

Union Calendar No. 374

117TH CONGRESS
2^D SESSION

H. R. 2250

[Report No. 117–492]

To amend title 38, United States Code, to improve the management of information technology projects and investments of the Department of Veterans Affairs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2021

Mr. ROSENDALE (for himself, Mr. MRVAN, and Mr. BANKS) introduced the following bill; which was referred to the Committee on Veterans' Affairs

SEPTEMBER 26, 2022

Additional sponsors: Mr. HERN, Mr. DELGADO, and Ms. MALLIOTAKIS

SEPTEMBER 26, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on March 26, 2021]

A BILL

To amend title 38, United States Code, to improve the management of information technology projects and investments of the Department of Veterans Affairs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Department of Veterans*
 5 *Affairs Information Technology Reform Act of 2021”.*

6 **SEC. 2. MANAGEMENT OF MAJOR INFORMATION TECH-**
 7 **NOLOGY PROJECTS.**

8 *(a) IN GENERAL.—Chapter 81 of title 38, United*
 9 *States Code, is amended by adding at the end the following*
 10 *new subchapter:*

11 **“SUBCHAPTER VI—INFORMATION TECHNOLOGY**
 12 **PROJECTS AND ACTIVITIES**

13 **“§ 8171. Definitions**

14 *“In this subchapter:*

15 *“(1) The term ‘appropriate congressional com-*
 16 *mittees’ means—*

17 *“(A) the Committee on Veterans’ Affairs*
 18 *and the Subcommittee on Military Construction,*
 19 *Veterans Affairs and Related Agencies of the*
 20 *Committee on Appropriations of the Senate; and*

21 *“(B) the Committee on Veterans’ Affairs*
 22 *and the Subcommittee on Military Construction,*
 23 *Veterans Affairs and Related Agencies of the*
 24 *Committee on Appropriations of the House of*
 25 *Representatives.*

1 “(2) The term ‘information technology’ has the
2 meaning given that term in section 11101 of title 40.

3 “(3) The term ‘information technology project’
4 means a project or program of the Department (in-
5 cluding a project or program of any element of the
6 Department) for, or including, the acquisition or im-
7 plementation of information technology. In cases
8 where the Secretary transmits to the Director of the
9 Office of Management and Budget information re-
10 garding information technology investments, which
11 may consist of individual or multiple projects, such
12 term refers to an individual project or program or a
13 grouping of multiple projects or programs resulting
14 in the acquisition or implementation of discrete infor-
15 mation technology.

16 “(4) The term ‘life cycle costs’ means all direct
17 and indirect costs to acquire, implement, operate, and
18 maintain information technology, including with re-
19 spect to costs of any element of the Department.

20 “(5) The term ‘major information technology
21 project’ means an information technology project if—

22 “(A) the project is designated by the Sec-
23 retary, the Chief Information Officer of the De-
24 partment, or the Director of the Office of Man-
25 agement and Budget as a major information

1 *technology investment, as defined in section*
2 *11302 of title 40; or*

3 “(B) *the dollar value of the project is esti-*
4 *mated by the Secretary to exceed \$500,000,000*
5 *(as adjusted for inflation pursuant to section*
6 *1908 of title 41) for the total life cycle costs of*
7 *the project.*

8 “(6) *The term ‘business owner’ means, with re-*
9 *spect to an information technology project, the pro-*
10 *gram manager, project manager, or other supervisory*
11 *official of the Department responsible for the project.*

12 **“§ 8172. Management of major information technology**
13 **projects**

14 “(a) *COST, SCHEDULE, AND PERFORMANCE INFORMA-*
15 *TION.—(1) The Secretary may not obligate or expend funds*
16 *for any major information technology project that begins*
17 *after the date of the enactment of the Department of Vet-*
18 *erans Affairs Information Technology Reform Act of 2021*
19 *unless the Secretary, acting through the Chief Information*
20 *Officer of the Department, submits to the appropriate con-*
21 *gressional committees a report containing information on*
22 *the cost, schedule, and performance of such project, as gen-*
23 *erated by the business owner of the project.*

1 “(2) *Each report submitted under paragraph (1) for*
2 *a project shall include, with respect to such project, the fol-*
3 *lowing:*

4 “(A) *An estimate of acquisition costs, implemen-*
5 *tation costs, and life cycle costs.*

6 “(B) *An intended implementation schedule indi-*
7 *cating significant milestones, initial operating capa-*
8 *bility, and full operating capability or completion.*

