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Testimony of Lynn Overmann, Executive Director of the Beeck Center for Social Impact + Innovation at the Georgetown University before the Committee on Veterans' Affairs Subcommittee on Technology Modernization

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Chair Rosendale, Ranking Member Cherfilus-McCormick, and distinguished members of the Committee, thank you for the opportunity to provide testimony on the vital topic of technology modernization. It is an honor to share insights from my role as Executive Director of the Beeck Center for Social Impact + Innovation (Beeck Center) at Georgetown University.

For over a decade, the Beeck Center has led projects that have positively impacted more than 262 million people across the U.S., working alongside governments, and helping to build a future with more opportunity and economic mobility for all. Since our founding in 2014, we have become a network catalyst, a research hub, an advocate for policymaking in the modern age, and a training ground for tomorrow's innovators.

Technology modernization is central to our work. The systems we rely on to connect veterans to their benefits, parents to childcare, and seniors to healthcare must be robust, adaptive, and designed with the American people in mind. I have had the privilege of serving in senior policy and delivery roles in the White House Office of Science and Technology Policy and in the Domestic Policy Council, where I focused on leveraging data and technology to improve a range of government services.

Yet, too often, federal technology projects fall short—plagued by rigid approaches that prioritize process over outcomes. These failures carry real consequences: diminished public trust, inefficiencies that are costly to the taxpayers, and barriers that prevent people from accessing critical services when they need them most.

Technology modernization is a continual process of addressing unmet needs, not a one-time effort with a defined start and end. My testimony will explore how federal agencies can transition from outdated, siloed modernization approaches that

acquire technology as a static solution to dynamic, adaptive systems that prioritize the needs of people. I will outline practical, actionable strategies to address the persistent and costly challenges associated with large-scale technology modernization efforts in the federal government. This moment presents an opportunity to reimagine how technology can enable seamless and more cost-effective government service delivery for our veterans and all Americans.

Product vs. Project Model

Large scale, high dollar technology modernization projects at federal agencies are extraordinarily complex undertakings that require massive investment. Too often, these projects are built in silos without consulting the people who use them. Product development work is largely outsourced to vendors over multi-year contracts and overseen by agency project managers who are often not technologists themselves. While we have seen promising examples of federal agencies using digital services teams to run truly agile technology projects, including at the Department of Veterans' Affairs, many federal agencies still approach large scale technology acquisitions using a framework that fails to deliver successful products on time or on budget, at high costs to taxpayers and frustrating the front line staff as well as the public who must rely on these tools to access critical services.

This committee has unfortunately seen many modernization efforts fall short. There are several consistent challenges in large-scale technology projects that make them particularly hard to implement effectively:

1. overly ambitious project scopes that attempt to solve many complex problems at once, requiring long contract terms, and creating multiple potential points of failure;
2. failing to conduct deep user research to ensure the technology system is designed to actually meet the needs of the people who will use it and establishing mechanisms to ensure that the system can adapt to changing needs over time;
3. agency staff confined to a project-management role, with limited recourse when the project goes off track; and
4. taking a "technology-centric" approach that presumes that a technology solution on its own will fully address service delivery needs.

Too often, when agencies attempt to modernize, they purchase "static" software, treating it like any other commodity, such as computers or cars. But software is

fundamentally different. It must continuously evolve to keep up with changing policies, security demands, and customer needs. A system developed in 2018 will almost certainly be outdated if deployed in 2024, even if all the requirements in the contract are perfectly met.

The good news is that there are proven approaches that address these challenges, some of which have already been successfully implemented at the Veterans Administration. Agencies can shift from the static "project management model" to a "product model" that empowers internal agency digital service teams with full ownership of product development. The product model avoids massive "one-size-fits-all" solutions in favor of modular development focused on meeting user needs, starting small, learning what works, and making adjustments as needed.

