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House of Representatives

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Opening Statement
Chairman Gerald E. Connolly
Subcommittee on Government Operations
"FITARA 11.0"
April 16, 2021

Since the enactment of the Federal Information Technology Acquisition Reform Act (FITARA) in 2014, this Subcommittee has maintained steady and bipartisan oversight of agency implementation of the law. FITARA was enacted to establish a long-term framework through which federal IT investments could be tracked, assessed, and managed, to significantly reduce wasteful spending and improve project outcomes. FITARA is a report card that holds agencies accountable for improving their IT postures, and, in practice, it's a tool for Congress and the public to ensure better cybersecurity, reduce wasteful spending, and make government service to the nation more effective.

The coronavirus pandemic has proven that IT is integral to the mission. As we have seen, both at the federal and state level of government, if the IT does not work, the mission is compromised.

Today's hearing will discuss the results of <u>Scorecard 11.0</u>, which was released in December 2020. This hearing will also focus on how Congress and the Administration can work together to improve services to this nation with a focus on improving IT across the federal government.

Today's hearing also comes weeks after Congress was able to secure \$1 billion for the Technology Modernization Fund so that agencies have more opportunities to improve IT and enhance cybersecurity. We look forward to engaging with the Office of Management and Budget about the importance of IT modernization and this funding opportunity at the next FITARA hearing in July.

Last summer marked the 10th FITARA oversight hearing in the last five years, and the first time that all 24 agencies that participate in the FITARA Scorecard received passing grades. Since the FITARA 10.0 Scorecard, three agencies' grades increased, five decreased, and 16 remained unchanged. Further, despite the removal and addition of metrics, all 24 agencies maintained "passing grades" for the second time in eleven scorecards.

<u>FITARA 11.0</u> marks a few firsts in the five-year history of the Scorecard. This Scorecard marks the first time in FITARA's history that all 24 agencies included in the law have received "A's" in a single metric — the software licensing metric — and the first time that a metric will be retired. When the Subcommittee added this metric to the Scorecard in

June 2017, only two agencies had such inventories. Agencies needed to better manage their software licenses to make cost-effective decisions and ultimately achieve significant savings.

As a result of continued oversight using the FITARA Scorecard, all 24 agencies are now using comprehensive, regularly updated inventories of their software licenses — enabling these agencies to identify duplicative licenses and software costs. The Government Accountability Office (GAO) estimates that agencies have saved or avoided more than \$1.4 billion in software licensing costs from fiscal year 2015 to fiscal year 2020 because they are now using comprehensive, regularly updated inventories. These types small but significant IT adjustments over the vast enterprise of government rack up significant savings pretty quickly.

<u>FITARA 11.0</u> also marks the addition of a new metric, which evaluates agencies' efforts to transition off of the General Services Administration's expiring telecommunications contracts before they expire in May 2023. The new measure incentivizes agencies to progress toward telecom services that deliver critical services at lower costs to taxpayers.

Since the Scorecard's inception in 2015, agencies have made substantial, positive strides in improving their information technology practices. Among the FITARA Scorecard categories with the greatest impact on taxpayer savings is the IT portfolio review process, known as PortfolioStat. PortfolioStat went from helping federal agencies save \$3.4 billion in fiscal year 2015 to \$22.8 billion at the beginning of fiscal year 2021. Federal agencies are also closing and consolidating more data centers, which also results in significant cost savings. The 24 graded agencies have reported more than \$5 billion in cost savings from fiscal years 2015 to 2020.

While the FITARA Scorecard has successfully helped agencies move the needle in improving IT practices, work remains. According to GAO, 21 of the 24 graded agencies still have not established policies that fully address the role of their CIO, as required by federal law and FITARA guidance. Improving the management of IT acquisitions and operations remains on GAO's High-Risk list, citing the need for OMB and federal agencies to implement all of the statutory provisions in FITARA. Further, in the most recent High-Risk List, GAO reported that significant attention was needed to improve the federal government's management of IT acquisitions and operations, and ensure the nation's cybersecurity.

The coronavirus pandemic has highlighted that Chief Information Officers (CIOs) are more essential now than ever before. Nearly every federal program, service, and function relies on IT to work. It is among the duties of the Chief Information Officer to plan for agency IT needs, including the resources required to accomplish the mission. Outdated legacy systems, software, and hardware, however, continually prevent agencies from providing the service the American public expects and deserves.

To determine the scope and feasibility of IT modernization, CIO must be more involved in agency performance planning. That is why today, I introduced the <u>Performance</u> <u>Enhancement Reform Act</u> with Ranking Member Hice. This important piece of legislation would require agency's performance goals to meet the demands of the ever-changing

performance management landscape and include data, evidence, and IT in their performance plan. The bill would also require agencies to publish their technology modernization investments, system upgrades, staff technology skills and expertise, and other resources and strategies needed and required to meet these performance goals.

This Subcommittee will continue to evolve the Scorecard in ways that facilitate tracking improvement overtime while adding new metrics to raise the bar on what is needed across the federal enterprise. I look forward to today's important conversation to ensure we can meet these goals.

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