

DHS IT DUPLICATION REDUCTION ACT OF 2015

JUNE 17, 2015.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. McCAUL, from the Committee on Homeland Security, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 1626]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security, to whom was referred the bill (H.R. 1626) to reduce duplication of information technology at the Department of Homeland Security, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “DHS IT Duplication Reduction Act of 2015”.

SEC. 2. DHS INFORMATION TECHNOLOGY DUPLICATION REDUCTION.

(a) **INFORMATION TECHNOLOGY DUPLICATION REDUCTION.**—Not later than 90 days after the date of the enactment of this Act, the Chief Information Officer of the Department of Homeland Security shall submit to the Committee on Homeland Security of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report that includes the following:

(1) The number of information technology systems at the Department of Homeland Security.

(2) An assessment of the number of such systems exhibiting duplication or fragmentation.

(3) A strategy for reducing such duplicative systems, including an assessment of potential cost savings or cost avoidance as a result of such reduction.

(4) A methodology for determining which system should be eliminated when there is duplication or fragmentation.

(b) **DEFINITIONS.**—In this Act:

(1) The term “duplication or fragmentation” of information technology systems means two or more systems or programs that deliver similar functionality to similar user populations.

(2) The term “information technology” has the meaning given such term in section 11101 of title 40, United States Code.

(c) **NO NEW AUTHORIZATION OF FUNDING.**—This section shall be carried out using amounts otherwise appropriated or made available to the Department of Homeland Security. No additional funds are authorized to be appropriated to carry out this section.

PURPOSE AND SUMMARY

H.R. 1626 requires the Chief Information Officer (CIO) of the Department of Homeland Security (DHS) to identify duplicative or fragmented information technology (IT) systems within the Department and develop a strategy to reduce such duplication or fragmentation.

BACKGROUND AND NEED FOR LEGISLATION

The Department of Homeland Security plans to spend billions of dollars in the next five years on IT systems to support its mission to secure the Homeland. DHS has taken steps to reduce IT duplication and fragmentation through their own initiative as well as the guidance of the Office of Management and Budget (OMB). In a recent report GAO–15–296: *Information Technology Additional OMB and Agency Actions Needed to Ensure Portfolio Savings are Realized and Effectively Tracked*, GAO reviewed the PortfolioStat program which requires “26 agencies to conduct an annual review of their commodity IT portfolio to . . . achieve savings by identifying opportunities to consolidate investments or move to shared services,” and is “intended to assist agencies in meeting the targets and requirements under other OMB initiatives aimed at eliminating waste and duplication and promoting shared services.” DHS was one of the agencies that the GAO report focused. According to the report, DHS in 2013 indicated that through implementation of the program, it could realize savings of \$1.4 billion between 2013 and 2015. In 2014, DHS adjusted its estimates to a savings of \$446.7 million. In recent reviews of the IT systems at DHS by the GAO and the DHS Office of the Inspector General (OIG) and briefings for staff by the DHS CIO, it became apparent that there were con-

cerns about DHS IT internal controls, such as being only partially implemented and duplicative in their functions. For example, the Federal Emergency Management Agency (FEMA) is a decentralized federal agency with offices throughout the nation. There are numerous inventories of IT systems within FEMA that are not shared adequately with Department leadership. Depending on the definition of IT systems and tools, FEMA's regional offices employ between 90 and 700 IT systems, according to OIG-11-69: *Federal Emergency Management Agency Faces Challenges in Modernizing Information Technology*. Further, FEMA's IT inventory continues to fluctuate without reason leading the Committee to believe that there are not sufficient IT governance controls in place. These issues raise concerns regarding the insufficient management of time, money, and IT systems.

The DHS IT Duplication Reduction Act of 2015 requires the DHS CIO to identify duplicated or fragmented information technology systems within DHS and develop a strategy to reduce these duplications or fragmentations. Enactment of H.R. 1626 is necessary to hold DHS accountable for the management of information technology systems.

HEARINGS

No hearings were held on H.R. 1626. However, the Committee held oversight hearings listed below.

On March 19, 2013, the Subcommittee on Oversight and Management Efficiency held a hearing entitled "DHS Information Technology: How Effectively has DHS Harnessed IT to Secure Our Borders and Uphold Immigration Laws?" The Subcommittee received testimony from Ms. Margie Graves, Deputy Chief Information Officer, U.S. Department of Homeland Security; Mr. David Powner, Director, Information Technology Management Issues, Government Accountability Office; and Mr. Charles K. Edwards, Deputy Inspector General, U.S. Department of Homeland Security.

