

WRITTEN TESTIMONY OF

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Oversight and Management Efficiency

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Chairman Perry, Ranking Member Watson-Coleman, and other distinguished members of the Subcommittee, thank you for the opportunity to appear today to discuss the Human Resource Information Technology (HRIT) program at DHS. My comments will focus on our progress in addressing GAO's recommendations on HRIT.

We wish to express appreciation to our colleagues from the Government Accountability Office (GAO) for their longstanding and dedicated work in support of strengthening management functions at DHS. Over the past several years, we have forged an excellent working relationship with GAO and have reached common ground on many issues.

In April 2015, I testified before this committee, noting that the Department has worked diligently to improve its acquisition processes. These efforts have produced more effective governance and significant improvements to the future and health of current acquisitions. I also noted that the Acquisition Review Board (ARB) has increased its oversight reach and has taken action to cancel or pause several poor-performing or higher-risk programs that were not achieving the pre-established cost, schedule and performance goals.

We have continued our progress since April 2015, holding 27 action oriented acquisition review boards for major acquisition programs. As of December 31, 2015 all major acquisition program documentation was approved, fully addressing GAO High Risk Outcome #1. Moreover, the acquisition Management Directive, revision 03 of MD 102-01, was signed by the Under Secretary for Management on July 28, 2015. This revision was updated to include critical touch points to the Secretary's Joint Requirements Council.

It is now almost one year later and our work to increase oversight continues to yield key decisions based on the performance of programs. This includes our decision to pause the HRIT Executive Steering Committee's management and oversight of the HRIT investment in order to address challenges associated with the Department's effort to deploy a centralized Performance and Learning Management System (PALMS). As noted by GAO, DHS agrees that very little progress has been made in implementing the HRIT investment in the last several years beyond the focus on the PALMS implementation.

On January 15, 2010, DHS established an executive steering committee that included all DHS Components, led by the OCIO and OCHCO, to rationalize legacy human resource processes and systems into a common, Department-wide architecture. At that time, DHS prohibited spending to enhance existing human resource systems or to purchase new human resource solutions unless approved by the OCIO and the OCHCO. The newly formed Executive Steering Committee (ESC) approved the long-term strategic plan for HRIT through a Human Capital Segment Architecture (HCSA) study, completed in 2011. The HRIT program, under the guidance of the ESC, delivered a user friendly interface with the National Finance Center's (NFC) payroll/personnel system for processing personnel actions, such as promotions and awards with "EmpowHR", a time and attendance system with "webTA", payroll services with

the deployment of “National Finance Center Corporate”, and an electronic official personnel file system called “eOPF”. Additional solutions delivered under the ESC guidance includes a Balanced Workforce Assessment Tool, the Medical Case Management System, the data management Human Capital Analytics Intelligence system (AXIS) and an enterprise learning management system called Performance and Learning Management System (PALMS).

PALMS was established to consolidate nine (9) Component-based learning management systems and to integrate employee performance management requirements into a single Department-wide solution. During the deployment of PALMS in the fourth quarter of 2014, DHS Chief Information Officer Luke McCormack asked to slow down implementation in order to address unexpected challenges with the contract to buy this capability as a service. I concurred with the OCIO’s decision to remediate the PALMS implementation issues, in order to lower the risk and associated costs of an implementation that was not on track to meet the Department’s needs. During this slow down, the HRIT program management office addressed concerns with the initial operating capability meeting the requirements of the program and worked with the Office of the Chief Procurement Officer to ensure timely and effective delivery. DHS withheld payment from the vendor until requirements were achieved, and DHS executed no-cost extensions until contract requirements were met, providing several cure notices to the vendor due to non-performance.

Since addressing the challenges that caused the slowdown, the training portion of the PALMS system has been successfully deployed: at Customs and Border Protection in July 2015; for DHS Headquarters Components in October 2015; and most recently at the Federal Law Enforcement Training Center (FLETC) in December 2015. In total there are over 350 thousand learning management system course completions. U.S. Citizenship and Immigration Services and Immigration and Customs Enforcement are scheduled for deployment in the third quarter of FY16 and the U.S. Secret Service is scheduled for deployment in the fourth quarter of FY16. The Transportation Security Administration, Federal Emergency Management Agency, and the U.S. Coast Guard are performing their analysis and are on schedule for an implementation decision by April 30, 2016.

DHS has moved forward with implementing the performance management capabilities in PALMS, conducting and initial pilot within DHS OCIO. Barring any unforeseen challenges in meeting the requirements, this portion of the project remains on track for implementation.

DHS agrees with GAO’s fourteen recommendations to strengthen and improve HRIT and had already begun to take corrective actions to address the program’s management, oversight and progress. In their report, GAO noted that during the 2014 and 2015 period, the oversight and management of the overall HRIT portfolio of programs and strategic improvement opportunities became a secondary focus and suffered. During this period, opportunities for further consolidation and efficiency were not addressed. DHS agrees more could have been done to provide oversight of the HRIT program during the 2014 and 2015 period. Between 2010 and

2016, the annual appropriated funding to continue work on strategic improvement declined. This decline was due in part due to a poor budget justification leaving only \$7.778M in FY16 which is only sufficient to cover the implementation of PALMS as currently defined.

Recognizing the challenges in the investment/program, I convened an Acquisition Review Board on December 22, 2015, to begin to provide an enhanced focus on HRIT. On January 21, 2016, the Under Secretary for Management issued an Acquisition Decision Memorandum (ADM) that initiated several actions, the first of which was to move the oversight of the HRIT investment from the OCHCO to the OCIO which occurred on January 29, 2016. The second major action was to reestablish the Executive Steering Committee (ESC), which met on February 4, 2016.

OCIO is working closely with OCHCO, through the ESC and under the guidance of the DHS Acquisition Review Board, to ensure the investment continues to address the remaining ADM actions and to deliver the fundamental goals of the HRIT program.

The HRIT ESC will work to ensure the original intent of the 2011 Human Capital Segment Architecture (HCSA) study is: (1) still valid/supported through the Joint Requirements Council; and (2) implemented to optimize HRIT capabilities to support efficient human resources processes across DHS. In this regard the focus is on: improving the transparency, accountability, and efficiency of HRIT services; strengthening and unifying our ability to collect and share actionable enterprise HR information in support of DHS' mission; and enhancing operational support for enterprise human resources systems and service delivery across DHS.

Continuing the HRIT investment is critical to reducing redundancies and increasing the efficient and effective functionality of human resources systems across the Enterprise. We appreciate GAO's insight into this investment and are working to strengthen oversight for HRIT.