

STATEMENT OF
U.S. SMALL BUSINESS ADMINISTRATION
BEFORE THE
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEES ON INFORMATION TECHNOLOGY AND GOVERNMENT OPERATIONS
HEARING ON
THE FEDERAL INFORMATION TECHNOLOGY ACQUISITION REFORM ACT (FITARA)
SCORECARD 5.0
NOVEMBER 15, 2017

Chairman Hurd, Chairman Meadows and committee Members, thank you for the opportunity to discuss the Small Business Administration's (SBA) implementation of the Federal Information Technology Reform Act (FITARA). FITARA provides the tools for SBA to optimize and maintain SBA's IT infrastructure, identify areas for IT efficiency and innovation, and invest in the IT workforce. We would like to share with you today where SBA is in the process of implementing FITARA and how SBA is using FITARA to transform how IT is governed and managed. It is imperative that IT resources are aligned with the agency's mission, goals and priorities.

SBA's Office of the Chief Information Officer (OCIO) leadership team experienced a high turnover – nine CIO's since 2005 – and the CIO position was vacant from July 2015 until October 2016. Thus, initiatives like Data Center Consolidation Initiative did not get OCIO leadership attention until the arrival of our current CIO. This frequent turnover has had an impact on our IT positions “adversely affecting the ability for SBA to make lasting improvements in its IT investments and security in multiple areas”¹ as noted by the Office of the Inspector General's 2016 “Report on the Most Serious Management and Performance Challenges in Fiscal Year 2017.”

¹ Report on the Most Serious Management and performance Challenges in Fiscal Year 2017
https://www.sba.gov/sites/default/files/oig/FY_2017_-_Management_Challenges_-_10_14_16_7.pdf

A new CIO on-boarded in October 2016, and took immediate action to hire key positions, including a Deputy CIO and Chief Technology Officer and reduced the OCIO vacancy rate by half. The Chief Financial Officer began serving in his current capacity in November 2016 and the Chief Human Capital Officer (CHCO) in June 2016. The CIO, CFO and CHCO began an open and honest conversation about the state of IT and the IT workforce at the agency. It was clear that FITARA provides the tools needed to transform how SBA manages IT, and imperative that the CIO, CFO, and CHCO work collaboratively to understand SBA's business needs to drive informed decisions.

Actions taken by the CIO, in partnership with the CFO, over the last 12 months are transforming SBA from an agency with unstable technology and infrastructure, stovepipes, duplication and significant gaps, no cybersecurity strategy or operational control, to a more proactive and innovative services organization responsive to the business technology needs of SBA program offices.

Transparency and Risk Management

Under the CIO's leadership, the Office of the CIO (OCIO) moved aggressively to increase governance and oversight, stabilize and modernize SBA's network, systems, data center and overall operations, address security deficiencies and improve its cybersecurity posture, and decrease OCIO's vacancy rate. The CIO is a strategic partner in shaping agency strategies, budgets and operations.

SBA's governance model continues to mature. The CIO and CFO co-chair the SBA Investment Review Board (IRB) that met six (6) times in FY17. Every major investment was reviewed at least once and resulted in tangible program improvements. The CIO held a TechStat on the Certify.gov investment to address program risk. The results of the TechStat surfaced specific contractual and technology roadmap related issues that were subsequently addressed and resulted in the IRB approving funding to proceed to the next phase. Further, the CIO conducted four (4) major investment deep dives to review milestones, technology capabilities, funding and risks. The CIO updates the IT Dashboard, as required by OMB's

capital planning and investment control (CPIC) guidance, with relevant and timely data on program risks, performance metrics, project and activity data for all major investments.

The CIO chairs a Business Technology Council that enables information sharing between the OCIO and SBA program offices regarding strategic IT transformation at SBA. Further, the CIO and Associate Administrator for the Office of Communications and Public Liaison co-chair a steering committee designed to provide oversight of SBA's intranet and internet sites. The CIO is also a voting member of the Contract Review Board that plays a vital decision making role with acquisitions that are high dollar, high impact, high visibility and actions that impact the agency mission. These councils and steering committees are instrumental in maturing processes and procedures, and driving horizontal integration, and project and program awareness.