On February 6, 2014, the Subcommittee also held a hearing entitled "Examining Challenges and Wasted Taxpayer Dollars in Modernizing Border Security IT Systems." The Subcommittee received testimony from Mr. David Powner, Director, Information Technology Management Issues, U.S. Government Accountability Office; Mr. Charles Armstrong, Assistant Commissioner, Office of Information and Technology, U.S. Customs and Border Protection, U.S. Department of Homeland Security; and Mr. Thomas Michelli, Chief Information Officer, Immigration and Customs Enforcement, U.S. Department of Homeland Security.

COMMITTEE CONSIDERATION

The Committee met on May 20, 2015, to consider H.R. 1626, and ordered the measure to be reported to the House with a favorable recommendation, amended, by voice vote. The Committee took the following actions:

The following amendments were offered:

An Amendment in the Nature of a Substitute offered by HURD of Texas (#1); was AGREED TO by voice vote.

An Amendment by MS. JACKSON LEE to the Amendment in the Nature of a Substitute (#1A); was AGREED TO by voice vote.

Page 2, beginning line 7, insert the following: (D) A methodology for determining which system should be eliminated when there is duplication or fragmentation.

The Subcommittee on Oversight and Management Efficiency met on May 13, 2015, to consider H.R. 1626, and ordered the measure to be reported to the Full Committee with a favorable recommendation, amended, by voice vote. The Committee took the following actions:

The following amendment was offered:

An amendment offered by MRS. WATSON COLEMAN (#1); was AGREED TO by voice vote.

Page 2, line 13, strike “that are duplicative” and insert “exhibiting duplication or fragmentation”.

Page 2, line 18 strike subsection (b) and insert a new subsection entitled “(b) Definitions.”

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto.

No recorded votes were requested during consideration of H.R. 1626.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has held oversight hearings and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that H.R. 1626, the DHS IT Duplication Reduction Act of 2015, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 3, 2015.

Hon. MICHAEL MCCAUL,
*Chairman, Committee on Homeland Security,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1626, the DHS IT Duplication Reduction Act of 2015.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Grabowicz.

Sincerely,

KEITH HALL,
Director.

Enclosure.

H.R. 1626—DHS IT Duplication Reduction Act of 2015

H.R. 1626 would require the Department of Homeland Security (DHS), within 90 days of the bill's enactment, to prepare a report for the Congress on duplicative information technology systems in the department. DHS is currently carrying out activities similar to those required by the bill. Thus, CBO estimates that implementing H.R. 1626 would not significantly affect spending by the department. Enacting H.R. 1626 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 1626 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Mark Grabowicz. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, H.R. 1626 contains the following general performance goals and objectives, including outcome related goals and objectives authorized.

The performance goals and objectives of H.R. 1626 include the Department of Homeland Security taking a complete inventory of IT systems and developing a strategy to optimize the IT portfolio. Systems determined crucial to the DHS mission by the CIO must report whether there is a contingency plan in the event said IT system was inoperable. The inventory should set a baseline for DHS IT. The inventory assessment and strategy will allow the Committee to conduct additional oversight on DHS IT systems.

DUPLICATIVE FEDERAL PROGRAMS

Pursuant to clause 3(c) of rule XIII, the Committee finds that H.R. 1626 does not contain any provision that establishes or reauthorizes a program known to be duplicative of another Federal program.

CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

In compliance with rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of the rule XXI.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

PREEMPTION CLARIFICATION

In compliance with section 423 of the Congressional Budget Act of 1974, requiring the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt State, local, or Tribal law, the Committee finds that H.R. 1626 does not preempt any State, local, or Tribal law.

DISCLOSURE OF DIRECTED RULE MAKINGS

The Committee estimates that H.R. 1626 would require no directed rule makings.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section provides that bill may be cited as the “DHS IT Duplication Reduction Act of 2015”.

*Section 2. DHS information technology duplication reduction**Section 2(a)—Report on IT duplication reduction*

This subsection requires the DHS CIO to submit a report to the House Committee on Homeland Security and the Senate Committee on Homeland Security and Governmental Affairs within 90 days of enactment. The report must include the number of IT systems at DHS; an assessment of duplicative and fragmented systems; a strategy to reduce duplicative and fragmented systems including potential cost savings or cost avoidance as a result of reduced duplication and fragmentation; and a methodology for reducing duplication and fragmentation of information technology systems based on requirements defined by OMB. The report to Congress must include information consistent with actions taken under OMB’s IT-management initiatives including PortfolioStat and TechStat, which help CIOs identify IT inefficiencies.

