September 22, 2020

The Honorable Gerald E. Connolly
Chairman
The Honorable Jody Hice
Ranking Member
Subcommittee on Government Operations
Committee on Oversight and Reform
House of Representatives

Responses to Questions for the Record; Hearing on FITARA Scorecard 10.0

Thank you for the opportunity to testify before the Subcommittee on August 3, 2020, to discuss federal agencies' efforts to implement FITARA. The attached enclosure provides my responses to the Subcommittee's questions for the record. If you have any questions, please contact me at (202) 512-4456 or HarrisCC@gao.gov.

Carol C. Harris
Director, Information Technology Management Issues

Enclosures - 2

Questions for Ms. Harris
Director, IT Management Issues, Government Accountability Office
Questions from Chairman Gerald E. Connolly

August 3, 2020, Hearing: "FITARA 10.0"

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1. **In its April 2019 report, the Government Accountability Office (GAO) identified four overarching best practices that multiple agencies used to implement FITARA's requirements: (1) obtain support from senior leadership; (2) treat implementation of FITARA as a program; (3) establish FITARA performance measures for component agencies; and, (4) appoint an executive accountable for FITARA implementation in each component agency. As a whole, what progress have agencies made in implementing these best practices since the enactment of FITARA?**

Although we have not conducted specific work that assessed federal agencies' progress in implementing the best practices identified in our April 2019 report, we have issued reports highlighting the importance of executive leadership. We have specifically focused on the critical role played by Chief Information Officers (CIO) in making improvements in acquiring information technology (IT) services and systems and implementing FITARA requirements.[1] One such key FITARA provision requires covered agencies to ensure that their CIOs have significant roles in the decision process for budgeting, as well as the management, governance, and oversight processes related to IT.

As highlighted in my August 3, 2020 testimony, federal IT projects have failed due, in part, to a lack of oversight and governance, especially by officials at an executive level, such as the CIO.[2] In September 2011, we reported that some CIOs' roles were limited because they did not have the authority to review and approve the entire agency IT portfolio.[3] More recently, in August 2018, we reported that none of the 24 major federal agencies had IT management policies that fully addressed the role of their CIO for key responsibilities under federal laws and guidance.[4] Accordingly, we recommended that the agencies establish such policies.

In addition, successfully addressing FITARA requirements is central to improving the management of IT acquisitions and operations—an area that has been on our High-Risk List since 2015.[5] The Office of Management and Budget's (OMB) FITARA implementation

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[1]GAO, *Information Technology: Effective Practices Have Improved Agencies' FITARA Implementation,* GAO-19-131 (Washington, D.C.: Apr. 29, 2019); *Information Technology: Critical Factors Underlying Successful Major Acquisitions,* GAO-12-7 (Washington, D.C.: Oct. 21, 2011).

[2]GAO, *Information Technology: Federal Agencies and OMB Need to Continue to Improve Management and Cybersecurity,* GAO-20-691T (Washington, D.C.: Aug. 3, 2020).

[3]GAO, *Federal Chief Information Officers: Opportunities Exist to Improve Role in Information Technology Management,* GAO-11-634 (Washington, D.C.: Sept. 15, 2011).

[4]Laws such as FITARA and related guidance assign 35 key responsibilities to agency CIOs to help address longstanding IT management challenges. GAO, *Federal Chief Information Officers: Critical Actions Needed to Address Shortcomings and Challenges in Implementing Responsibilities,* GAO-18-93 (Washington, D.C.: Aug. 2, 2018).

[5]GAO, *High-Risk Series: An Update,* GAO-15-290 (Washington, D.C.: Feb. 11, 2015).

guidance requires agencies to develop and implement plans describing changes they intend to make to ensure that IT management responsibilities for CIOs and other senior agency officials are effectively implemented. In our 2019 High-Risk update, we reported that, while all 24 major federal agencies had developed FITARA implementation plans, the agencies nevertheless needed to demonstrate additional progress in meeting their planned milestones.[6]

2. **Can you provide specific ways in which FITARA has saved taxpayer dollars and made improvements within agencies that improved government service?**

In September 2020, agencies reported achieving approximately $20 billion in cumulative cost savings and avoidances through various IT reform efforts from fiscal years 2012 through 2020. This includes cost savings and avoidances resulting from initiatives called for by FITARA, such as consolidating and optimizing data centers, and identifying duplicative spending and achieving cost savings from annual IT portfolio reviews.

- **Data center consolidation.** Agencies covered by FITARA are required to provide a strategy for consolidating and optimizing their data centers and to issue quarterly updates on the progress made. In 2010, OMB launched what is now known as the Data Center Optimization Initiative (DCOI) to reduce data center duplication and costs, and to optimize agencies' remaining data centers.[7] According to the agencies, this initiative has, thus far, resulted in approximately $692 million in cost savings and avoidances for fiscal year 2020, and approximately $6 billion in cost savings and avoidances for fiscal years 2012 through 2020.