9 “(C) *Key business, functional, and performance*
10 *objectives.*

11 “(b) *BASELINE.—(1) The Secretary shall use the infor-*
12 *mation on the cost, schedule, and performance of a major*
13 *information technology project included in the report under*
14 *subsection (a) as the baseline against which changes or*
15 *variances are measured during the life cycle of such project.*

16 “(2) *The Secretary shall—*

17 “(A) *annually update the baseline of a major in-*
18 *formation technology project pursuant to subsection*
19 *(c); and*

20 “(B) *include such updated baseline in the docu-*
21 *ments providing detailed information on the budget*
22 *for the Department that the Secretary submits to*
23 *Congress in conjunction with the President’s budget*
24 *submission pursuant to section 1105 of title 31.*

1 “(c) *CHANGES AND VARIANCES.*—(1) *Not later than 60*
2 *days after the date on which the Secretary identifies a*
3 *change or variance described in paragraph (2) in the cost,*
4 *schedule, or performance of a major information technology*
5 *project, the Secretary, acting through the Chief Information*
6 *Officer, shall submit to the appropriate congressional com-*
7 *mittees a notification of such change or variance, including*
8 *a description and explanation for such change or variance.*

9 “(2) *A change or variance in the cost, schedule, or per-*
10 *formance of a major information technology project de-*
11 *scribed in this paragraph is—*

12 “(A) *with respect to the acquisition, implementa-*
13 *tion, or life cycle cost of the project, or development*
14 *increment therein, a change or variance that is 10*
15 *percent or greater compared to the baseline;*

16 “(B) *with respect to the schedule for a develop-*
17 *ment increment or for achieving a significant mile-*
18 *stone, initial operating capability, or full operating*
19 *capability, or for the final completion of the project,*
20 *a change or variance that is 180 days or greater com-*
21 *pared to the baseline; or*

22 “(C) *with respect to the performance, an in-*
23 *stance where a key business, functional, or perform-*
24 *ance objective is not attained, or is not anticipated to*
25 *be attained, in whole or in part.*

1 “(d) *MANAGEMENT.*—*The Secretary shall ensure that*
2 *each major information technology project is managed by*
3 *an interdisciplinary team consisting of the following:*

4 “(1) *A project manager who is—*

5 “(A) *certified in project management at*
6 *level three by the Department, the Federal Acqui-*
7 *sition Institute pursuant to section 1201 of title*
8 *41, or the Department of Defense pursuant to*
9 *section 1701a of title 10, or who holds an equiva-*
10 *lent certification by a private sector project*
11 *management certification organization, as deter-*
12 *mined appropriate by the Secretary; and*

13 “(B) *an employee of the Office of Informa-*
14 *tion and Technology of the Department or an*
15 *employee of an element of the Department at*
16 *which the project originates.*

17 “(2) *A functional lead who is an employee of the*
18 *element of the Department at which the project origi-*
19 *nates.*

20 “(3) *A technical lead who is an employee of the*
21 *Office of Information and Technology of the Depart-*
22 *ment.*

23 “(4) *A contracting officer.*

1 “(5) *Sufficient other project management, func-*
2 *tional, technical, and procurement personnel as the*
3 *Secretary determines appropriate.*

4 **“§ 8173. Information technology activities of the Fi-**
5 **nancial Services Center**

6 “(a) *MANAGEMENT.—Consistent with sections 11302*
7 *and 11319 of title 40—*

8 “(1) *the Chief Information Officer of the Depart-*
9 *ment shall—*

10 “(A) *exercise authority over the manage-*
11 *ment, governance, and oversight processes relat-*
12 *ing to existing or proposed information tech-*
13 *nology of the Financial Services Center of the*
14 *Department, or such successor office; and*

15 “(B) *supervise the information technology*
16 *employees and contractors of the Financial Serv-*
17 *ices Center; and*

18 “(2) *the Director of the Financial Services Cen-*
19 *ter of the Department, or the head of such successor*
20 *office, may not enter into a contract or other agree-*
21 *ment for information technology or information tech-*
22 *nology services unless the contract or other agreement*
23 *has been reviewed and approved by the Chief Infor-*
24 *mation Officer.*

1 “(b) *OVERSIGHT.*—*The Chief Information Officer shall*
 2 *have oversight and operational authority over all informa-*
 3 *tion security practices of the Financial Services Center of*
 4 *the Department.*

