Federal Government Reform Plan - Chapter 4: AI-Powered ZBB and EPM for Public Sector

4.1 Introduction to AI-Enhanced Zero-Based Budgeting Across Executive Agencies

In a modernized Executive Branch, integrating an AI-powered platform for Zero-Based Budgeting (ZBB) and Enterprise Performance Management (EPM) empowers managers to create precise, data-driven budgets aligned with strategic goals while monitoring performance through tailored Key Performance Indicators (KPIs). By supporting cross-agency comparisons and enabling managers to build budgets from the ground up, this platform drives transparency, accountability, and resource efficiency across all Executive Branch agencies.

4.2 Cross-Agency Document Capture and Ingestion Process

The AI platform gathers and categorizes data from all Executive Branch agencies to support comprehensive, cross-agency analysis. This foundation of knowledge ensures that every manager has access to the insights needed to build accurate, contextually informed budgets.

• Automated Document Capture Across Agencies: Documents from each agency are ingested to provide managers with an extensive repository of historical data, current budget allocations, and program justifications.

• Metadata Extraction and Categorization for Cross-Agency Analysis: Metadata tagging streamlines retrieval and helps managers access relevant data and reports from comparable programs across agencies.

• NLP for Document Analysis: NLP tools summarize documents and extract key points, making it easier for managers to understand existing programs and spending patterns.

4.3 Identifying Overlapping Functions and Constituencies Across Agencies

The platform's ability to identify overlapping functions across agencies allows managers to optimize resource use by eliminating redundancies. This insight ensures that managers are not duplicating efforts or allocating resources to functions already covered elsewhere.

• Cross-Agency Document Similarity and Overlap Detection: AI-driven similarity analysis highlights programs with similar mandates, enabling managers to make informed budgeting decisions and avoid redundant spending.

• Function and Constituency Clustering Across Agencies: Managers can view function maps across agencies, revealing areas of shared service delivery or common constituencies.

• Redundancy Scoring and Impact Assessment: Redundancy scores highlight areas where consolidation might streamline operations, helping managers make more efficient, impactful budget decisions.

4.4 Building Budgets and Assigning KPIs with AI Support

The AI platform is also a practical tool for managers, simplifying the budget-building process and facilitating the establishment of relevant KPIs within the EPM framework. This capability ensures that each program not only has a well-justified budget but also includes measurable goals aligned with broader agency objectives.

1. AI-Assisted Budget Creation: Managers can build their budgets from the ground up, with AI providing recommended allocations based on historical spending patterns, current strategic goals, and cost benchmarks from comparable programs.

   • Guided Expense Justification: The platform prompts managers to justify each budget item, using AI to suggest similar past justifications and help build strong cases for necessary expenditures.

   • Predictive Budget Forecasting: AI models project future resource needs based on agency goals, seasonal trends, or population growth, allowing managers to forecast and plan more accurately.

2. Simplified KPI Assignment for Performance Tracking: Within the EPM framework, managers can define and monitor Key Performance Indicators (KPIs) relevant to their department's objectives and resource allocation.

   • Customizable KPI Templates: AI provides customizable templates and suggested KPIs based on program objectives, enabling managers to set measurable, outcome-focused targets.

   • Automated KPI Tracking and Reporting: The platform continuously monitors KPI progress, generating real-time reports and dashboards that reflect program performance, helping managers make timely adjustments.

   • Benchmarking with Cross-Agency Comparisons: The platform compares KPI performance across similar programs in other agencies, offering managers a benchmark to evaluate the effectiveness of their programs relative to others.

4. Enhanced Decision Support Through EPM Analytics: EPM analytics help managers assess program performance throughout the budget cycle, enabling proactive decision-making.

   • Scenario Planning and Impact Analysis: The AI platform allows managers to model different budget scenarios, assessing how resource adjustments may impact program outcomes and aligning with changing agency priorities.

• Automated Alerts for KPI Deviations: The platform alerts managers if a KPI is underperforming, prompting early intervention and reallocation if necessary to ensure programs meet performance standards.

4.5 Decision Support for Cross-Agency Consolidation and Disbanding

In addition to supporting budget creation and KPI tracking, the AI platform offers valuable recommendations for consolidating or disbanding redundant programs across agencies:

• AI-Driven Recommendations for Consolidation: The platform suggests consolidation options when multiple agencies perform overlapping functions, providing clear benefits such as cost savings and enhanced service delivery.

• Strategic Priority Matching Across Agencies: The platform ensures that each program aligns with overarching strategic priorities, helping managers focus resources on high-impact areas.

• Cross-Agency Scenario Modeling and Impact Forecasting: Managers can evaluate the potential effects of consolidation through scenario modeling, understanding the operational, financial, and service delivery impacts before making final decisions.

4.6 Benefits of AI-Driven ZBB and EPM Integration Across the Executive Branch

With an AI-powered platform for ZBB and EPM, managers across the Executive Branch gain a comprehensive, data-informed toolkit for building budgets, setting KPIs, and improving accountability:

• Simplified Budgeting with Strategic Alignment: The AI platform streamlines budget building and ensures that each budget item aligns with agency and federal priorities.

• Enhanced KPI Tracking for Transparency and Accountability: Automated tracking and real-time reporting provide a clear picture of performance, making it easier for managers to stay accountable to their KPIs.

• Data-Driven Insights Across Agencies: Real-time cross-agency insights give managers the information needed to benchmark and optimize resource allocation, enhancing efficiency.

• Flexibility and Responsiveness: Continuous feedback and automated adjustments ensure that budgets and KPIs remain agile, adaptable to changing needs across the Executive Branch.

Conclusion

The AI-powered ZBB and EPM platform is a transformative tool for managers across the Executive Branch, equipping them to create precise, justified budgets aligned with strategic priorities and backed by meaningful KPIs. By leveraging AI for budget creation, performance tracking, and cross-agency comparisons, the platform fosters a culture of transparency, accountability, and continuous improvement. Through this integration, the

federal government can achieve a more streamlined, data-driven approach to resource management, better serving the public and reinforcing trust in government operations.