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House of Representatives

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Opening Statement
Ranking Member Gerald E. Connolly
House Committee on Oversight and Government Reform
Subcommittee on Government Operations

Hearing on "The Federal Information Technology Acquisition Reform Act (FITARA) Scorecard 4.0"
Joint Subcommittee on Information Technology and Government Operations
June 13, 2017

Chairman Meadows, Chairman Hurd, and Ranking Member Kelly, I appreciate this latest joint subcommittee hearing to examine implementation of the Federal Information Technology Acquisition and Reform Act, which is better known as FITARA or Issa-Connolly. Our bipartisan legislation represents the first major reform of the laws governing federal IT management since the seminal Clinger-Cohen Act of 1996. The President's fiscal year 2018 budget proposal includes $96 billion in IT investment, an area of government spending that was included once again on the High Risk List published each year by the Government Accountability Office (GAO).

When I meet with stakeholders in federal IT from government agencies and industry, I am constantly reminded why previous major IT reform efforts have fallen short of their potential – the lack of a robust implementation plan and congressional oversight. Through countless hearings and briefings, close coordination with the Office of Management and Budget (OMB) and GAO, and our work on the FITARA Scorecard, our subcommittees have committed to the successful implementation and oversight of FITARA.

The FITARA Scorecard, which we will examine today, is a useful oversight tool that helps track agency progress on various provisions included in FITARA, including agency Chief Information Officer (CIO) authority enhancements, enhanced transparency and improved risk management, portfolio review, and the federal data center optimization initiative (DCOI). The scorecard is not perfect. It does not capture all seven pillars of FITARA and it is by no means a comprehensive evaluation of agency IT procurement practices. Developing the Scorecard is a dynamic process in which stakeholder feedback is continually incorporated and metrics are fine tuned to better track agency compliance with FITARA. Today, GAO will enumerate changes that were made to CIO authority enhancements and the federal data center optimization initiative and preview a new component of the Scorecard – software licensing.

The FITARA Scorecard 4.0 demonstrates both continued progress as well as frustrating disregard for FITARA reform principles. On the latest Scorecard, four agencies had letter grades that improved, five dropped a letter grade, and fifteen stayed the same. This represents a fraction of the

progress included in the last Scorecard where twelve agencies improved, but marginal gains will become more difficult as agency letter grades increase.

USAID has achieved the first "A" in the history of the Scorecard. That accomplishment is a credit to the agency and its CIO, Jay Mahanand, who has worked closely with GAO since the hearing in December to improve on the agency's "D+" letter grade. This is the single best scorecard-to-scorecard improvement since we began this process nearly two years ago, and it demonstrates the power of the Scorecard to drive progress.

One agency where no such progress has been realized is the Department of Defense (DOD), which actually dropped a letter grade and received the only "F" on the latest Scorecard. The DOD received an "F" on three out of four of the primary Scorecard metrics. Most concerning was the Department's effort to obscure one-sixth of all federal IT spending from the Dashboard by classifying $15 billion of its IT budget as national security systems. This seems hard to justify since this amount is roughly half of what the Department previously reported to the Dashboard. I think my colleagues will join me in saying to the DOD and other agencies seeking to follow suit that such unjustified actions will not be papered over and will result in additional action by our subcommittees.

In working with GAO and OMB on FITARA implementation, we have found that there are areas of FITARA that would benefit from an extension of their original sunset date. One pillar that would benefit from an extension is the data center consolidation initiative (DCOI) requirements. As GAO has stated, we are potentially leaving money on the table when it comes to data center consolidation if we relax FITARA's data center reporting and planning requirements. This is especially true for agencies that are making progress.

Twenty-three agencies have reported roughly $656 million collectively in planned savings for fiscal years 2016 through 2018. This is $3.3 billion less than the estimated $4.0 billion in planned savings for fiscal years 2016 through 2018 that agencies reported to GAO in November 2015. However, compliance is wildly inconsistent across agencies. For example, the Departments of Agriculture, Defense, Interior, and Treasury account for 84 percent of the 4,388 completed data center closures. Commerce, Defense, Homeland Security, and Treasury account for 87 percent of the $2.3 billion in collective cost savings from data center consolidation from fiscal year 2012 through August 2016. As of April 2017, 23 of 24 agencies have submitted a strategic plan. Of the 23 plans, only 7 included all required information. The remaining plans either partially met or did not meet the requirements.

We need to let agencies know that they are not going to be able to run out the clock on FITARA, and at the same time we cannot reward bad behavior. A limited extension of the data center provisions of FITARA, scheduled to sunset October 1, 2018, could help us do that. Additionally, the Dashboard and PortfolioStat provisions of FITARA have allowed OMB to evaluate the efficiencies and risk of IT investments and would benefit from a permanent extension of the current December 1, 2019 sunset.

As we continue to implement FITARA, we must be mindful of the broader threats to IT reform. A temporary federal hiring freeze, proposed budget cuts and staffing reductions, and the glacial pace of appointments of high-level IT officials constitute a significant threat to IT reform efforts. On Scorecard 4.0, 8 of the 24 agencies under review lack a permanent CIO, and the president has yet to appoint a Federal CIO. The Tech Council and the Office of American Innovation are welcome initiatives, but they

are no substitute for the institutional leadership of a Federal CIO and the wholesale change the position has the power to drive.

I look forward to hearing from our agency witness today. The Department of Health and Human Services, which received a "D-" on Scorecard 4.0, will have the opportunity to discuss why it has never scored better than a "D" on the Scorecard and how the Department plans to improve its performance. I would like to thank Dave Powner and GAO for their tireless and continued work on FITARA and welcome Dr. Holgate who can provide us with an outsider's perspective on FITARA implementation.

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