

“A Focus on Management: Oversight of the Office of Management and Budget”
Full Committee on Oversight and Accountability
10:00 AM, Tuesday, April 30, 2024
2154 RHOB
Rep. Gerald E. Connolly (D-VA)

Today’s hearing will focus on the Oversight of the Office of Management and Budget (OMB) within the Executive Office of the President. This committee is glad to welcome our witness, Deputy Director Jason Miller, who previously appeared before my Subcommittee while I was Chairman of the Government Operations Subcommittee last Congress. During that hearing, we focused on the future of federal work and examined the necessary actions to recruit and retain top talent in the federal government. We also discussed ways Congress and the Administration could work together to rebuild, strengthen, and transform the federal workforce to meet the needs of the country in the 21st century.

I hope that today’s hearing will continue those conversations as well as provide an opportunity for Members to ask about the progress OMB has made over the past year and a half and in particular answer questions related to telework policy changes and security clearances. Last April, OMB issued Memorandum 23-15 on Measuring, Monitoring, and Improving Organizational Health and Organizational Performance in the Context of Evolving Agency Work Environments, which provided directions to help executive departments and agencies improve their organization’s health and performance. As the federal government continues to transition into its post-pandemic posture, agencies must optimize their work environment and telework policies so that employees can most effectively fulfill their designated missions. Our witness, Director Miller, is also the Chair of the Security Clearance, Sustainability, and Credentialing Performance Accountability Council (PAC), which coordinates the federal government’s transition to new continuous vetting processes under the Trusted Workforce 2.0 initiative. Many members on this committee are eager to hear more about what the PAC has done to improve the new government-wide security clearance vetting system. It is vital that this new system helps deliver in a timely and efficient fashion the cleared workforce our government needs to accomplish critical national security missions.

While OMB is well known for its responsibility to produce the President’s annual budget, it is also tasked with many other requirements including ensuring federal agencies execute the President’s policies for operating the federal government. To this end, OMB’s Deputy Director for Management (DDM), oversees Government-wide management of information technology, procurement, performance, human resources, and agency finances. In light of these responsibilities during today’s hearing I hope to touch on a wide range of topics including a recent letter my office sent to OMB regarding OMB’s compliance with certain provisions of the Federal Information Technology Acquisition Reform Act (FITARA), Performance.gov metrics, the agency’s draft memorandum for Modernizing the Federal Risk and Authorization Management Program (FedRAMP), Chief Information Officer responsibilities, and the proposed Federal Employee Pay Raise within the President’s FY25 Budget.

At the beginning of this month, my office sent a letter to Director Young to express my concerns regarding the Office of Management and Budget’s (OMB) compliance with certain information technology risk management and cost saving related provisions of FITARA. While FITARA broadly directs OMB to address information technology (IT) modernization cost overruns and codify the Administrator of the Office of Electronic Government’s existing administrative managed initiatives, it specifically directs the agency to strengthen, analyze, and oversee federal agencies IT portfolio management process. Then in March, to my disappointment, the Government Accountability Office (GAO) shared preliminary findings that suggested OMB has only proven to partially meet the necessary requirements to create an IT portfolio review process. Moreover, this process guidance is both dated, and neither OMB nor the CFO Act agencies seem to be adhering to the guidance. Though my letter’s deadline

was not met, OMB's staff has remained communicative and provided my office with assurance that OMB is currently working on sending answers to my questions as soon as possible. I hope that during today's hearing our witness will be able to provide more clarity to questions outlined in my letter.

To conduct meaningful oversight of FITARA, this Committee works with GAO to produce a biannual Scorecard that grades agencies' compliance with the law alongside other statutorily grounded IT priorities. One of these categories is the Cyber or Federal Information Security Modernization Act (FISMA) category that evaluates all 24 CFO Act agencies' cybersecurity postures. Finally, after spending years advocating for metrics to replace the expiring Trump-era Cross-Agency Priority data, OMB published its first Federal Cybersecurity Progress Report on Performance.gov assessing agency's progress in achieving Executive Order Improving the Nation's Cybersecurity (EO 14028) milestones and implementing key cybersecurity measures. Since then, OMB has provided two updates roughly every two quarters. In light of EO 14028's focus on zero trust architecture adoption, the Administration must continue to evolve the Performance.gov data and provide public metrics to assess agencies' implementation of zero trust capabilities.

