

**STATEMENT
OF
DAWN MARIE LEAF
CHIEF INFORMATION OFFICER
U.S. DEPARTMENT OF LABOR**

BEFORE THE

**SUBCOMMITTEES ON INFORMATION TECHNOLOGY
AND GOVERNMENT OPERATIONS
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES**

May 18, 2016

Introduction

Chairman Hurd, Ranking Member Kelly, Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittees, thank you for the invitation to appear today to discuss the Department of Labor's (DOL) implementation of the Federal Information Technology Acquisition Reform Act (FITARA). I would like to highlight the progress that DOL has made in the key and related areas of Information Technology (IT) Portfolio Review and Risk Management, and Incremental Development. I will also highlight our IT Modernization progress, including Data Center Consolidation, and the Department's improvements to its IT Security posture. Finally, I offer an "in the trenches" perspective on the role of FITARA in helping DOL to meet these and other IT challenges.

One factor that I would like to emphasize is that the Department's level of IT funding and the state of the Department's IT Legacy infrastructure and mission application systems directly affect the ability of, and speed with which, DOL can complete some of the requirements that are needed to improve the Department's performance in the FITARA Report Card metrics. As summarized in the Department's April 21, 2016, response to an oversight inquiry from this Committee and the Senate Committee on Homeland Security and Governmental Affairs, DOL has "...significant IT challenges, including that some of our systems have become unreliable because we have for many years lacked the funds to maintain and update them." To be clearer, it is difficult for DOL to achieve high scores in cost savings because the Department is on a bare bones IT budget to begin with. On the positive side, my message to you today is that there is a silver lining. Every IT governance process that we improve and every IT dollar that we invest results in a large return to the taxpayer in terms of improved services and cost avoidance – each dollar spent goes a long way. DOL's greatest opportunity is the ability to leverage Department-wide investments for new IT services, and eliminate the additional expenses we would incur from making duplicative investments at the individual component agency level. FITARA is helping the Department to accomplish our IT improvements more efficiently.

IT Governance Process Improvements

Portfolio Review

In 2013, DOL established an annual Office of the Chief Information Officer (OCIO) review of component agency level IT investments as part of the annual budget formulation process. This review identifies opportunities for DOL to plan strategically, avoid duplication, and leverage our investments. For example, to improve customer service, the majority of DOL agencies want to move from brick and mortar desktop systems to mobile computing and expand use of data analytic tools. DOL estimated that providing these capabilities at the Departmental level would cost less than 50% of the sum total of what the components were seeking to undertake through separate, agency-specific projects.

While this was a good first step, DOL's FITARA plan recognizes the need for enhanced coordination between the Chief Financial Officer (CFO), the Departmental Budget Center (DBC), and the Chief Acquisition Officer (CAO) to reinforce the CIO's role in Department IT planning and execution by requiring earlier and more detailed review of agency IT budget requests and IT acquisitions. In Fiscal Year (FY) 2016, DOL is strengthening the OCIO review and approval process. For example, DOL component agencies are required to confirm that they have allocated the portion of their discretionary IT funding necessary to ensure that mission critical systems are up to date with security patches, prior to obtaining annual IT Spend Plan and IT acquisitions' approval.

Program Planning and Execution

In 2013, DOL also established a Departmental IT Program Review Board (PRB) for OCIO-led infrastructure and enterprise applications. Every project that has gone through this process, such as the DOL Cloud Email implementation, has been completed within budget and on schedule, and has successfully delivered the results and IT services as planned. In FY 2016, DOL is expanding the use of the IT Program Review Board process to include not only Enterprise projects managed by the OCIO, but all agency projects for new mission applications and major upgrades to legacy systems. This process increases transparency not only in the upfront investment and project planning, but also in the project execution. The IT PRB members include key Department stakeholders, such as the Chief Information Security Officer and Chief Financial Officer, and designated business and IT managers from across DOL agencies. Expanding the scope and role of the IT PRB will help us assess and reduce risk for DOL's IT projects by ensuring that they are well planned and executed, and completed successfully on time and within budget. With respect to incremental development, DOL plans all projects in stages, including infrastructure and acquisition of commercial and shared services. DOL also uses agile development methodology for new applications development. The expectation is that this IT Governance improvement will allow DOL to improve Risk Assessment Transparency and Incremental Development metrics.

IT Organization and Workforce Governance

There is, and has always been, only one “CIO” at the Department of Labor. However, each DOL component agency has a senior IT manager that reports within that particular agency or office. In 2015, DOL formally posted the DOL Bureau IT Leadership Directory with the names and titles of these agency IT leaders, and implemented a management policy requiring Agency heads to obtain the CIO's approval to announce and fill vacancies for these positions. We also established a working group, comprised of agency representatives, the CIO, CAO, and the Chief Human Capital Officer (CHCO) to define performance plan elements that support Administration and Department objectives.

Since FITARA’s enactment, the improved IT governance processes, increased transparency, and program checkpoints we have introduced are enabling the Department to make more informed decisions, reduce risk, improve IT services, and achieve greater efficiencies.

IT Modernization

I would like to highlight examples of initiatives that are helping DOL to make progress toward some of the key FITARA objectives. The DOL IT Modernization effort, launched in 2012, has an objective to consolidate nine separate and disparate agency IT infrastructures into one unified infrastructure under the management authority of the CIO. While the technical consolidation timeline is funding dependent, DOL has made significant progress, and has proven that it can deliver modern IT services on time and within budget.