- **IT portfolio review.** Agencies covered by FITARA are to annually review their IT investment portfolios to increase efficiency and effectiveness and identify potential waste and duplication. In 2012, OMB launched the PortfolioStat initiative, which requires agencies to review their portfolio to reduce commodity IT[8] spending and demonstrate how their investments align with the agency's mission and business functions.[9] In our 2019 High-Risk update, we reported that agencies had achieved about $2.5 billion in savings across the PortfolioStat initiative.[10]

3. **Are there new metrics that GAO has considered adding to FITARA? How can we find or generate metrics that will continue to improve the federal IT posture?**

We look forward to continuing to support the Committee's Scorecard by monitoring and reporting on issues pertaining to improving government services and transparency of federal

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[6]GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas,* GAO-19-157SP (Washington, D.C.: Mar. 6, 2019).

[7]OMB, *Data Center Optimization Initiative (DCOI)*, Memorandum M-16-19 (Washington, D.C.: Aug. 1, 2016).

[8]According to OMB, commodity IT includes services such as IT infrastructure (data centers, networks, desktop computers and mobile devices); enterprise IT systems (e-mail, collaboration tools, identity and access management, security, and web infrastructure); and business systems (finance, human resources, and other administrative functions).

[9]OMB, *Fiscal Year 2013 PortfolioStat Guidance: Strengthening Federal IT Portfolio Management*, Memorandum M-13-09 (Washington, D.C.: Mar. 27, 2013).

[10]GAO-19-157SP.

data, and those spanning the federal IT and cybersecurity landscape. Our recently completed and ongoing work addresses three areas that the Committee may wish to consider incorporating into the Scorecard.[11]

- **Transition from expiring telecommunications contracts to the General Services Administration's (GSA) Enterprise Infrastructure Solutions (EIS).** Federal agencies must transition their telecommunications services to new EIS contracts before their current Networx contracts expire in May 2023. However, agencies' poor performance during the previous two transitions resulted in significant delays and cost increases. For example, in December 2013, we reported that the transition to Networx that had begun in 2007, took 33 months longer than planned. Due to delays in agencies' transition to Networx, they continued to order services from a predecessor contractor although new services were available through Networx at generally lower rates. As a result, agencies lost an estimated $329 million in potential savings.[12]

  Regarding the ongoing transition to EIS, we reported in April 2020 that a majority of the 19 selected agencies had not met GSA's milestones for completing critical contracting actions in 2019.[13] By waiting until close to the end of the current contracts to finish the transition, these agencies are at risk of experiencing disruptions in service. Moreover, agencies that have not met transition milestones are at high risk of experiencing delays during the EIS transition and may miss out on potential cost savings, as they did during the transition to Networx.

  To hold agencies accountable for progress toward the transition to EIS, the Committee may wish to consider scoring agencies' transition from Networx, as previewed on the 10th iteration of the Scorecard. This is of particular importance because, as shown on the July 2020 Scorecard, only six agencies had transitioned at least 50 percent of their services from the expiring contracts.

- **Adoption of the Technology Business Modernization (TBM) framework.[14]** In 2018, the Administration issued the President's Management Agenda, which set a goal for adopting the TBM framework government-wide by fiscal year 2022.[15] In addition, OMB required agencies to report IT budget data using the TBM framework, starting with their

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[11]Beginning in November 2015, the House of Representatives Committee on Oversight and Government Reform released its first FITARA scorecard that assigned letter grades to federal agencies on their implementation of FITARA. For the 10th iteration, see U.S. House of Representatives Committee on Oversight and Reform, *Biannual FITARA Scorecard - July 2020* (Washington, D.C.: July 2020).

[12]GAO, *Telecommunications: GSA Needs to Share and Prioritize Lessons Learned to Avoid Future Transition Delays,* GAO-14-63 (Washington, D.C.: Dec. 5, 2013).

[13]GAO, *Telecommunications: Agencies Should Fully Implement Established Transition Planning Practices to Help Reduce Risk of Costly Delays,* GAO-20-155 (Washington, D.C.: Apr. 7, 2020).

[14]The TBM framework is an open source standard for IT costs, which creates categories of data on IT spending that provide more granularity and consistency and can help to improve accountability and transparency across agencies. According to the President's Management Agenda, early use of TBM quadrupled the percentage of IT spending that could be clearly tracked to a specific cost category, such as data centers or IT security and compliance (from fiscal year 2015 to fiscal year 2017).

[15]President's Management Council and Executive Office of the President, *President's Management Agenda* (Washington, D.C.: Mar. 20, 2018).

fiscal year 2021 submissions.[16] In June 2020, we initiated work in response to a request from your Committee to assess the extent to which federal agencies have met key deadlines for implementing the TBM framework. To begin to hold agencies accountable for progress toward greater transparency in IT spending, the Committee may wish to consider scoring agencies' implementation of the TBM framework.