Portfolio Review

Transparency is critical for value creation. The CFO published an FY17 Acquisition Information Notice that specified CIO approvals for all new contracts above the simplified acquisition threshold of \$150,000. Fourteen (14) IT acquisitions were reviewed and approved in FY17. The CFO also published an updated Acquisition SOP in FY17 requiring CIO approval for IT-related acquisitions. For FY18, the CIO will review and approve all IT acquisitions and Interagency Agreements of \$50,000 or greater.

For the first time, the CFO and CIO performed joint reviews of the FY18 Advance Acquisition Strategy and budget for all program offices. As a result of the reviews, the CIO identified duplicative investments and re-aligned IT spend to SBA's technology standards and strategic direction. SBA is consolidating licensing and leveraging the Federal Strategic Sourcing Initiative and Category Management to eliminate redundancies, and delivery more value and savings from the government's acquisition programs.

The CIO meets with the Office of Management and Budget to review SBA's PortfolioStat and progress in meeting OMB goals to drive value in to Federal IT investments. SBA demonstrated progress in

cybersecurity as reflected in an improved security posture with the implementation of new processes and technologies, and closure of 60% of long-standing audit findings.

The CIO initiated a Technology Business Management (TBM) framework pilot to create transparency into OCIO's IT costs, consumption, and performance; and, to establish collaboration and communications between OCIO and its stakeholders that is fact-based and customer-focused. The OCIO plans to use TBM to establish collaborative responsibility for making tradeoff decisions and delivering appropriate levels of service in a more cost-effective manner, thereby increasing the IT value proposition.

IT and Acquisition Workforce

In collaboration with the CHCO, the CIO identified funding and launched an IT Strategic Workforce Plan that will drive horizontal integration to ensure the proper level of involvement by all stakeholders in the development and use of IT workforce planning processes, competency models, and critical elements definition. The initiative is underway and the as-is analysis is nearing completion.

The CIO and CHCO led the realignment of the OCIO and the transition of the SBA Digital Service team into the OCIO, and to deliver improved services and capabilities, and allow for more customer and mission focused capabilities. This realignment was socialized with our congressional committees of jurisdiction and later approved by our appropriations subcommittee.

SBA conducted two training sessions in FY17 for contracting officers that supported best practices in the development, award and administration of IT contracts.

Federal Data Center Consolidation Initiative

When OMB Memorandum M-16-19² was released, SBA was without a permanent CIO, and SBA was reporting on its data center plans and metrics without identifying or implementing specific consolidation migration, or optimization strategies. Previous plans were drafted, but not approved or implemented, and

² OMB Data Center Optimization Initiative Memorandum M-16-19, August 1, 2016, https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m_16_19_1.pdf

data previously reported was incomplete and contained some inaccuracies. SBA updated its Data Center Optimization Initiative Strategic Plan in October 2017 and identified ten tied data centers.

SBA did not expend any funds or resources towards initiating or significantly expanding an existing data center. SBA has not expanded its data center footprint, and in fact, consolidated and reduced its headquarters data center footprint. Because of a CIO directive issued in November 2016 that no new hardware would be installed in its headquarters data center, SBA was the first agency to implement DHS' Continuous Diagnostic and Mitigation (CDM) system in the cloud.

In FY17, OCIO completed its cloud architecture and migration planning, and migrated 40 systems so far.. The OCIO consolidated and shutdown 200 servers, eliminated 50 end-of-life production servers, and consolidated existing virtual servers onto fewer physical servers significantly reducing energy consumption and reducing license and maintenance costs. Energy metering technologies are installed in its headquarters data center on all servers, and metering will be in place on all servers throughout the enterprise by the end of FY18. SBA is on track to meet its cost savings and avoidance targets and planned closures.

The CIO is approving IT budget requests, certifying that OMB's incremental development guidance is being implemented for IT investments, and reviewing and approving IT contracts. Because of the decade-long leadership and technology vacuum at OCIO, several program offices developed their own IT organizations that have operated largely independently of OCIO. With new OCIO leadership that is regularly convening agency-wide technology forums for all IT professionals, and SBA's implementation of FITARA and its governance requirements, a more collaborative partnership approach is in place. The CIO, in partnership with the CFO and OCHO, are executing a vision for the future of information technology that will result in a secure and high-performing computing environment necessary to enable the SBA to efficiently and effectively deliver on its goals.

