

DEPARTMENT OF VETERANS AFFAIRS INFORMATION
TECHNOLOGY MANAGEMENT IMPROVEMENT ACT OF 2005

OCTOBER 27, 2005.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. BUYER, from the Committee on Veterans' Affairs,
submitted the following

R E P O R T

[To accompany H.R. 4061]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 4061) to amend title 38, United States Code, to improve the management of information technology within the Department of Veterans Affairs by providing for the Chief Information Officer of that Department to have authority over resources, budget, and personnel related to the support function of information technology, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

INTRODUCTION

The reported bill reflects the Committee's consideration of H.R. 4061.

On September 14, 2005, the full Committee held a hearing on the Department of Veterans Affairs (VA) reorganization of its Information Technology (IT) infrastructure, and potential legislative solutions to provide VA with a more efficient use of the IT resources.

On October 17, 2005, the Chairman and Ranking Member of the Veterans' Affairs Committee, Honorable Steve Buyer and Honorable Lane Evans, respectively, along with Mr. Strickland, Mr. Everett, Mr. Brown of South Carolina, Mr. Boozman, Mr. Filner, Mr. Gutierrez, Ms. Corrine Brown of Florida, Mr. Reyes, Ms. Ginny Brown-Waite of Florida, Mr. Burton of Indiana, Mr. Udall of New Mexico, Mr. Bradley of New Hampshire, Mr. Moran of Kansas, and

Mr. Turner introduced H.R. 4061, the Department of Veterans Affairs Technology Management Improvement Act of 2005.

On October 20, 2005, the full Committee met and ordered H.R. 4061 reported favorably to the House by voice vote.

SUMMARY OF THE REPORTED BILL

H.R. 4061 would:

1. Amend Title 38 USC to improve the management of information technology within the Department of Veterans Affairs by providing the Chief Information Officer the authority over resources, budget, and personnel related to the support function of information technology for the Department.

2. Require the Secretary of Veterans Affairs, through the Chief Information Officer, to develop and maintain a process for the selection and oversight of information technology for the Department.

3. Require the Secretary of Veterans Affairs, through the Chief Information Officer, to develop an information technology strategic plan that includes performance measures and an integrated enterprise architecture; and require the Chief Information Officer to review and update the information technology strategic plan and enterprise architecture on an ongoing basis in order to maintain currency with technological changes, and changing mission needs of the Department.

4. Mandate that funds for information technology be obligated in accordance with the process the Department develops for the selection and oversight of information technology.

5. Require that amounts appropriated for the Department for any fiscal year that are available for information technology shall be allocated consistent with annual appropriations acts; require that allocation of any funding provided for through the annual appropriations process that is inconsistent with the allocation method known as the Veterans Equitable Resource Allocation be approved by the Secretary.

6. Require the Secretary to submit a report to Congress that identifies amounts requested for information technology for the Department when the budget for any fiscal year is submitted by the President to Congress under Title 31, Section 1105; and require the report to set forth those amounts both for each Administration within the Department and for the Department aggregate and to identify, for each such amount, how that amount is aligned with and supports the Department's information technology strategic plan.

7. Require the Department of Veterans Affairs Chief Information Officer to select a Chief Information Officer for each of the Veterans Health Administration, the Veterans Benefits Administration, and the National Cemetery Administration; and require that each Administration Chief Information Officer selected:

- a. be designated as a Department Deputy Chief Information Officer, and will report directly to the Department of Veterans Affairs Chief Information Officer.

- b. be responsible for implementing in their respective Administrations, as directed by the Department Chief In-

formation Officer, the information technology strategic plan and the integrated enterprise architecture.

c. maintain operational control of all information technology system assets and personnel, including the direct management of their respective Administration's software and applications development activities, necessary to accomplish the objectives of the Department Chief Information Officer to support the mission of the Department and its respective Administrations.

d. be the principal advocate for the information technology needs of their respective Administration and shall assure, by coordinating with the Department Chief Information Officer, that the business and mission needs of their respective Administrations are met by considering requirements at all levels.

8. Require that the Secretary submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an annual report that provides the Secretary's assessment of the implementation during the year covered by the report; and require that each report include the assessment of the Secretary as to the increased efficiency within the Department of information technology acquisition processes, management, responsibility and accountability, and the estimated cost savings to the Department as a result of those provisions.

9. Require regular reports to Congress from the Department of Veterans Affairs on the status of implementation of the Act at predetermined intervals, as well as require a final report once the Act is fully implemented.

BACKGROUND AND DISCUSSION

In 2001, the Department of Veterans Affairs became the last cabinet-level agency to comply with the requirements of the Clinger-Cohen Act and appoint a full-time Chief Information Officer (CIO). The Veterans Affairs' Committee has maintained oversight over the development of the Office of the CIO and closely monitored the strategic alignment between information technology support systems and the expressed business and mission needs of the Department. The Committee and its Subcommittees conducted five oversight hearings and requested many staff-level briefings related to the VA Information Technology (IT) infrastructure. The Committee believes that the failure of several major IT projects at VA are related to mismanagement, a lack of project oversight within VA, and an unclear or ineffective alignment of IT with the mission and business needs of the Department.

