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House of Representatives

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Opening Statement Ranking Member Gerald E. Connolly

Joint Hearing on “The Federal Information Technology Acquisition Reform Act (FITARA) Scorecard 5.0”

Subcommittee on Government Operations and the Subcommittee on Information Technology

November 15, 2017

Chairman Meadows, Chairman Hurd, and Ranking Member Kelly, it is great that we are back together for our fifth FITARA Scorecard hearing. I firmly believe that these hearings are critical to ensuring that agencies are properly implementing the Federal Information Technology Acquisition and Reform Act, which is better known as FITARA or Issa-Connolly. In addition to our year-round work with the Office of Management and Budget (OMB) and the Government Accountability Office (GAO), these biannual hearings send a signal that our subcommittees are committed to the successful implementation of FITARA.

Today’s hearing is especially important as the FITARA Scorecard 5.0 indicates that agencies have stopped making progress in several key areas. On the latest scorecard, only three agencies had letter grades that improved, while six saw their grades decrease, and fifteen stayed the same.

Additionally, the Department of Treasury joined our repeat offender, the Department of Defense (DoD), in receiving a failing grade of F+. I believe that agencies with failing grades should testify before Congress as to why they are still not adequately implementing FITARA, nearly three years after enactment. If agencies with C’s and D’s are required to testify for subpar grades, then agencies with failing grades ought to testify as well, even if they have testified at a previous hearing.

The lack of progress in implementing FITARA is most notable in the grades of agencies on the Data Center Optimization Initiative (DCOI). Only three agencies – the General Services Administration, the Department of Education, and the Department of Housing and Urban Development (HUD) – received an A grade in this area. Under FITARA, OMB set a goal to close 4,477 data centers government-wide in Fiscal Year 2018. Government-wide, agencies have completed 65% of this goal. However, three agencies are responsible for the bulk of data center closures: DoD, Department of Agriculture, and the Treasury Department. Agencies such as the Department of Energy and the Department of Veterans Affairs, have made very little progress. Under FITARA, OMB also set optimization metrics in order to improve the performance of federal data centers in areas such as facility utilization and power usage. In August, GAO released a report that found that as of April 2017, 17 of 22 agencies with agency-owned data centers were not planning to meet the data center optimization metrics

established by OMB. This is troubling because until agencies improve their optimization progress, OMB's \$2.7 billion initiative-wide cost savings goal may not be achievable.

Through August 2017, 20 agencies have reported achieving approximately \$1 billion in cost savings through the Data Center Optimization Initiative for fiscal years 2016 and 2017. Additionally, agencies are planning an additional \$988 million in savings through fiscal year 2018. That means the federal government is leaving a little under \$670 million in savings on the table by not making strides in closing and optimizing their data centers.

In July, Representative Issa and I introduced the FITARA Enhancement Act of 2017. The bill, upon the recommendation of GAO, would extend the Data Center Optimization Initiative for another two years so that agencies can continue efforts to save money by closing, consolidating, and optimizing their data centers will remain a transparent process subject to close congressional scrutiny. Additionally, the IT Dashboard and PortfolioStat provisions of FITARA allow OMB to evaluate the efficiencies and risk of IT investments and are central to the informing the FITARA Scorecard. The FITARA Enhancement Act permanently extends both the IT Dashboard and PortfolioStat, which were set to expire December 1, 2019. This will allow us to continue our oversight of FITARA implementation and continue these hearings. I am pleased that both the House of Representatives and the Senate have passed the FITARA Enhancement Act and it is making its way to the President's desk.

In August, the Administration released a plan to modernize federal IT systems with a goal of standardizing and consolidating IT acquisition which it believes will free up resources to pursue IT modernization. In order to achieve the Administration's goals, agencies should turn to FITARA's seven pillars which include enhanced CIO authorities, certification of incremental development, training the IT acquisition workforce, and maximizing tools such as the Federal Strategic Sourcing Initiative. The pillars of FITARA provide a foundation that better positions agencies to take advantage of new technologies that can help agencies secure their networks, retire their legacy IT systems, and better achieve their missions. And in order for the Administration to achieve the goals it has set for itself, it must have leadership in place at OMB enforcing the principles of FITARA-based IT modernization. Nearly 11 months into this Administration, we are still without a Federal CIO and six federal agencies are without a permanent CIO. It will be next to impossible to achieve our IT modernization goals and attain cost savings without permanent and sustained leadership. Federal IT cannot be improved by fiat.

I look forward to hearing from our agency witnesses today. I welcome back USAID which has the highest grade in the FITARA Scorecard. I also welcome witnesses from the Small Business Administration, which has improved its score from a D- in the last Scorecard to a C- this time around, and the Department of Energy, which went from a C- to D+. I would like to hear from these two agencies what challenges they have had in implementing FITARA and any plans they have to improve their grade in the next Scorecard.

Thank you, Mr. Chairman.

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