- **Agency assessment of investments for transition to cloud computing services.[17]** In 2010, OMB began requiring agencies to shift their IT services to cloud computing when feasible.[18] In addition, OMB required agencies to assess each investment for cloud services and report the results as part of the annual budget submission, starting with their fiscal year 2016 submission. In April 2019, we reported that selected agencies had reported on the IT Dashboard[19] that they had completed cloud assessments for 84 percent of their IT investments planned for fiscal year 2019.[20] However, 12 agencies had not performed assessments for a number of their IT investments. To begin to hold agencies accountable for transitioning to cloud computing, the Committee may wish to consider scoring agencies' progress in assessing investments for cloud services.

4. **If new metrics are added to the Scorecard, how can GAO ensure a longitudinal examination of progress over time at federal agencies?**

As noted in the Chairman's opening statement at the August 3, 2020, hearing, the FITARA Scorecard has evolved over time to align with changes in the IT landscape, respond to agency feedback, and reflect the Committee's areas of interest. This evolution in the metrics does not readily allow for a true longitudinal review of individual agency progress over time. Instead, as noted by the Chairman, each Scorecard is intended to provide a point-in-time snapshot of agency performance against the metrics. Nevertheless, the Committee can use the Scorecard over time to continue monitoring agency performance in relation to other agencies.

5. **What steps can an agency that is struggling take to start making the needed improvements to its FITARA grade?**

Agencies seeking to improve their grade on the Scorecard could adopt the practices that we highlighted in our April 2019 report on effective practices for implementing FITARA.[21] This

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[16]OMB, *FY 2021 IT Budget – Capital Planning Guidance* (Washington, D.C.: June 28, 2019).

[17]As defined by the National Institute of Standards and Technology (NIST), cloud computing is a means for enabling on-demand access to shared pools of configurable computing resources (e.g., networks, servers, storage applications, and services) that can be rapidly provisioned and released. This approach offers federal agencies a means to buy services more quickly and possibly at a lower cost than building, operating, and maintaining these computing resources themselves.

[18]OMB, *25 Point Implementation Plan to Reform Federal Information Technology Management* (Washington, D.C.: Dec. 9, 2010).

[19]In June 2009, OMB deployed the IT Dashboard, a public website with detailed information on federal IT investments at 26 federal agencies. See https://itdashboard.gov/.

[20]GAO, *Cloud Computing: Agencies Have Increased Usage and Realized Benefits, but Cost and Savings Data Need to Be Better Tracked,* GAO-19-58 (Washington, D.C.: Apr. 4, 2019).

[21]GAO-19-131.

includes practices specific to select FITARA provisions, as well as four overarching practices that have been vital to agency efforts in implementing FITARA broadly. For example, an agency seeking to improve its implementation of FITARA's portfolio review provision could conduct application rationalization activities, such as evaluating its portfolio of IT investments to make decisions on applications (e.g., retire, replace, or eliminate).[22] Similarly, an agency seeking to improve its score for the data center consolidation provision could migrate data from agency-owned data centers to cloud-based environments to achieve cost savings and progress toward data center optimization requirements.

Agencies could also improve their scores by fully addressing two Scorecard components:

- **CIO reporting structure**. Legislation requires CIOs to report directly to the agency head, and OMB's implementing guidance states that CIOs may report to the head of the agency (e.g., secretary) or that official's deputy (e.g., deputy secretary) who acts on behalf of the agency's overall leader.[23] According to the July 2020 Scorecard, 16 of 24 agency CIOs reported to their agency head or deputy.

- **Modernizing Government Technology (MGT) Act.** The MGT Act authorizes agencies to establish working capital funds for use in transitioning from legacy systems and addressing evolving threats to information security.[24] According to the July 2020 Scorecard, only three of 24 agencies had received "A" grades for their implementation of the MGT Act.

6. **Agencies, taken as a whole, appear to struggle most with the cybersecurity Scorecard grade. Why do you think this category has the lowest grades across the enterprise of government, and is that a fault of the metric itself or of agency ability to improve their scores in this area?**

The low cybersecurity grades on the Scorecard are generally consistent with our prior reporting on the state of federal agency cybersecurity programs. As noted in my August 3, 2020, testimony, further efforts are needed by agencies to strengthen their cybersecurity programs.[25] For example, in September 2017, we reported that most of the 24 agencies covered by the Chief Financial Officers (CFO) Act[26] had weaknesses in five major

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[22]Application rationalization is the process of streamlining the portfolio of IT investments to improve efficiency, reduce complexity and redundancy, and lower the cost of ownership.