VA has expended about \$1 billion per year over the last decade to upgrade its IT infrastructure. GAO has testified since 1998 that the Department has encountered numerous and consistent problems with managing its IT programs. The VA's FY 2005 budget request for IT was \$1.6 billion. In 2004, the VA received \$1.4 billion for its IT program, and over the past decade has averaged one billion dollars each year for IT initiatives.

The concept of the CIO is a relatively new idea. On February 10, 1996, President Clinton signed the National Defense Authorization Act for Fiscal Year 1996, creating Public Law 104-106 (P.L. 104-106). Included as Sections D and E respectively in P.L. 104-106

were the provisions of the Federal Acquisition Reform Act (FARA) of 1996, and the Information Technology Management Reform Act (ITMRA) of 1996. These provisions were renamed the Clinger-Cohen Act of 1996 in the fiscal year 1997 Omnibus Consolidated Appropriations Act (P.L. 106–208). One of the main provisions of the Clinger-Cohen Act was the creation of a Chief Information Officer (CIO) in each of the federal agencies. Although each agency has its own CIO created with the same legislative language, the role developed differently in each Department.

Under the Clinger-Cohen Act, Sections D and E of Public Law 104–106 defines the general responsibilities of the CIO as:

providing advice and other assistance to the head of the executive agency and other senior management personnel of the executive agency to ensure that information technology is acquired and information resources are managed of the executive agency in a manner that implements the policies and procedures of this division, consistent with chapter 35 of title 44, United States Code, and the priorities established by the head of the executive agency; developing, maintaining, and facilitating the implementation of a sound and integrated information technology architecture for the executive agency; and promoting the effective and efficient design and operation of all major information resources management processes of the executive agency, including improvements to work processes of the executive agency.

Despite strong encouragement of the Committee and its Oversight and Investigations Subcommittee over the last five years, despite numerous letters from individual Committee Members, and despite express direction from the VA Secretary in August 2003, to centralize and better align IT management, the anticipated improvements have not occurred. In 2004, VA hired Gartner, a Fortune 500 IT consultant, to analyze and review its IT infrastructure and processes. In testimony before the Committee in September 2005, Gartner testified that VA's IT budgets are very fluid without much accountability on how and when funding is spent. Gartner further testified that VA could save more than \$345 million annually (over \$1.7 billion over the next five years) by centralizing VA's IT organization structure.

It has come to the Committee's attention that the Department and its leadership intend to implement a federated model as defined by the Gartner consultant and characterized by an IT organizational structure where technology operations, such as data centers and networks, are controlled by groups with all business applications developed and supported by each business line, whether medical care, pension, housing, or finance. The Committee believes that the federated model is inconsistent with the express direction of the VA Secretary in August 2003, as well as previous guidance from the House Committee on Veterans' Affairs. It is the Committee's view that the federated model would not optimize IT support and service delivery VA-wide. Therefore, the Committee directs that VA shall not adopt a federated model for its IT organizational structure. This Committee further maintains the view that VA efforts to date are not sufficient to facilitate the desired changes in

IT management at the Department of Veterans Affairs and directs the Department to centralize its IT management.

It is the view of the Committee on Veterans' Affairs that the Department of Veterans Affairs should maintain a fully-centralized and empowered information technology management system, which in concert with the requirements of Clinger-Cohen permits the Chief Information Officer to maintain control of all information technology related assets in the Department. The Committee maintains that the sole purpose of the VA information technology program is to support the business and mission needs of the Department by assessing those needs at all levels of the Department to include line managers and all end users of the IT.

Operational control of information technology system assets and personnel may be delegated by the Department Deputy Chief Information Officer within their respective departmental Administrations so long as the objectives of the Department CIO are met and communications and line authority are maintained. Although this legislation authorizes the delegation of operational control of information technology system assets and personnel within the respective Administrations, VA should not spend appropriated or Medical Care Collection Fund monies on software development and other IT initiatives without the knowledge of the Department Deputy CIO of their respective Administration, and the approval of the Department CIO.

While this bill places all information technology personnel under the administrative and operational control of the Department Deputy CIOs for day to day operations, the Committee understands that emergency situations may preempt the prescribed line-authority and require local-level information technology personnel to work collaboratively with line personnel from their respective Administrations without the opportunity to coordinate emergency actions with the Department Deputy CIO. This emergency autonomy is encouraged to continue to provide mission and business support to the Administration in time of crisis.