5 **“§ 8174. Submission of annual reviews of information**
 6 **technology**

7 “(a) *IN GENERAL.*—*The Secretary, acting through the*
 8 *Chief Information Officer of the Department, shall submit*
 9 *to the appropriate congressional committees each annual re-*
 10 *view of the information technology portfolio of the Depart-*
 11 *ment conducted pursuant to section 11319(d)(3) of title 40.*

12 “(b) *FIRST SUBMISSION.*—*The first annual review*
 13 *submitted under subsection (a) shall include a copy of each*
 14 *previous annual review conducted under section*
 15 *11319(d)(3) of title 40.*

16 **“§ 8175. Information technology matters to be in-**
 17 **cluded in budget justification materials**
 18 **for the Department**

19 “(a) *LIST OF INFORMATION TECHNOLOGY PROJECTS*
 20 *IN EFFECT.*—*The Secretary shall ensure that whenever the*
 21 *budget justification materials are submitted to Congress in*
 22 *support of the Department budget for a fiscal year (as sub-*
 23 *mitted with the budget of the President for such fiscal year*
 24 *under section 1105(a) of title 31), such budget justification*
 25 *materials include a list of every information technology*

1 *project currently in effect at the Department (including not*
 2 *only congressional projects and subprojects as determined*
 3 *by the Director of the Office of Management and Budget*
 4 *or the Secretary).*

5 “(b) *PRIORITIZED LIST OF UNFUNDED PROJECTS.—*

6 *(1) In addition to the list included in the budget justifica-*
 7 *tion materials required by subsection (a), the Secretary*
 8 *shall ensure that the budget justification materials described*
 9 *in such subsection also include summary descriptions and*
 10 *a prioritized list, in rank order, of every information tech-*
 11 *nology project of the Department, proposed or intended to*
 12 *be proposed for the following one, two, or three fiscal years,*
 13 *that is unfunded as of the time of the inclusion of the list*
 14 *under this paragraph.*

15 “(2) *In producing the list required by paragraph (1),*
 16 *the Secretary shall—*

17 “(A) *ensure such list represents a ranking of all*
 18 *proposed information technology projects that reflects*
 19 *the needs of all elements of the Department;*

20 “(B) *produce one unified list for the entire De-*
 21 *partment demonstrating how the various proposed in-*
 22 *formation technology projects of each of the elements*
 23 *of the Department rank in priority with the informa-*
 24 *tion technology projects of the other elements of the*
 25 *Department; and*

1 “(C) ensure that the list—

2 “(i) does not disaggregate and rank infor-
3 mation technology projects based on element of
4 the Department; and

5 “(ii) does identify the element of the De-
6 partment requesting the information technology
7 project.

8 “(3)(A) In producing each list under paragraph (1),
9 the Secretary shall prioritize and rank each information
10 technology project based on an assessment of each of the fol-
11 lowing factors:

12 “(i) Degree of collaboration between business
13 owners and the Chief Information Officer with respect
14 to joint functional-technical planning, requirements,
15 and management.

16 “(ii) Operational or efficiency benefits to em-
17 ployees of the Department created or produced by the
18 information technology project.

19 “(iii) The life cycle cost of the information tech-
20 nology project.

21 “(iv) The cost savings or cost avoidance yielded
22 by the information technology project.

23 “(v) Time to completion of the information tech-
24 nology project.

1 “(vi) *The difficulty of the information technology*
2 *project, the likelihood the information technology*
3 *project will be completed, or the risks associated with*
4 *undertaking the information technology project.*

5 “(vii) *Tangible benefits to veterans created or*
6 *produced by the information technology project.*

7 “(viii) *Such other factors as the Secretary con-*
8 *siders appropriate.*

9 “(B) *The Secretary shall ensure that each list produced*
10 *under paragraph (1) includes, for each information tech-*
11 *nology project included in the list, a brief description of*
12 *the findings of the Secretary with respect to each assessment*
13 *carried out by the Secretary for each factor for the informa-*
14 *tion technology project under subparagraph (A).*

15 “(c) *PROJECTED FUNDING NEEDS.—(1) In addition*
16 *to the matters included under subsections (a) and (b), the*
17 *Secretary shall ensure that the budget justification mate-*
18 *rials described in subsection (a) also include a projection*
19 *of the one-year, two-year, and three-year funding needs of*
20 *the Department for information technology, disaggregated*
21 *by portfolio and product line of the Department that re-*
22 *quires the funding.*

23 “(2) *In addition to the projections under paragraph*
24 *(1), the Secretary shall include a description of the fol-*
25 *lowing, with respect to each of the periods set forth in such*

1 paragraph, disaggregated by major business line of the De-
 2 partment:

3 “(A) The information technology infrastructure
 4 and equipment requirements.