The Committee notes that the assessment of IT inventory required under this bill could also contribute to the Department’s efforts at addressing certain information security concerns facing the Department. In December 2014, the OIG reported that a lack of oversight at DHS resulted in the operation of IT systems without the required authority to operate (ATO). According to the OIG’s Evaluation of DHS’ Information Security Program for Fiscal Year 2014, 191 systems were found to be operating at DHS without ATO in Fiscal Year 2014. As a result, DHS cannot ensure that sensitive information is sufficiently protected. Specifically, the OIG found that the unwillingness of components within DHS to comply with

the required continuous monitoring data feeds. Another example the OIG cited was that FEMA had five top-secret systems operating without proper authority, some since August 2013. Further, OIG indicates that two components still use the Microsoft Windows XP operating system, which might be vulnerable to potential exploits since Microsoft has stopped providing software updates to mitigate security vulnerabilities.

The Committee urges DHS to use the information submitted under the terms of this bill consistent with the information DHS is providing as part of OMB's IT-management initiatives such as PortfolioStat and TechStat. The Committee encourages senior DHS leaders to collaborate in the preparation of the inventory mandated by this bill. The Federal Information Technology Acquisition Reform Act (FITARA) provided enhanced authorities for agency CIOs to manage IT systems. [Pub. Law 113-291, Title VIII, Subtitle D, section 831]. The Committee expects DHS to utilize this authority to provide the information requested in this legislation.

The Committee intends for component CIOs and the DHS CIO to identify what IT functions component agencies can leverage through existing enterprise IT capabilities, versus what needs to be specifically tailored for each component based on unique mission and/or security requirements. The Committee expects the inventory and strategy to encompass "commodity IT" or ubiquitous back-office systems such as e-mail, workplace collaboration, asset management, and purchasing systems where little justification exists to pursue increasing levels of customization and thus fragmentation. The Department's compliance with this Act serves as a catalyst to change existing ways of doing business and force the DHS CIO community to make difficult decisions. Based on the critique of IT experts and CIOs, the Committee intends for the strategy to set milestones in increments of no more than six month periods. Given that the strategy is intended to be consistent with current actions DHS is already taking, the inventory of IT systems should be readily available to the CIO and therefore should not require more than 90 days to generate.

Section 2(b)—Definitions

This bill defines duplication or fragmentation of information technology systems as two or more systems or programs that deliver similar functionality to similar user populations. OMB guidance currently requires DHS to take steps to improve the efficiency and management of IT systems under its purview. The intent of this legislation is to coincide with guidance issued by OMB. H.R. 1626 uses the definition of information technology as defined in section 11101(6) of title 40, United States Code.

The Committee intends for Section 2 to hold DHS accountable for the IT system resources it is employing in an effort to improve transparency and efficiency. The Committee intends for the component CIOs to work with the CIO of DHS to comply with the requirements of this bill and ensure that standards and controls for IT management are applied consistently across DHS.

Section 2(c)—No new authorizing of funding

No additional funding will be authorized to carry out the requirements of this bill.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 1626, as reported, makes no changes to existing law.

ADDITIONAL VIEWS

In Committee, I supported the underlying legislation, the “DHS IT Duplication Reduction Act of 2015” (H.R. 1626) and I believe it will help address duplication and fragmentation within the Department of Homeland Security’s (DHS) information technology (IT) systems.

That said, I am disappointed that the Majority chose to omit key information in its discussion of “Agency Actions Needed to Ensure Portfolio Savings Are Realized and Effectively Tracked” (GAO-15-296) from the underlying Committee Report. While the Committee Report notes that the Department significantly downgraded its estimated cost savings from adoption of more robust oversight of its IT portfolio between 2013 and 2014, it leaves out that the Government Accountability Office (GAO) attributed the change to DHS “erroneously mislabeled planned savings figures reported to GAO in 2013. Specifically, DHS stated that planned savings they reported for fiscal years 2013, 2014, and 2015 actually represented cumulative savings from fiscal year 2011 through those years.”

I would also note that the same GAO report did not address how agencies had begun implementing OMB’s guidance to improve IT portfolio management but that there are significant Government-wide reforms underway that may have significant implications for the implementation of this measure.

BENNIE G. THOMPSON.

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