

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND REFORM

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### MEMORANDUM

July 15, 2020

**To: Members of the Subcommittee on Government Operations**

**Fr: Committee Staff**

**Re: Hearing on “Federal IT Modernization: How the Coronavirus Exposed Outdated Systems”**

On **Monday, July 20, 2020, at 1:30 p.m.**, the Subcommittee on Government Operations will hold a hybrid hearing to examine the longstanding issue of legacy information technology (IT) systems, the challenges they present to federal agencies, and the urgent need to modernize federal IT systems, especially in light of the coronavirus pandemic. The federal government can no longer afford to maintain legacy or ineffective IT systems that prevent agencies from meeting their missions and serving the public.

#### **I. LEGACY IT SYSTEMS IN THE FEDERAL GOVERNMENT**

The President’s budget request revealed that federal agencies spent more than \$90 billion in FY 2019, with about 80 percent of that amount on the operations and maintenance of existing IT investments, including aging and legacy systems.<sup>1</sup> In May 2016, the Government Accountability Office (GAO) reported that many of the federal government’s IT investments consisted of outdated software languages and hardware parts, including systems that had components that were at least 50 years old or so outdated that vendors were no longer providing support for the hardware or software.<sup>2</sup> As they age, legacy systems can become more expensive to maintain, more vulnerable to cybersecurity risks, and less effective in accomplishing their intended purpose.

In June 2019, GAO identified and reported that the ten most critical federal IT legacy systems in need of modernization are maintained by ten different federal agencies, whose

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<sup>1</sup> Office of Management and Budget, *Analytical Perspectives, Budget of the United States Government, Fiscal Year 2019* (2018) (online at [www.whitehouse.gov/wp-content/uploads/2018/02/spec-fy2019.pdf](http://www.whitehouse.gov/wp-content/uploads/2018/02/spec-fy2019.pdf)); U.S. Government Accountability Office, *Agencies Need to Develop Modernization Plans for Critical Legacy Systems* (June 11, 2019) (GAO-19-471) (online at [www.gao.gov/assets/700/699616.pdf](http://www.gao.gov/assets/700/699616.pdf)).

<sup>2</sup> Government Accountability Office, *Federal Agencies Need to Address Aging Legacy Systems* (May 25, 2016) (GAO-16-468) (online at [www.gao.gov/assets/680/677436.pdf](http://www.gao.gov/assets/680/677436.pdf)).

missions are essential to government operations such as emergency management, healthcare, and wartime readiness.<sup>3</sup>

One critical federal legacy system identified by GAO is a 45-year-old series of IT systems owned by the Social Security Administration containing information on Social Security beneficiaries. Another example identified by GAO is a 51-year-old Department of Treasury IT system containing taxpayer information. While the ten legacy systems identified by GAO provide vital support to the agencies' missions, they range from eight to 51 years old and, collectively, cost approximately \$337 million annually to operate and maintain. Several of the systems use older programming languages such as COBOL and assembly language code. These outdated programming languages can significantly increase procurement and operating costs, and there is a limited pool of potential federal employees with the proper skill sets to use them.

Of the 10 identified agencies with critical systems most in need of modernization, seven had documented modernization plans for their respective critical legacy systems. Three did not have documented plans. Of the seven agencies with documented plans, however, only two (Department of Defense and Department of the Interior) had modernization plans that addressed the three key government and industry practices for modernizing federal IT plans:

- Milestones to complete the modernization;
- A description of the work necessary to modernize the legacy system; and
- Details regarding the disposition of the legacy system.

According to GAO, until agencies establish complete legacy system modernization plans that include these three key elements, the agencies' modernization initiatives will have an increased likelihood of cost overruns, schedule delays, and overall project failures.

## II. WITNESSES

### **Gordon Bitko**

Senior Vice President of Policy  
Information Technology Industry Council

### **Matthew Cornelius**

Executive Director  
Alliance for Digital Innovation

### **Steve O'Keeffe**

Founder  
MeriTalk

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<sup>3</sup> Government Accountability Office, *Agencies Need to Develop Modernization Plans for Critical Legacy Systems* (June 11, 2019) (GAO-19-471) (online at [www.gao.gov/assets/700/699616.pdf](http://www.gao.gov/assets/700/699616.pdf)).

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