[23]44 U.S.C. § 3506 (a)(2)(A); OMB, *Management and Oversight of Federal Information Technology, Memorandum* M-15-14 (Washington, D.C.: June 10, 2015).

[24]Although the MGT Act authorizes agencies to establish working capital funds, we reported in June 2019 that OMB staff stated that the Act does not confer the transfer authority necessary to operate an IT working capital fund.

[25]GAO-20-691T.

[26]The 24 agencies covered by the CFO Act of 1990, 31 U.S.C. § 901(b) are the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, Justice, Labor, State, the Interior, the Treasury, Transportation, and Veterans Affairs; the Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, National Science Foundation, Nuclear Regulatory Commission, Office of Personnel Management, Small Business Administration, Social Security Administration, and U.S. Agency for International Development.

categories of information system controls.[27] Moreover, we have made over 3,000 recommendations to improve the security of federal systems since fiscal year 2010.

The metrics currently comprising the Scorecard's cybersecurity grade draw on data reported publicly to Congress and via Performance.gov.[28] The availability of the data supporting these metrics allows OMB, other oversight bodies, and the general public to hold the agencies accountable for results and progress.

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[27]GAO, *Federal Information Security: Weaknesses Continue to Indicate Need for Effective Implementation of Policies and Practices,* GAO-17-549 (Washington, D.C.: Sept. 28, 2017).

[28]Two metrics comprise the most recent Scorecard's cybersecurity grade: (1) the Inspector General's evaluation of agencies' information security program and policies across five core security functions from the NIST Cybersecurity Framework and(2) progress toward targets for OMB's reducing cybersecurity risks Cross-Agency Priority goal.

Enclosure II

Questions for the Record – Submitted by Ranking Member Jody Hice (R-GA)
Subcommittee on Government Operations
Hearing: "FITARA 10.0"
Hearing Date: August 3, 2020

Questions for Ms. Carol Harris, U.S. Government Accountability Office (GAO)

1. **Aside from the IDEA Act, how can the committee incorporate customer experience into future FITARA scorecards? To what extent do the utilization of Service Level Agreements help improve customer experience and how could this be incorporated in to scorecard reporting requirements?**

    The Committee may wish to consider incorporating a metric adapted from federal initiatives that address customer satisfaction, such as the Cross-Agency Priority goal for improving customer experience. As called for by the Office of Management and Budget's (OMB) Circular A-11 section 280, the Cross-Agency Priority goal for improving customer experience aims to promote transparency and accountability by creating a public, government-wide dashboard for aggregate customer experience performance data. This includes satisfaction scores for agencies' high-impact services[29] in areas such as effectiveness, simplicity, and speed.[30] Although not exclusive to digital services, the federal services designated as high-impact include the Office of Personnel Management's USAJobs, the Department of Agriculture's Farmers.gov, and the Social Security Administration's Online Services. Some high-impact service providers are already reporting their customer satisfaction data to OMB, as required. However, OMB is unable to aggregate data for public use at this time.[31]

    We have previously reported on the value of publicly available data for Congressional oversight. In particular, we reported in July 2010 that the public display of agencies' data on the IT Dashboard allowed OMB, other oversight bodies, and the general public to hold agencies accountable for results and progress.[32] Although publicly available data may not currently be available to support a customer experience metric on the Scorecard, the Committee may wish to monitor developments in agencies' data collection and reporting pertaining to the Cross-Agency Priority goal for improving customer experience.

    Although we have not conducted recent audit work concerning service level agreements (SLA),[33] we have previously reported that defining performance measures is a key practice

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[29]OMB designated 25 service providers as high-impact due to the scale of their customer base and impact of their service.

[30]OMB, *Circular No. A-11: The Federal Performance Framework for Improving Program and Service Delivery,* Section 280 (Washington D.C.: July 2020).

[31]According to OMB, many high-impact service providers are collecting customer feedback under clearances that did not include a provision to share this data publicly.

[32]GAO, *Information Technology: OMB's Dashboard Has Increased Transparency and Oversight, but Improvements Needed,* GAO-10-701 (Washington, D.C.: July 16, 2010).

[33]An SLA defines the level of service and performance expected from a provider, how that performance will be measured, and what enforcement mechanisms will be used to ensure the specified performance levels are achieved.

for cloud computing SLAs and that SLAs should include service-level targets. [34] Examples of service-level targets include the hours that customers can expect the service to be available (e.g., 8:00 a.m. to 6:00 p.m., Monday through Friday), and availability of a service during the agreed service hours (e.g., 99.5 percent).

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[34]GAO, *Cloud Computing: Agencies Need to Incorporate Key Practices to Ensure Effective Performance,* GAO-16-325 (Washington, D.C.: Apr. 7, 2016); *Library of Congress: Strong Leadership Needed to Address Serious Information Technology Management Weaknesses,* GAO-15-315 (Washington, D.C.: Mar. 31, 2015).