Written Testimony of

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before the

Subcommittee on Government Operations
Committee on Oversight and Reform
United States House of Representatives
June 26, 2019

Thank you, Chairman Connolly, Ranking Member Meadows, and Members of the Subcommittee for this opportunity to talk about the progress the U.S. Department of Education (the Department) has made in implementing the Federal Information Technology Acquisition Reform Act (FITARA). I would also like to thank you for your continued support and commitment to improving Information Technology (IT) management across the Federal government.

Our mission at the Department is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. As the Chief Information Officer (CIO), I wholeheartedly embrace our mission.

My responsibility is to ensure the Department's ability to apply IT with the appropriate controls to ensure the availability of IT and integrity in how we use it. Under the leadership of Secretary DeVos and Deputy Secretary Zais, we have achieved a number of improvements in recent years. We have also received substantial assistance from my colleagues in the Office of Federal Student Aid, the various Assistant Secretaries at the Department, and everyone in the Office of the Chief Information Officer (OCIO).

FITARA Implementation at the Department of Education

In 2015, the Department began to develop and implement strategic plans to address the requirements of FITARA. The Department started with a comprehensive self-assessment to identify gaps in response to the Office of Management and Budget's (OMB) prescribed "Common Baseline," which outlines specific responsibilities and processes for the management of IT. The self-assessment revealed several opportunities to improve IT management and service delivery across the multiple functional business areas that play a role in the procurement and operations of IT, *e.g.*, Acquisitions, Human Capital Management, and Financial Management.

In 2015, prior to my becoming the Department's CIO, OCIO established a FITARA Implementation Working Group ("Working Group") consisting of senior agency officials from the Department's Chief Executive Officer (CXO) community, including the Chief Financial Officer, the Chief Human Capital Officer, the Chief Acquisition Officer (CAO), and the Federal Student Aid (FSA) CIO. The Working Group was established to help the CIO oversee the implementation of process-improvement initiatives to improve budget planning and execution, acquisition planning, and human capital management of IT resources. Despite the Department's initial efforts, the House Committee on Oversight and Government Reform's Subcommittee on Government Operations gave the Department an overall grade of "F" on the FITARA 1.0 scorecard in October 2015, and thereafter a "D" on the FITARA 2.0 scorecard in May 2016.

When I arrived at the Department at the end of May 2016, I recognized immediately the need to increase the IT oversight in order to achieve better results. My team and I began working with my CXO counterparts to expand our efforts and strengthen our commitment to exercise FITARA's enhanced CIO and CXO authorities, with the objective of improving the effective management and oversight of IT resources. OCIO worked to refine the Department's FITARA plans and establish practices to ensure the Department could comply with OMB's Common Baseline for all 17 FITARA elements. In late 2016, we

began to implement a series of incremental changes to business processes and governance bodies to realize our goals and objectives. The changes contributed to notable improvements, resulting in a grade of "C+" for both the FITARA 3.0 (December 2016) and FITARA 4.0 (June 2017) scorecards. In 2017, we continued refining our IT management and oversight processes to meet emerging technology needs to support our mission and to achieve the goals and objectives of FITARA and the President's Management Agenda. Since then, we have seen steady progress, achieving a grade of "B+" on FITARA scorecards 5.0 (November 2017), 6.0 (May 2018), and 7.0 (December 2018). Despite our progress, we recognize that there are opportunities to improve our management and oversight of taxpayer resources dedicated to IT and other mission-critical functions. While we continue to look for ways to improve, we have completed, or are making policy and process improvements in the following areas: (1) enterprise oversight; (2) cybersecurity; (3) IT modernization; (4) cost saving strategies; and (5) performance management and workforce planning.