Example of a project vs product model timeline

As Jennifer Pahlka, former U.S. Deputy Chief Technology Officer and co-founder of the U.S. Digital Service, explains, the product model starts with a small, nimble team conducting discovery sprints to deeply understand the user needs and challenges the software aims to solve. By identifying high-risk elements early—such as whether a data integration will function effectively—the team can test and address critical components of the product before investing significant resources in a full-scale solution.

This approach often involves developing prototypes to validate assumptions and regularly conducting usability testing to assess ease of use. While these product teams leverage contractors to enhance capacity, the core team maintains ownership of the product vision, and provides clear, strategic direction to vendors. This model not only delivers better outcomes at a lower long-term cost but also creates software that remains current and agile, eliminating the need for costly, large-scale "modernization" efforts that are often outdated before they are actually completed.

A great recent example of the product model in action is the development of the Direct File tool for the Internal Revenue Service (IRS).

Case Study of the Product Model in Action: IRS Direct File

As you know, there is perhaps no more complex, customer facing government system than the US tax code. But for many American individuals and families, accurately filing their taxes can result in valuable credits and refunds. At the direction of Congress, the IRS tested the feasibility of a direct, free tax filing service, then developed a pilot tool that was launched in the 2024 tax filing season. The pilot, which included twelve states and was limited to individuals with relatively straightforward wages and tax situations, ultimately served more than 140,000 people, with 90 percent of users rating the tool “excellent” or “above average.” Here’s how the IRS used the product model to develop Direct File:

1. **Empowered internal team with the right expertise:** To build Direct File, the IRS assembled a team of experienced tax experts, digital product specialists, engineers and data scientists from across the federal government. The agency partnered with the U.S. Digital Service and General Services Administration's (GSA) 18F, as well as private sector partners, who all brought critical agile technology expertise.
2. **Started with limited scope and eligibility:** Rather than start with trying to build a filing tool to cover all filers, the digital service team started with a smaller population of potential users across twelve states that had a simpler filing status, starting with taxpayers reporting only certain types of income and claiming limited credits and deductions. That limited scope allowed the team to develop a pilot version of the tool that can be expanded upon in future iterations, after ensuring the simpler, more targeted version met user needs and worked effectively.
3. **User research guided the tool development:** Building alongside taxpayers, the Direct File team developed a simple, mobile-friendly tool that walks the

user through a step-by-step checklist to guide the taxpayer through the filing process, tracks progress, and shows a clear summary of the tax-filing when complete. Direct File is available in English and Spanish and users can also get support from special IRS customer service representatives through Direct File's live chat feature. The Direct File customer support function is separate from other IRS customer support functions, so it provided needed support to Direct File users while limiting demand on regular IRS customer support during the filing season.

4. **Tested with users - then tested and tested again:** Direct File was gradually introduced to taxpayers over several weeks, starting in January 2024. This approach allowed the team to thoroughly test the new service, and identify and address any technology bugs or user challenges before making it available to larger audiences. After this first round of testing, the tool was opened for short availability windows for more taxpayers to start their return. After a round of final testing in early March, Direct File opened to all eligible taxpayers in pilot states. By limiting the scope in the pilot year, Direct File maintained its reliability as a service throughout the filing season.
5. **Users saved money, time, and expressed high rates of satisfaction:** Filing taxes with Direct File generally took less than an hour, and many reported filing in as little as 30 minutes. Typically it takes an average salaried worker 13-hours to file their taxes. Filers using the portal received more than $90 million in tax refunds and paid $35 million in taxes owed this filing tax season. Direct File's operational costs – including customer service, cloud computing and user authentication – were just $2.4 million - partly because the US Digital Team came at no cost to the IRS.

Solving for all the barriers to service delivery

A critical component of the product model that is often underappreciated: starting with discovery sprints and deep user research which will often uncover a range of non-technical barriers that are getting in the way of seamless service delivery. As anyone who has ever worked in government digital service delivery knows, existing agency policies, processes, or operating procedures may create more significant barriers to effective service delivery than outdated technology. Agency product development teams are uniquely positioned to identify and address operational barriers, streamlining processes, and reducing administrative burdens, paving the way for more successful product deployments for the frontline teams and people who will have to use the technology.

