

**Testimony of  
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**Before**

**Subcommittee on Government Operations  
Committee on Oversight and Reform  
United States House of Representatives**

**Hearing on**

**Federal Information Technology Acquisition Reform Act: Scorecard 15.0**

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## **Introduction**

Chairman Connolly, Ranking Member Hice, Members of the Subcommittee, thank you for inviting me to testify today. USAID is grateful for the Committee's support of our Information Technology innovation efforts as well as our progress in complying with and integrating into our culture the standards set out in the Federal Information Technology Acquisition Reform Act (FITARA).

November 2015 marked the release of the very first FITARA Scorecard, which has served as an important tool for Congress, CIOs, agency leaders, and others to better understand how agencies are managing and securing their information technology. This is an incredible accomplishment for the Committee. Given the pending release of Scorecard 15.0, it seems an opportune time to look at a retrospective of the Scorecard and its impact on USAID, specifically.

### **A Snapshot of USAID's FITARA Journey**

It has been eight years since the landmark passage of FITARA, and seven years since the first Scorecard was released by GAO. Prior to FITARA, the Clinger Cohen Act of 1996 was the last significant IT legislation, which codified the role of agency CIOs with designated responsibilities, and defined the budget, selection and management processes for analyzing, tracking, and evaluating the risks and results of IT projects.

Since its inception, the FITARA Scorecard has evolved and matured from the original four categories to nine, reflecting both the progress of many agencies in those original categories and the need to adapt new categories to the changing Federal IT landscape. When asked about the evolution of the FITARA Scorecard from my experiences across several Federal agencies and long tenure as a CIO, the year end is always a good time to look at the past, the present, and what we want for our future.

In the past, the Federal IT environment was rife with outdated IT infrastructure and little to no measurement or accountability of value for investment. The present environment shows the definitive impact FITARA has had on improving critical technology modernization, security and cost-saving initiatives. Now, as the Subcommittee looks toward the future of the Scorecard, it will be important for agencies to look beyond FITARA as merely a grade and embed FITARA holistically in the operational, budget, and performance structure of the entire agency.

### **Embracing and Institutionalizing FITARA at USAID (*the "past and present"*)**

Like many agencies, USAID began its FITARA journey earning a "D" on its first several Scorecards – three, to be exact. The Agency worked hard to turn around that performance to become the first – and only agency – to earn an "A" on the June 2017 Scorecard, and five more since that first "A" – the only agency to do so.

USAID has already started along the future path, institutionalizing FITARA's key principles and realizing the value it has helped create for the Agency. I'd like to share with the Committee a few examples.

- Improving the Transparency of IT Reporting Across the Agency
  - Prior to 2017, the Agency didn't have a complete picture of IT spending outside of the central and provisional CIO budget. Bureaus, Independent Offices, and Missions used Agency Program Funds to buy and/or acquire IT products and services, yet none of these expenditures were captured and reported to OMB during the annual IT Budget Submission cycle.
  - Since FITARA, our engagement across the Agency has resulted in an enhanced IT business planning process with our Missions, Bureaus and Offices, which begins in March of each year. This has resulted in an annual IT planning business process that has provided training and education on the principles of Technology Business Management (TBM). We have also improved governance activities to identify ongoing system and application costs, and to ensure we are able to capture any cost avoidance for systems being decommissioned.
- Data Center Optimization
  - Among Federal agencies, USAID is a pioneer in cloud computing, having adopted CloudFirst in 2011 and closing its four data centers, fulfilling all of the Strategic Plan targets for DCOI set by OMB.
  - USAID was also the first Federal agency to migrate to a cloud data center environment.
- Improving CIO Oversight for All IT Acquisitions
  - In 2019 the Agency instituted a mandatory IT Purchase and Acquisitions Approval process whereby all IT expenditures being planned by Agency organizations to support development and assistance programs must first be submitted to M/CIO for review and approval.
  - This process is codified in the Agency's Automated Directives System (ADS) Chapter 509 policy (*Management and Oversight of Agency IT Resources*).
- Cost Savings and Avoidance Reporting
  - The increased emphasis that FITARA has placed on reporting IT cost savings and avoidance is another area where we have established business processes and developed data collection tools to facilitate both the collection and projection of potential cost savings opportunities.

- Monthly FITARA Planning Reviews
  - In 2018, the CIO's office instituted Monthly FITARA Planning Review meetings. Comprising a team of our senior leaders and specialists in Cybersecurity, PortfolioStat Cost Savings, EIS Transition, IT Investment Transparency and Risk Management, the meetings help us assess where and how we can improve.

**A Valued Partner in Advancing FITARA** (*the "future"*)

I have been honored to serve as CIO at USAID for the past four months, as CIO at the Department of Education for the previous six years, and prior to that in several technology management positions in both private and public sector organizations. These experiences have taught me that change is not only constant, it's also good. Having a routine and doing the same thing over and over is most comfortable for many people. However, without change, we cannot grow or learn new things or improve. With change comes opportunity, experience and expertise.

I am pleased the Committee continues to look beyond the past and present evaluation categories contained in the Scorecard to see where FITARA can remain a change agent in the future, helping agencies embrace opportunities to utilize technology innovation for the good of the American people.

I would like to offer a few suggestions to the Subcommittee on how to adapt or change the Scorecard categories for the future.

- Cyber - I would offer that metrics should align with the priorities federal agencies are working on (e.g., multifactor authentication, encryption, risk management programs, etc.) to better measure cybersecurity performance. Metrics should also be regularly recalibrated to meet the evolving cyber landscape and reflect leading practices and standards of the cybersecurity community.
- Cost Savings
  - When we look at cost savings over a 3-year period, those cost ratios are based on both Development, Modernization & Enhancement (DME) and Operations & Maintenance (O&M) costs.
  - Agencies may be penalized in that calculation by the money they are spending on modernization efforts.
  - The measurement could be a more accurate cost savings ratio if only the O&M costs were used in the denominator of the calculation (e.g., removing new investments in modernization) to show the savings on the "run the business" component of IT.
- DCOI
  - With the sunset of the DCOI requirements in statute, how can we capture the value agencies are achieving in going to the cloud?

- Because of cloud commodity pricing, it's difficult to just look at pure cost savings. A better measure might be looking at the administrative and human capital burdens that are reduced – fewer data centers mean fewer CO/CORs working on data center contracts, fewer resource hours spent managing and securing those data centers, etc.

While I realize not all these suggestions may be possible, they demonstrate the value that can be captured from the experiences of the government's senior technology leadership and the opportunities for GAO and OMB to collaborate to make incremental, continuous improvements to FITARA.

## **Conclusion**

USAID looks forward to the continued benefit the Scorecard and its measurements provide to Federal CIOs and the clearly defined priorities that help agencies deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people.

I would like to thank all Members of Congress, in particular the members of this Subcommittee, for your continued leadership, interest in, and support for our work. USAID looks forward to collaborating with you to address future challenges and new opportunities for reform. Thank you for your time, I welcome your questions.