



Chairman Ander Crenshaw

*Subcommittee on Financial Services and General Government
House Committee on Appropriations*

**FY 2017 Budget Hearing: Office of Personnel Management
March 14, 2016
Opening Statement As Prepared**

The hearing will come to order.

Good afternoon and welcome to our witness, Acting Director Beth Cobert. Thank you for being here today and for testifying on the Office of Personnel Management's budget request of \$321 million for fiscal year 2017.

The last time you appeared before this Committee, you were on the job for approximately three weeks after OPM was in the headlines for months for a pair of data breaches that compromised the privacy and security of over 21 million people. These breaches have been described as the largest cybersecurity attacks against the U.S. Government. Now that you have been at OPM for more than eight months, I look forward to hearing how the Agency proposes to use its funds to strengthen cybersecurity and assist data breach victims.

Specifically, last year this Committee provided OPM with \$21 million to improve its IT infrastructure and security. This year OPM is requesting an additional \$37 million for additional upgrades. We are well aware of OPM's past attempts to modernize the Federal retirement system that has dragged on for close to two decades at the taxpayers' expense and was hindered by numerous weak management practices. Critical to the success of any large IT project is thoughtful planning, budgeting, and collaborating at the outset. Therefore, I look forward to discussing how you plan to manage this critical IT project.

OPM's Inspector General (IG), however, has some serious concerns about OPM's infrastructure improvement project which is a full overhaul of the agency's technical infrastructure. The IG has stated in the 2015 Audit that OPM failed to complete OMB's major business case plans for capital acquisition, failed to provide the full scope and cost of the project, and failed to explain how legacy applications that are critical to the OPM's operations will be updated and migrated to the new IT environment. The Committee hopes OPM will adhere to OMB's guidance on planning and budgeting for large IT projects and we look forward to hearing how you have addressed the IG's concerns to reduce the risk of project failure. We expect OPM to also demonstrate measureable outcomes throughout the lifecycle of the security upgrade.

Earlier this year, the Administration announced that it would establish a new government-wide service provider for background investigations called the National Background Investigations Bureau. The Bureau would be housed in OPM, but funded, in part, by funds appropriated to the Department of Defense (DOD) and, in part, by fees charged to agencies.

In the course of setting up the Bureau, OPM would shut down the Agency's Federal Investigative Services office that currently conducts background investigations. Closing this office is a significant organizational change that requires OPM to submit a letter to the Committee under section 608 of the Omnibus. I'm disappointed that it took numerous requests to provide the Committee with a one hour briefing on the Bureau only last week and that we have yet to receive the letter. As such, this Subcommittee and the Defense Subcommittee, with which I am also a member, have many questions about the out year funding for this proposal, lines of authority between OPM and DOD and their IGs, and the potential for fee increases for

background investigations which will be borne by the agencies. I hope that you can shed some light on these concerns today.

Lastly, I would like to discuss OPM's role in creating a first rate workforce for the 21st century. We have been reading about the greying of the Federal workforce for years, the demand for skilled workers, and need to improve the USAjobs online application portal. I look forward to your thoughts on how OPM will help recruit, retain, and develop a top notch workforce that enables Federal agencies to carry out their critical missions.

Likewise, OPM must act to build a cohesive senior management team for itself that communicates effectively with each other, their IG, and Congress. With many new senior staff joining OPM as well as recent turn over in high profile positions, OPM should seize this opportunity to demonstrate to Federal agencies how to recruit, develop, and strengthen an exemplary management team.

Again, thank you for taking the time to meet with us today. With that, I will yield to Mr. Serrano for any opening statement he would like to make.

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