Case Study: Idaho Workforce Development Halted Early Stage Technology Project to Prevent Added Burden

The Beeck Center's Data Labs team encountered this exact issue while collaborating with Idaho's Workforce Development Council. For 7 years, Idaho's One-Stop Committee had been working to develop an online common intake form to more effectively link Idahoans seeking job support with the partner organizations that could best support them. Developing and deploying an online, customer facing intake system would have been a relatively straightforward technology win.

But by running a comprehensive discovery process with Data Labs, the Committee was able to realize that each partner organization had vastly different intake and operational workflows, creating significant operational barriers to a common intake form. In fact a common intake form would have created additional burden and complexity both for the people seeking employment and service providers trying to support them. So after 7 years of planning - and just eight months in the Data Labs program - the Idaho One-Stop Committee determined that the operational barriers outweighed the potential benefits of the common intake form and the Idaho Workforce Development Council decided to halt the common intake form effort. The council reallocated the funding earmarked for the intake form to other priority services that better addressed the needs of job seekers across the state.

User-centered approach on the state level

State and local governments play a critical role as drivers and implementers of essential government services. However, they often face similar challenges to federal agencies when it comes to designing and deploying effective technology products. An example of use of the product model at the state level development comes from the State of South Carolina's Early Childhood Program Clearinghouse, developed in response to a statewide needs assessment that revealed a significant gap in child care needs. Parents across the state expressed a strong desire to enroll their children in high-quality early childhood programs but struggled to find clear, centralized information about what was available in their communities.

South Carolina's digital services teams worked closely with parents and caregivers to understand their pain points and preferences, then conducted extensive design and testing phases. Throughout development, the portal was rigorously tested with both families and agency staff, ensuring it met real-world needs and that it seamlessly integrated with existing systems before its statewide launch.

The result was a centralized online portal where families can determine their eligibility and apply for dozens of early childhood programs, all at once. Since its debut last year, the portal has proven to be a game-changer for the more than 308,000 South Carolinians who have accessed it. Importantly, nearly two-thirds of these visits occurred outside typical government office hours, underscoring the clearinghouse's accessibility for working families.

These examples all demonstrate that when we take the time to understand the people we're building for, the result isn't just better technology—it's better outcomes for everyone.

Recommendations and Conclusion:

To ensure that federal agencies, including the Department of Veterans Affairs, can fully realize the benefits of the product model for technology modernization, I propose the following recommendations:

1. **Reform Budgeting and Appropriations Processes:** Congress should explore barriers in current budgeting and appropriations processes that impede product model funding. Develop solutions that align federal financial frameworks with the needs of agile, user-centered technology development. This should include transitioning from episodic, project-based funding for technology modernization projects to steady, flexible multi-year investments to support a people-centered, iterative, continual-improvement product model.
2. **Address Legal and Process Barriers:** Congress should work with the Office of Management and Budget (OMB) and federal agencies to identify and reform laws, regulations, and policies that make it more difficult for agencies to allocate resources to support implementation of the product model.
3. **Strengthen Internal Product Teams & Hire Talented People:** Empower agencies to build and sustain skilled, internal product teams that maintain ownership of product vision and execution. This should include streamlining hiring processes to successfully recruit and quickly onboard digital service talent capable of implementing the product model effectively.
4. **Encourage Agencies to Create Working Capital Funds:** Encourage agencies to establish working capital funds under the authority of the Technology Modernization Fund (TMF) legislation. These funds would provide flexible, multi-year resources for ongoing improvements and innovation.

By implementing these recommendations, Congress can ensure that agencies like the Department of Veterans Affairs are equipped with the tools, resources, and flexibility needed to deliver modern, human-centered services that meet the evolving needs of the American people, ending the cycle of costly technology failures. This shift represents a long-term investment in government's ability to serve effectively, efficiently, and to deliver better outcomes to all.