Wednesday, May 18, 2016
2 p.m. – 2154

Ranking Member Gerald E. Connolly (VA-11)

**Oversight Subcommittees on Information Technology
and Government Operations:**
"The Federal Information Technology Acquisition and Reform Act Scorecard 2.0"

Chairman Hurd, Chairman Meadows, and Ranking Member Kelly, I welcome this latest joint subcommittee hearing to examine the implementation of FITARA, or Issa-Connolly, as it's also known. Our bipartisan legislation represents the first major reform of the laws governing federal IT management since the seminal Clinger-Cohen Act of 1996. I appreciate the interest and commitment from my colleagues and the administration to embrace these reforms to ensure our legislation does not fall short of achieving its potential as its predecessor did in part due to the lack of Congressional oversight.

Today we release our second scorecard on FITARA implementation. As I stated at our last hearing, the scorecard is not intended to be a "scarlet letter" on the backs of agencies.

Instead, it is meant to incent agencies to improve their management of federal IT investments. On the initial scorecard, issued prior to the Dec. 31 deadline for all agencies to have FITARA implementation plans, it was understandable to see grades on the lower end of the scale. Ds and Fs outnumbered As, Bs, and Cs more than two-to-one. I'm pleased to see a marked

improvement in the latest scorecard with higher marks now outnumbering lower ones. Seven agencies have improved their overall grades, including the Department of Energy, one of today's witnesses, which jumped two letter grades.

I want to commend the Department of Commerce for its work on data center consolidation. It originally set the goal of saving $222 million and recently reported $260 million in savings, an example to which other agencies should aspire. While the Department of Energy and the Department of Labor are performing well on some aspects of the scorecard, I note that neither agency has received OMB approval for their initial implementation plans.

I expect to hear more from the agencies today about why their plans have been delayed and what actions they will take to advance these important IT management and acquisition reforms.

It is encouraging to see the Energy Department reporting all three of its major IT projects meeting the incremental development benchmark for delivering functionality every six months. Similarly, I applaud the Labor Department for its realistic valuation of the risks present in its IT projects. The Department rated nearly three-fourths of its projects as "high risk," earning it high marks for Risk Assessment Transparency.

Accurately calculating and reporting project risk is a continuing challenge across the federal government. Agencies currently report two-thirds of their IT investments pose low risk, but based on GAO's more thorough review of those projects, that risk is understated. Accurately

capturing that risk so we can respond to it is one of the pillars of FITARA. So I look forward to hearing more from the GAO on how to address this challenge.

I also want to hear from today's witnesses about whether we're accurately defining IT investments and how that may affect implementation of these reforms. For example, neither the Commerce Department nor NASA includes spacecraft or satellites in their reporting. Surely those systems fall under the IT umbrella, so I welcome feedback from the agencies.

It's also puzzling that the government agency with arguably the most innovative and technologically demanding mission continues to receive the lowest marks on the scorecard. NASA has not reported anything under incremental development and received failing grades for the other three metrics. For example, NASA says it plans to spend $731 million on major IT investments this year yet reports none of those projects include risk. That stretches credulity.

Mr. Chairman, before closing let me share an example of one agency doing the right thing though it might not have been reflected in its initial grades.

As my colleagues may recall, the Department of Transportation scored at the lower end in certain areas, but CIO Richard McKinney really demonstrated that he gets what we're trying to do when he put a freeze on IT acquisitions for 90 days at the end of last year because he discovered component agency CIO's didn't have a good handle on what their agencies were spending. We want more CIOs exercising their new authorities under FITARA.

Today's hearing is just the latest in what I hope will be an ongoing series as we continue to push agencies to adopt these reforms. Establishing a consistent baseline for managing IT now

will help these reforms take hold and better position agencies for the change in administrations next year. I want to thank each of the witnesses for their contribution to this discussion and for helping us to improve the management of government IT operations.

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