Enterprise Oversight

One of the key mechanisms for refining FITARA plans and strategies was the establishment of the Working Group to oversee the development and execution of the tasks associated with the implementation of FITARA. The collaboration and engagement of the CXO community has been very helpful to our success in facilitating coordination among various functional business areas at the Department in order to ensure timely and effective implementation of FITARA. In addition to ensuring compliance with the Common Baseline, the Working Group developed and tracked the completion of dozens of self-identified FITARA tasks to ensure continued progress in maximizing CIO and CXO authority over the IT portfolio. For example, the Working Group revised FSA's Investment Review Board (IRB) charter to strengthen the Department CIO's authority through inclusion as a voting member with veto authority. Additionally, we established more rigorous criteria and standards for the certification process

for IT program managers. This oversight from the full CXO community has been critical to our successes in meeting and exceeding the requirements of the law. A demonstration of the value of the Working Group's oversight is the Department's annual FITARA self-assessment in May 2019. Through this self-assessment, the Working Group recognized the need to continue to strengthen oversight and, consequently, lowered our FITARA self-assessment ratings related to the CIO's review and approval of all acquisition strategies and plans. The Working Group continues to meet on a quarterly basis and we are working with our colleagues in the CAO's office to coordinate the review and approval of acquisitions that include IT

We also established and implemented an enterprise framework that strategically links CXO functions (*e.g.*, Budget, Acquisition, and Human Resource Management) with IT management functions, including operations management, cybersecurity, and privacy. The framework is supported by evaluation criteria to assess the health and performance of IT, informing data-driven decisions for IT resources. It facilitates our efforts to rationalize the IT portfolio through the identification and elimination of legacy, duplicative, or inefficient investments that no longer meet the Department's strategic goals and objectives. The framework also strengthened the Department's IT investment management policies and processes. For example, we refined our CIO risk-rating methodology for major IT investments by increasing the risk thresholds, which more accurately reflected the complexity of risks in our IT projects. In addition, we improved the lifecycle-management process to ensure cradle-to-grave oversight of IT systems and services through incremental development and enhanced tracking of project performance. Implementing this framework has provided the Department's IT governance bodies, such as our Planning and Investment Review Working Group (PIRWG) and our IRB, with the necessary support to be more effective.

Cybersecurity

Cybersecurity is another focus of FITARA, which encourages agencies to proactively address cybersecurity risk and compliance with the Federal Information Security Modernization Act (FISMA). To address the cybersecurity challenge, OCIO developed our own cybersecurity risk scorecard based on the National Institute of Standards and Technology (NIST) cybersecurity framework[1]. The implementation of the scorecard improved our focus and alignment with OMB requirements[2] for sound risk-management practices for protecting our systems and networks. The scorecard also provided a specific path for the Department's system owners and security officers to identify, prioritize, and mitigate risks. From September 2018 to June 2019, the Department has mitigated and closed over 2,300 Plans of Action and Milestones representing a 72 percent reduction in vulnerabilities in the Department's systems. We use the scorecard to provide monthly briefings to the Secretary, Deputy Secretary, and senior leaders. With their support, and with the hard work of our system and security personnel, we were able to raise our FITARA (Scorecard 7.0) security score two letter grades to a "C" in December of 2018. The Department, along with the majority of its peers, started its FITARA (Scorecard 6.0) cybersecurity score with an "F" in 2018.

We continue to use the cybersecurity scorecard to drive measurable improvements in our risk-mitigation activities and our management of cybersecurity risk under FITARA and FISMA. For example, we have recently leveraged cloud business intelligence and visualization tools to replace static, emailed, report cards. We require all IT investment owners to consider their most pressing risks on the scorecard as part of the Department's IT investment review processes. In October 2017, the Department's cybersecurity scorecard averaged a score of 0.92 out of 3.0 per Principal Office. As of June 2019 the

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[1] https://nvlpubs.nist.gov/nistpubs/CSWP/NIST.CSWP.04162018.pdf
[2] https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2017/M-17-25.pdf

average score per Principal Office is 2.42 out of 3.0. This represents an improvement of 163 percent in less than two years.