5 “(B) The funding required for development.

6 “(C) The funding required for operations and
 7 maintenance.

8 “(D) The funding required by cybersecurity.

9 “(E) Such other categories of the information
 10 technology needs of the Department as the Secretary
 11 considers relevant and important.”.

12 (b) CLERICAL AMENDMENT.—The table of sections at
 13 the beginning of such chapter is amended by adding at the
 14 end the following:

“SUBCHAPTER VI—INFORMATION TECHNOLOGY PROJECTS AND ACTIVITIES

“8171. Definitions.

“8172. Management of major information technology projects.

“8173. Information technology activities of the Financial Services Center.

“8174. Submission of annual reviews of information technology.

“8175. Information technology matters to be included in budget justification materials for the Department.”.

15 (c) APPLICATION; REPORT.—

16 (1) CURRENT AND NEW PROJECTS.—Except as
 17 specifically provided in subsection (a) of section 8172
 18 of title 38, United States Code, as added by subsection
 19 (a) of this section, such section 8172 shall apply with
 20 respect to major information technology projects that
 21 begin before, on, or after the date of the enactment of
 22 this Act.

1 (2) *REPORT ON CURRENT PROJECTS.*—

2 (A) *IN GENERAL.*—Not later than 90 days
3 after the date of the enactment of this Act, the
4 Secretary of Veterans Affairs shall submit to the
5 appropriate congressional committees a report
6 on each major information technology project
7 that the Secretary is carrying out as of the date
8 of the report.

9 (B) *CONTENTS.*—The report submitted
10 under subparagraph (A) shall contain, with re-
11 spect to each project described in such subpara-
12 graph, information on the cost, schedule, and
13 performance of the project as described in sub-
14 section (a) of section 8172 of such title, as so
15 added.

16 (3) *DEFINITIONS.*—In this subsection, the terms
17 “appropriate congressional committees” and “major
18 information technology project” have the meanings
19 given those terms in section 8171 of title 38, United
20 States Code, as added by subsection (a) of this section.

21 (d) *EFFECTIVE DATE OF REQUIREMENT FOR*
22 *PROJECTS IN BUDGET JUSTIFICATION MATERIALS.*—Sub-
23 section (c) of section 8175 of such title, as added by sub-
24 section (a) of this section, shall take effect on the first Mon-

1 *day in the second January beginning after the date of the*
 2 *enactment of this Act.*

3 **SEC. 3. REPORT ON INFORMATION TECHNOLOGY DASH-**
 4 **BOARD INFORMATION.**

5 *(a) REPORT.—Not later than 90 days after the date*
 6 *of the enactment of this Act, the Secretary of Veterans Af-*
 7 *fairs, acting through the Chief Information Officer of the*
 8 *Department of Veterans Affairs, shall submit to the appro-*
 9 *priate congressional committees a report containing—*

10 *(1) an explanation of the ratings, rankings, and*
 11 *risk categorizations used by the Chief Information Of-*
 12 *ficer pursuant to subparagraph (C) of section*
 13 *11302(c)(3) of title 40, United States Code, with re-*
 14 *spect to the information technology dashboard of the*
 15 *Office of Management and Budget developed under*
 16 *such section; and*

17 *(2) copies of supporting or explanatory informa-*
 18 *tion provided by the Chief Information Officer to the*
 19 *Office of Management and Budget with respect to sub-*
 20 *missions by the Chief Information Officer to the infor-*
 21 *mation technology dashboard for the fiscal year in*
 22 *which the report is submitted (other than information*
 23 *not otherwise made public pursuant to such section).*

24 *(b) APPROPRIATE CONGRESSIONAL COMMITTEES DE-*
 25 *FINED.—In section, the term “appropriate congressional*

1 *committees” has the meaning given such term in section*
2 *8171 of title 38, United States Code, as added by section*
3 *2.*

Union Calendar No. 374

117TH CONGRESS
2^D Session

H. R. 2250

[Report No. 117-492]

A BILL

To amend title 38, United States Code, to improve the management of information technology projects and investments of the Department of Veterans Affairs, and for other purposes.

SEPTEMBER 26, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed