and Burden Reduction areas.
 - Each Agency’s portion of the workstream categories was determined.

Advisory Group Recommendation:

- Unanimous recommendation for Option #2 - Existing Allocation Method with enacted FY 2006 data

Business Gateway FY 08 Allocation Options Assessment		
Option	Pros	Cons
Option #1 – Percentage Method	Simple	Some agencies that have low/no burden pay more
	Consistent with last year	
	Generate contributions in line with expectations from last year	
Option #2 – Existing Allocation Method with FY 2006 Data Criteria: 1. Agency Budget: Discretionary 2. Number of Forms in Forms Catalog 3. Number of Information Collections Requests (ICR) 4. Total Respondents to ICRs 5. Total Burden Hours generated by ICRs	Most current data	Some agencies that have low/no burden pay more
	Simple	
	Agencies use the same or similar method to allocate E-government funds to their bureaus	
	Consistent with last year	
	Generate contributions that are within current expectations	
Option #3 – Workstream Allocation Method	Attempts to tie workstreams to agency contributions	Dramatically different than the existing model
		Not in line with current contribution expectations

Business Gateway Initiative - FY 08 Funding WorkGroup Allocation Recommendation Summary

Rationale for FY 08 Allocation Recommendation:

- The Option #2 recommendation is consistent with FY07 Allocation Method.
- Metrics will need to be measured for the next two years to have solid data on which to base Fee-For-Service Model in future.
- Intention to go to Fee-For-Service Driven formula in FY 09 suggests changing allocation method now is counter productive.

Potential Metrics for a Fee-For-Service Model in FY 09:

- Recommend transition to a fee-for-service funding approach in FY 09.
- General rule for choosing metrics is to use only quantifiable, hard data.
- Track Metrics Throughout FY 07 and FY 08:
 - Long-Term Sustainability
 - Visits, Unique visitors, Page views
 - Saved searches – “industry top 10”
 - Customer Satisfaction (Search time, surveys, broken links)
 - Usage
 - “click throughs” by agency – business.gov and forms.gov
 - Individual searches – by agency and topic
 - Call center usage
 - WebTrends
 - Agency Specific
 - Data harmonization (industry verticals)
- *Metrics to need to be agreed upon for the FY08 Business Case by the September 2006 submission.*