In December 2021, the Biden Administration also released an Executive Order on Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government (EO 14058). This EO directed a whole-of-government approach to managing customer experience – including specific agency commitments to improving services and establishing a new “Life Experiences” framework to tackle pain points people experience at critical moments in their lives when they need government to work. OMB also published OMB Circular A-11, which in Part 6, Section 280 provides more detailed guidance on implementing the CX EO and on CX management in the Federal context. In the two years since the President signed EO 14058 OMB has worked with agencies to make meaningful progress on improving government efficiency by ensuring the public is able to do basic tasks with the government in a manner that is simple, seamless, and secure. While Performance.gov provides updates on agencies' progress to meet their milestones, members on this dais would be interested to see what kind of measurable metric the Administration could implement to assess the federal government's ability to meet each of the 36 agency commitments or ways to leverage data from the Customer Feedback dashboard.

Last year, OMB provided feedback on a bill I hope to soon introduce that would codify the position of Federal Chief Information Officer (Federal CIO) and assign the position with the appropriate authorities and responsibilities to act as an effective information technology (IT) manager for the federal government. As the language continues to solidify, I hoped to ask a few more clarifying questions such as why the Federal CIO should not report directly to the OMB Director unlike other agency CIOs to their agency heads, why OMB should not have to be involved individual agency IT investments, and who OMB believes should conduct oversight to ensure these investments are being adequately managed.

I also introduce the Federal Adjustment of Income Rates (FAIR) Act every year alongside Senator Schatz. Our latest version advocates for a 7.4 percent pay increase in calendar year 2025 and is supported by 83 other cosponsors in the House. The FAIR Act offers a raise produced by data, and would provide a 4.0 percent increase in base pay and an average 3.4 percent increase in locality pay. Locality pay is an adjustment in pay that is supposed to accommodate cost-of-living in a geographic area. The base pay increase percentage of 4.0 percent is derived from the statutory formula outlined in the Federal Employees Pay Comparability Act of 1990 (FEPCA). Under FEPCA, federal employees receive an annual base pay adjustment equal to the employment cost index (ECI) for wages in the private sector minus 0.5 percentage points. The current relevant ECI is 4.5 percent. Subtracting 0.5 percent produces a 4.0 percent base pay increase for the FAIR Act. The average locality pay increase of 3.4 percent included in the bill is consistent with last year's rate of inflation. It is also just a fraction of the increase recommended by the most recent Federal Salary Council recommendations for 2024, which found that locality pay lags the private sector by 27.54 percent. While the Biden Administration has worked to

reverse this trend in the past, we were disappointed to see this year's proposal present a lackluster number with no concrete explanation. We want to know how the Biden Administration came to a 2% raise and why they believe civil federal workers do not deserve the same wage increase as their military counterparts.

Finally, in 2022, after pushing the FedRAMP Authorization Act through the House six times in five years, Congress successfully sent the bill to the President's desk, and he signed it into law. Since the enactment of the bill, I have remained engaged with the General Services Administration (GSA) regarding efforts to implement the legislation. During my oversight endeavors to ensure the effective and ongoing coordination of federal agency authorization, adoption, and use of security of cloud computing products and services, stakeholders from both the public and private sector have expressed their eagerness for the final draft of the Modernizing the Federal Risk Authorization Management Program (FedRAMP) Memo. In lieu of official finalized guidance, some cloud service providers have been left in limbo, particularly those working with the recently dissolved Joint Authorization Board (JAB) to gain their Provisional Authority to Operate (P-ATO). OMB and GSA must finalize their FedRAMP guidance and agencies must publish their implementation plans as required by the legislation as directed by statute that many fought hard to enact. Recognizing reciprocity is smart for vendors and smart for agencies. If you are approved at one window of government, that approval should carry with you to others. OMB must carry out the vision of the FedRAMP Authorization Act and prioritize streamlining agencies' adoption and use of secure cloud services.

OMB has done an abundance of good work under the Biden Administration such as improving the government's accessibility for all people, investing in digital modernization, limiting waste, fraud, and abuse within government, and recruiting and retaining a resilient federal workforce. This committee looks forward to continuing to work with you to more efficiently and most equitably serve the American people.