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and Subcommittee on Technology Modernization
of the
House Veterans Affairs Committee
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Chairman Levin, Chairwoman Lee, Ranking Member Bilirakis, Ranking Member Banks and distinguished Members of the Subcommittees on Economic Opportunity and Technology Modernization, thank you for the opportunity to testify before you today on technology modernization in the Department of Veterans Affairs. Successful modernization of legacy IT infrastructure is a critically important issue for improving the veteran experience. MITRE very much appreciates the opportunity to share our insight from our work on this critical program.

MITRE is a 501(c)(3) not-for-profit corporation. We are chartered to operate in the public interest, which includes operating federally funded research and development centers, or FFRDCs, on behalf of federal agency sponsors. We currently operate seven FFRDCs sponsored by a variety of federal sponsors including the Department of Veterans Affairs, which is a co-sponsor of MITRE's Center for Enterprise Modernization (CEM). Our Center for Enterprise Modernization was established in 1998 by the Department of Treasury's Internal Revenue Service (IRS) and we have been proud to support many modernization efforts under that FFRDC, including aspects of the VA's modernization efforts. The other primary sponsors for which MITRE operates FFRDCs include the Department of Defense; the Centers for Medicare and Medicaid Services at the Department of Health and Human Services; the National Institute of Standards and Technology; the Federal Aviation Administration; the Department of Homeland Security; and the U.S. Courts – the latter being the only non-Executive Branch entity that has created an FFRDC to date.

Background

As stated in our previous testimony provided in May and November of 2019, the challenges which impacted the Forever GI Bill (FGIB) program over one year ago are seen

repeatedly across the government as agencies struggle to execute highly complex, integrated mission requirements and modernize their systems and processes to address new mission needs. At that time, I was speaking specifically to VA's implementation of Sections 107 and 501 of the FGIB. But the issue of IT modernization is not limited to any one program, legislative effort, or agency.

MITRE has a long history of working with our sponsors on IT modernization. For example, our Center for Enterprise Modernization worked with the Internal Revenue Service on the development and implementation of an IT Modernization Vision and Strategy (October 2006) and most recently assisted the Social Security Administration on its multi-year IT Modernization Plan (October 2017). Both of those plans highlight the importance of having the business and technology organizations collaboratively tackle mission modernization and the risks associated with archaic legacy environments.

The need to modernize technology and transition from legacy systems has never been more critical than it is today. The accelerating pace of technology change has put us in the midst of what is commonly referred to as a digital transformation. Innovation and rapid advances in IT offer great promise for reduced operating costs, increased agility, streamlined processes and measurable improvements to service and mission outcomes. Indeed, we have seen these benefits realized in both the private and public sectors.

However, organizations, especially government agencies, find it challenging to keep up with the pace of change. As a result, despite some successes, federal agencies continue to maintain a large network of legacy systems that use up to 80 percent of IT budgets today. This further complicates the modernization challenge by making agencies deal with the issue of keeping the legacy systems running while driving mission modernization. Adopting any new technology brings risk, but this risk level only increases when attempting to navigate the modernization of IT and transition from legacy.

Despite the risk, the imperative exists. Agencies must aggressively move to transition from legacy systems while maintaining the ability to deliver mission outcomes. From our experience, this is not only necessary, it is possible if agencies, with the support of OMB and

Congress, have a plan, an integrated management approach, and the resources and other enablers necessary to remove roadblocks and sustain the commitment.

<u>Charting a Path Forward</u>

A multi-year modernization plan that articulates the integration and transition steps needed for moving from legacy to new systems and accounts for full lifecycle costs, including the long tail costs of maintenance and operations, is essential to success. It provides the roadmap for agencies and the foundation for accountability and confidence on the part of the public and Congress. To VA's credit they have an infrastructure readiness program that has detailed information on maintaining these legacy systems through 2026 and an associated funding plan to address it. We understand that this plan is being vetted with Congress.

Tackling these legacy systems requires careful analysis, prioritization, planning, and execution. The light governance model and program integration office (PIO) we recommended for the Colmery Act implementation can be applied here. In this model, the PIO is co-led by the business unit (USB) and the IT component (CIO), with a single ultimate authority. Additionally, we encourage VA to:

- Bolster their analysis by engaging industry early and leveraging the latest techniques and technologies for modernizing business operations. This early engagement will enable VBA to crystallize the requirements needed to develop a well-informed solution that will meet planned and unplanned needs of VBA to deliver excellent service to the Veteran.
- Ensure the execution of their plans with executive sponsorship and the light governance model.
- Ensure that their funding plan aligns with future budget requests, continues to focus on decommissioning legacy systems in collaboration with business units, and reinvests the associated savings in future capabilities through the working capital funds called for in the Modernizing Government Technology Act. Decommissioning legacy systems must be

done in conjunction with providing new modern methods to improve the way business is conducted.

Congress can also help by evaluating the complex statutory landscape associated with GI Bill benefits. Currently there are five chapters of statutory language focused on various Veteran cohorts, each with varying degrees of financial benefits. We recommend that Congress consider harmonizing GI Bill benefits across these cohorts in order to reduce administrative burden and costs. We recommend a cost benefit analysis be conducted to verify this recommendation, which we believe would increase Veteran satisfaction and reduce overall costs, with simplified rules reducing IT and operational costs.

MITRE remains committed to the success of this initiative in partnership with VA leadership and the selected systems integrator. MITRE is currently working with VA to instantiate the PIO activity as an organic capability moving forward. We appreciate the opportunity to provide independent, conflict-free strategic advice to the Program Integration Office through this phase. As the operator of the VA's FFRDC, we stand ready to assist the VA to fully establish the capability to perform this integration and modernization function as a core competency and a standard, integral part of their management approach.

In closing, let me just note that of MITRE's roughly 8,500 personnel, some 20 percent are Veterans. There are few duties that our employees consider more noble and consequential than honoring, through our support for the VA, the service and sacrifice of our nation's men and women in uniform. On behalf of the entire MITRE team, I greatly appreciate the opportunity to come before you again today to provide this update, and I look forward to your questions.