Althea Coetzee Leslie
Deputy Administrator

Althea (“Allie”) Coetzee Leslie graduated from the U.S. Naval Academy in 1985 and subsequently received her MBA (Law) from National University, where she was awarded the American Jurisprudence Award (Criminal Law). Ms. Coetzee Leslie transitioned into the Navy Reserve in 1993. In her civilian capacity, she has worked in both the public and private sectors in municipal and state government, retail distribution, medical device manufacturing, and the Department of Defense. She has also worked as a small business owner. She was most recently recalled to active duty in 2011 and until her confirmation served as the Chief of Staff to the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L). In this role, she facilitated the Under Secretary’s leadership of AT&L across the offices of five Assistant Secretaries of Defense, eleven directorates, and several defense agencies.

Maria Roat
Chief Information Officer

Maria A Roat became the Small Business Administration Chief Information Officer in October 2016 bringing 30 years of professional experience in information technology.

Ms. Roat served more than 2 years as the U.S. Department of Transportation Chief Technology Officer and was responsible for establishing and leading DOT’s technical vision and strategic direction, driving innovation and planning for technology growth supporting internal and external facing mission activities.

Ms. Roat served 10 years at the Department of Homeland Security (DHS) joining in June 2004 in a number of capacities including Federal Risk Management and Authorization Program (FedRAMP) Director, FEMA Deputy CIO, Chief of Staff for the DHS CIO, USCIS Chief Information Security Officer and CIO Chief of Staff, and Deputy Director, Technology Development, for TSA’s Secure Flight Program.

Prior to joining DHS in 2004, Ms. Roat was in the private sector for 5 years deploying and managing global, enterprise network management systems, as well as running Network and Security Operations Centers.

Ms. Roat was previously with the Navy Medical Information Management Command, Norfolk, and other Commands serving in the areas of enterprise network management and engineering, as well as IT operations.

Ms. Roat retired from the U.S. Navy in 2007, with 26 years of active duty and reserve service, in which she obtained the rank of Master Chief Petty Officer, Information Systems Technician. Ms. Roat served in numerous leadership positions including Command Master Chief for the Reserve Intelligence Area Washington (2002-2005) and the Center for Navy Leadership Mid-Atlantic (2005-2007).

Ms. Roat is a graduate of the University of Maryland (UMUC), Harvard Business School Executive Education Program for Leadership Development, and the Navy Senior Enlisted Academy.

Tim Gribben
Chief Financial Officer

Tim Gribben was appointed the Chief Financial Officer and Associated Administrator of Performance Management at the Small Business Administration in November 2016. Mr. Gribben leads a staff of approximately 140 federal employees and contractors and has responsibility for all aspects of SBA's financial management (including preparation and submission of the agency's budget and financial statements), performance management (including program evaluation), internal controls, and acquisition. Prior to his current appointment, Mr. Gribben served as Deputy CFO for three years. As Deputy CFO, Mr. Gribben managed day-to-day operations through locations in Washington DC and Denver CO providing agency-wide services in the following: Budget, Credit Modeling, Accounting, Financial Administration & Accountability, Financial Systems, Financial Operations, and the Acquisition Division. He was also appointed by SBA's Administrator as Chair of the agency's Executive Resources Board beginning in Fiscal Year 2016.

Mr. Gribben joined the SBA in 2009 as Director of Performance Management & Deputy Performance Improvement Officer and held that position for nearly five years. Mr. Gribben was responsible for leading SBA's performance improvement initiatives through strategic planning, analysis, performance reviews, and accountability/performance reporting. Prior to joining SBA, Mr. Gribben was a manager at the U.S. Postal Service. In the private sector, Mr. Gribben spent over five years at a privately-held technology firm as Director of a business unit and two years with J.P. Morgan.

Mr. Gribben graduated from the College of William & Mary with a bachelor's degree in accounting, earned an MBA from Duke University, and holds the professional designation of CPA.