



U.S. Small Business
Administration

**Statement of Keith A. Bluestein
Chief Information Officer
U.S. Small Business Administration**

**before the
House Subcommittee on Government Operations**

**Hearing on the Federal Information Technology Acquisition Reform Act
(FITARA) Scorecard 12.0**

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Chairman Connolly, Ranking Member Hice, and Subcommittee members, thank you for the opportunity to discuss the Small Business Administration's (SBA) implementation of the Federal Information Technology Reform Act (FITARA). Much has changed since the last time SBA spoke to you about FITARA in 2017. To the great benefit of SBA and America's small businesses, FITARA has provided the critical structure and tools for SBA to optimize and modernize IT infrastructure, identify areas for IT efficiency and innovation, and to invest in the IT workforce for tomorrow. I would like to share with you today how SBA has used FITARA to transform and modernize SBA's IT operations. I would also like to add some of the benefits SBA has enjoyed courtesy of the Modernizing Government Technology Act of 2017 or the MGT Act. This modernization foundation played a vital role in enabling the exponential scaling of SBA's operations to deliver the nation's largest ever economic recovery initiative in a very short period of time. Just to recall some of the numbers related to scale, by October of 2020 SBA's disaster program approved and disbursed more than three times as many funds for the COVID-19 EIDL program (\$211 billion) as we had for all disasters combined in the Agency's 67-year history (\$67 billion). On the Capital Access side, SBA issued more loans in 14 days than they had in 14 years. The scaling challenge was daunting but the SBA Team responded for America's small businesses. While there were some hiccups along the way, SBA's IT infrastructure proved to be resilient, scalable, and adaptable to the changed business requirements, such as transitioning to a maximum telework model.

When I re-joined SBA in June 2020 as the Chief Information Officer, SBA had already adapted to changed conditions due to the COVID-19 global pandemic. The flagship economic recovery programs, Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program (PPP) were already in high gear and the SBA workforce was rapidly surging up. The SBA workforce had transitioned to telework quickly and relatively smoothly. An accelerated implementation of a modern cloud-based, secure network connectivity solution instead of the traditional Virtual Private Network (VPN) solution had simplified connecting to the SBA environment with increased speed and improved security. Also, accelerated deployment of online collaboration tools and training had helped the remote SBA staff to continue to be productive and not miss a beat while maintaining a robust security posture.

I would like to highlight how FITARA provided the underlying support for the successful almost exponential expansion in personnel and technology that was so vital to SBA's surge in capability. Specifically, FITARA had solidified the coordination and collaboration between the CIO and the Chief Human Capital Officer and the Chief Procurement Officer. These two relationships and the supporting infrastructure that resulted were the key underpinning foundation that enabled SBA's surge for the pandemic response. We tend to focus on technology with the CIO-related activities but FITARA took a much broader approach to how the CIO becomes a valued mission partner in an Agency. The pandemic relief, and more specifically the CARES Act, brought into clear relief how important those relationships were.

Had they not existed prior to the passage of the CARES Act, there is likely no way SBA could have responded with the speed that we did. SBA surged from approximately 5000 employees to slightly over 18,000 at our peak in only a couple of months. Hiring on that scale was unheard of prior to the pandemic but the personnel relationships that had been developed and cultivated were crucial to this rapid expansion. Similarly, the need for immediate expansion of technical support for the agency's systems and employees called for acquiring equipment and services in very short order. The ability to procure a huge volume of laptops for remote work, servers, cloud services, software licenses and contracted support teams was a testament to the great team the procurement organization had in place. The ability to surge to the level needed to support all of the CARES Act activity was enabled by the tight-knit nexus that had been formed with the CIO and CFO through the maturation of FITARA. Looking back now, it is hard to imagine how SBA would have been able to support CARES Act activities successfully without the prior work prescribed by FITARA.

I would like to highlight other helpful legislation. One of the many Information Technology System Modernization tools you provided government agencies is the IT Working Capital Fund (IT WCF) provided for in the Modernizing Government Technology Act (MGT Act). We have taken full advantage of this capability that afforded a great deal of flexibility to CIOs, especially in agencies that deal primarily with one-year appropriations. While this is still a relatively new capability and will mature over time, the IT WCF allows SBA to have a long-term vision for modernization and change with a managed resource pool to ensure that vision can be realized. Words are inadequate to express the relief this provides the CIO in responding to various changes that occur over the course of a given fiscal year. While our fund is young, it provided the agency with additional flexibility to adapt to emerging needs. This tool helped bolster FITARA even further by strengthening the collaborative bond the CIO has with the CFO to execute the agency's mission. MGT was a welcome adjunct to FITARA and has allowed SBA to better plan and resource expenditures on a multi-year horizon. A sampling of some of these projects include modernizing SBA's infrastructure, unifying and enhancing the customer experience internally and externally, updating support technology for small business certification programs; and improving systems that manage entrepreneurial development and learning to name just a few.

I'd like to highlight one modernization initiative that I think demonstrates why our IT WCF is so helpful to the agency and the small businesses it serves. A couple of years ago we started modernizing our Entrepreneurial Development Management Information System (EDMIS). The IT WCF allowed us to allocate the resources effectively over a multi-year horizon, which ensured the stability of the project from inception to delivery at the end of June this year. This is a huge success story for the entrepreneur community as the new tool can provide rapid reporting and analysis of data for actionable decision making which previously took months. The tool allows data to come alive and enables our investors in America's small business to take quick action and identify emerging opportunities. This capability is a small business game changer and was directly enabled by the MGT Act and the cross-agency collaboration driven by FITARA.

I wanted to highlight that success story, but it is one of many which are in progress now. I want to circle back on FITARA though to highlight that none of this success comes without the critical support from senior agency management, namely the Administrator and her immediate

leadership team. FITARA is very clear about the importance of the relationship between the Department or Agency Head and the CIO. That importance cannot be overstated but I don't know that a solid line on an organization chart will always capture the level of support the CIO receives. I understand the scoring on the FITARA scorecard reflects less favorably for SBA and other CIOs without a solid line relationship. I can tell you personally that I have had unmitigated and total support from the former and current Administrators. While that is a feature envisioned in FITARA I know this may not always manifest itself the same way in every agency. I am fortunate. SBA's top leadership always ensures the CIO has a seat at the table and includes the CIO in strategic technology discussions and key IT investment discussions. This visibility and inclusion helps to ensure that decisions do not get made in a vacuum or siloed fashion such that resources allocated get the maximum benefit across the agency versus just one program. This collaboration with the CIO at the agency's highest level is crucial to the long-term success of meeting government's objectives. That may sound lofty but we are living the reality within SBA.

As we look back on the period since SBA last testified on FITARA, much has changed and there has been extensive improvement in how SBA operates IT. I know we have said it, but it bears repeating that is a direct result of the implementation of the authorities contained in FITARA. The SBA's early actions taken under FITARA laid the foundation for the agency's transformation that prepared them to quickly pivot to support the critical economic relief for the pandemic. As we proceed in executing our enterprise IT plan, the legislative tools you have provided federal CIOs will ensure federal information technology can continue to improve and provide the reliable, secure, and high performing computing environments necessary to enable the SBA to perform its mission efficiently and effectively for America's small business.

Thank you again for the opportunity to share the SBA's progress on FITARA implementation, and we are ready to answer any questions you may have.