IT Modernization

The Department's focus on creating and managing a more modern and secure IT environment is consistent with the themes and principles outlined in the Cross-Agency Priority Goal on IT Modernization found in the President's Management Agenda. In 2017, we began an exhaustive review of our IT portfolio to ensure that IT systems, applications, and services are secure, appropriately governed, and modernized to meet the needs of a 21st Century workforce. To this end, OCIO worked with key stakeholders across the agency and industry experts to complete a comprehensive analysis of our business missions and the IT assets supporting them. As a result of those efforts, we developed a detailed visualization or map of the Department's IT inventory, which we analyzed to determine the Department's needs and to build our 5-year IT Modernization plan and strategic roadmap. The effort provides greater transparency across the Department, enabling us to work with business owners to identify opportunities to leverage shared and cloud services, automate manual business processes, reduce cybersecurity risk, and consolidate cloud service providers. These initiatives, along with our implementation of Technology Business Management, have contributed to increased cost transparency or visibility across our portfolio of investments and highlight cost drivers that improve awareness of the trade-offs with regard to our IT spending.

One of the more significant modernization efforts has been the transformation of our IT infrastructure. The Department's recent transition from a centralized service provider (a 12-year IT services contract) to a modular set of contracts, supported by multiple service providers, creates greater cost transparency and accountability for services, also ensuring the overall program management responsibilities lie with the Department and not a contractor. This effort has transformed the way in which we provide and

account for IT service delivery and gives the Department the flexibility to address emerging IT modernization needs. Additionally, we are working with the Office of Management and Budget and Congress to obtain appropriations language that would allow us to transfer funds to a Working Capital Fund, which would support the Department's future modernization initiatives and accomplish the goals and objectives of the Modernizing Government Technology Act.   We requested this transfer authority in the FY 2020 budget and the Treasury Department has committed to activating an account for the Department once the transfer authority has been granted.

Cost Saving Strategies

Under Secretary DeVos' leadership, we have placed an emphasis on identifying potential duplication and waste, leading to multiple opportunities for cost savings and cost avoidance. Cost savings refers to expenses that have already been incurred while cost avoidance refers to potential costs that were averted. In 2018, we developed and published guidance to educate our program managers and other stakeholders on ways of identifying and reporting efforts that saved the Department money or avoided costs. OCIO's guidance provided the Department with a consistent approach to document and report cost savings and cost avoidance that was beneficial for budget formulation and any IT service decision-making. From 2016 to 2017, the Department's improved reporting practices led to reporting an increase of $24.9 million in cost avoidance.

Performance Management and Workforce Planning

In FY2018, we identified all of the required competencies for all IT positions and recently completed a competency assessment against the identified competencies. Once we receive the skills gap results, we will work with the Office of Human Resources on developing a central IT training plan and timeline to close the identified skill gaps. In addition, we have established common performance elements for

individuals throughout the Department who play key roles, such as our Information System Security Officers, Information System Owners, and Contracting Officer's Representatives. Common performance elements for all individuals who carry out the same role will help the Department establish consistent expectations for the execution of roles that impact IT governance.

Opportunities for continued progress

While the Department is proud of the progress we have made thus far, areas for improvement remain. We must continually monitor and assess our IT management and service-delivery practices and policies. We are taking action in areas in which we feel that we are not fully meeting our milestones. One such area, which we identified through the annual self-assessment as noted above, is CIO and CAO collaboration on the review and approval of acquisition strategies and plans. OCIO is partnering with Contracts and Acquisition Management (a component of the Department that reports to the CAO) to establish touchpoints between the IT lifecycle-management process and the acquisition process to ensure that the CIO has an opportunity to review and approve all acquisition strategies and plans that contain IT.

Conclusion

The Department and OCIO take FITARA implementation seriously and we believe that the Department's progress reflects our commitment to continuous improvement. We know we have work ahead of us, but FITARA has provided us with the support and framework we need to build more robust processes and systems in support of the Department's mission. Thank you for your time today and I look forward to responding to your questions.