Data Center Consolidation

During the 2013 Memorial Day holiday weekend, DOL opened its Department-wide commercially-hosted consolidated data center. This immediately reduced the risk of a service outage by increasing available emergency power uptime from 2 hours to over 24 hours. In 2014, DOL closed 20 of its non-core data centers, and made improvements to prepare DOL for its connection and migration to cloud e-mail and virtualized servers. In April 2016, DOL leveraged an existing data center to stand up a new Department Failover and Disaster recovery capability. To date, DOL has closed 28 data centers to bring the original total down from 90 to 62. DOL is on track to close an additional 10 data centers in 2016, achieving its 40% target.

Unified Communications Project

Another keystone IT Modernization effort is our Unified Communications project, which includes a redesign of the decades old DOL network and security infrastructure. The Department's nine separate legacy networks have inherent security vulnerabilities by virtue of their age and design. A more secure and well-performing network, with greater capacity, is needed for DOL to expand mission support, reduce costs, and expand the use of cloud and Federal shared services. Because most of our workforce of approximately 17,000 employees is distributed in office locations throughout the U.S., DOL has over 600 voice and 600 data telecommunications circuits. Many organizations moved to Voice over Internet Protocol (VOIP) shared voice and data lines in the early 2000’s. DOL did not. When fully funded, the Unified Communications project will leverage VOIP to allow DOL to reduce costs and improve

efficiency. We estimate that as much as 85% of the annual voice circuits, and as much as 50% of phone management service costs, can be reduced when DOL moves away from duplicate voice and data lines and separate phone and data network management. This project is also a critical element of DOL's efforts to fully integrate its nine separate agency infrastructures and to fully complete the Data Center Consolidation initiative.

IT Security

Despite the Cybersecurity dependencies on the network infrastructure and Data Center Consolidation projects, DOL has improved its security posture while these projects are in progress. In support of Cyber Sprint, DOL accelerated the timeline for implementing identity access management two-factor authentication. DOL is an early adopter of free Department of Homeland Security (DHS) Continuous Monitoring (CM) tools to identify vulnerabilities on DOL computing devices. As a result, DOL has reduced its unpatched security vulnerabilities across the Department by approximately 95%. In 2016, DOL implemented a Mobile Device Management technical security policy to reduce the risk of DOL data loss.

Cloud Email and Collaboration

Perhaps the most visible Department level IT Modernization project that DOL has completed is Cloud Email and Collaboration. In FY 2014, DOL successfully migrated 17,000 DOL employees from nine separate legacy email systems to a commercial federal community cloud email service. This satisfied the number one request from DOL staff surveyed in 2011 – to increase email working space. For the same monthly cost per employee as the old legacy email systems, DOL is providing each employee with 400 times the amount of storage that he or she had before, as well as unlimited archive space. In 2014, DOL estimated that the migration to cloud email saved each DOL employee approximately 2 hours per month in time spent deleting email because of storage constraints.

Through the Department IT Governance Process improvements referenced earlier, DOL is encouraging DOL agencies to prioritize the replacement of decades old legacy application systems. The legacy systems aren't productive for our staff or the public, cost relatively more to support, and increase security and reliability risks.

Costs and Benefits of IT Modernization

To date, DOL's IT modernization efforts have resulted in more cost avoidance than cost savings. We do not have a large IT Budget with excess resources that can be reduced. The benefits accruing from cost avoidance are improved DOL staff productivity and cases where a specific IT capability or capacity is added, improved or increased for the same cost that DOL paid previously. For example, in the case of the cloud email implementation, the replacement of an existing service allowed the Department to avoid the cost it would have incurred to provide employees with four hundred times as much storage capacity. The cost savings and avoidance associated with having more reliable IT services is harder to quantify, but we know from experience that outages caused by antiquated systems are costly -- to productivity, service to the public, the Department's reputation, and employee morale.

Conclusion

In closing, I'd like to touch on two challenges the Department continues to face. While these are obvious, I think it is important, from a working ground level perspective, to emphasize the role that FITARA has in helping DOL to meet these challenges.

Earlier in my statement, I referenced the DOL IT funding challenge and its impact in terms of Legacy IT application and infrastructure systems. FITARA is particularly important to an agency that is starting from an underfunded position because it encourages the Department to leverage the scarce resources it does have not only effectively, but efficiently.

While not unique to our discipline or organization, the other challenge we must confront is that the Department is absorbing a great deal of change, at a very rapid pace. We are introducing new technology to the IT staff and to the DOL workforce. We are making changes to strategic, tactical and operational plans while we are executing them. We are introducing organizational change that affects the entire Department, including significant governance and process changes. There is also a natural tension created as we shift from optimization at the individual component agency level to a broader Departmental level, and from a Departmental level to the Federal level. FITARA provides added structure and consistency to help the Department absorb these changes and accomplish the overarching goals of Federal IT transformation.

While the Department has moved, and continues in the right direction, we recognize that there is still a long road ahead to achieve full implementation of FITARA and the goals it was intended to support. Thank you again for this opportunity to share my thoughts with the Subcommittees. I will be pleased to answer any questions you may have.