The Committee directs that any individual selected for the position of Department Deputy CIO shall understand information technology, the strategic planning process, and the business and mission needs of their respective Administration. The Committee believes that the performance of the Department Deputy CIO should be judged principally by the degree that IT enhances and yields desired mission and business outcomes for the respective Administrations. The Committee believes that the performance of the Department CIO should be based not only on success by all Department Deputy CIOs, but also on enhancements in Department-wide efficacy and successful outcomes with regard to achieving "One-VA."

Additionally, the Committee interprets the operational control granted to the Department Deputy CIOs to include management and communication of best practices, encouragement and sharing of innovative ideas, development of effective and reasonable DoD/VA sharing opportunities, and accountability for all successes and failures when supporting the mission and business needs of the Department. The Department CIO may assert control over any aspect of day to day operations to facilitate alignment of information technology assets or personnel provided that the mission and business needs of the respective Administrations are not compromised. Dif-

ferences of opinion that can not be resolved regarding questions of IT alignment and of potential impact on the mission and business needs of the Administration should be referred to the VA Secretary who will evaluate the issue based on a judgment that a high probability exists that the alignment course of action will result in a significant adverse impact within the respective Administration.

To achieve the desired changes, the Committee deems it necessary that the Department CIO be empowered with specific authority over budget (resources), personnel and equipment (assets). HR 4061 assures the Department CIO will have necessary authority to align IT with the business and mission needs of the Department. Success, as measured by achievement both on VA's performance metrics Department-wide and Administration-wide (for each respective administration), will be the primary indicator of the success of the IT support program. The Committee recommends that the Department analyze the root-cause of any failure to achieve a desired performance measurement benchmark, especially if that benchmark is influenced by the IT support system. This recommendation extends VA-wide and is not limited to the IT strategic plan.

SECTION-BY-SECTION ANALYSIS

Section 1 provides the Short Title of the bill as the Department of Veterans Affairs Information Technology Management Improvement Act.

Section 2(a) amends Title 38, Section 310 by adding new subsections (c) through (h) as follows:

Subsection (c) would require the Secretary of Veterans Affairs to ensure that the Department of Veterans Affairs Chief Information Officer has the authority and control necessary for the development, approval, implementation, integration and oversight of policies, procedures, processes, activities, and systems of the Department relating to the management of information technology for the Department, including management of related mission applications, information resources, personnel, and infrastructure.

Subsection (d)(1) would require the Secretary of Veterans Affairs, through the Chief information Officer, to develop and maintain a process for the selection and oversight of information technology for the Department.

Subsection (d)(2) would require the Secretary of Veterans Affairs, through the Chief information Officer, to develop an information technology strategic plan that includes performance measures and an integrated enterprise architecture.

Subsection (d)(3) would require that the information technology strategic plan set forth a multiyear plan for the use of information technology and related resources to accomplish the Department's mission.

Subsection (d)(4) would require that the Chief Information Officer shall review and update the strategic plan and integrated enterprise architecture on an ongoing basis in order to maintain currency with technological changes, and changing mission needs of the Department.

Subsection (e)(1) would mandate that funds for information technology be obligated in accordance with the process for the selection

and oversight of information technology as set forth in Subsection (d)(1).

Subsection (e)(2)(A) would require that amounts appropriated for the Department for any fiscal year that are available for information technology shall be allocated consistent with annual appropriations acts.

Subsection (e)(2)(B) would require that the Secretary approve, after notifying the Under Secretary of Health, the allocation of any funding provided for through the annual appropriations process that is inconsistent with the allocation method known as the Veterans Equitable Resource Allocation.

Subsection (e)(3) would require that the Secretary to submit a report to Congress that identifies amounts requested for information technology for the Department when the budget for any fiscal year is submitted by the President to Congress under Title 31, Section 1105; further, the subsection would require the report set forth those amounts both for each Administration within the Department and for the Department aggregate and shall identify, for each such amount, how that amount is aligned with and supports information technology strategic plan under Subsection (d).

Subsection (f)(1) through Subsection (f)(5) would require the Department of Veterans Affairs Chief Information Officer to select a Chief Information Officer for each of the Veterans Health Administration, the Veterans Benefits Administration, and the National Cemetery Administration. Each Administration Chief Information Officer selected would be designated as a Department Deputy Chief Information Officer, and would report directly to the Department of Veterans Affairs Chief Information Officer. Each Department Deputy Chief Information Officer would be responsible for implementing in their respective Administrations, as directed by the Department Chief Information Officer, the information technology strategic plan and the integrated enterprise architecture developed pursuant to Subsection (d)(2). To accomplish the policies, programmatic goals, information technology system acquisitions and alignments prescribed or directed by the Department Chief Information Officer, each Department Deputy Chief Information Officer would maintain operational control of all information technology system assets and personnel necessary, including direct management of the administrations software and applications development activities. The Department Deputy Chief Information Officer would be the principal advocate for the information technology needs of their respective Administrations and assure, by coordinating with the Department Chief Information Officer, that the business and mission needs of their respective Administrations are met by considering requirements at all levels, from top level managers to end-users across the entire system.

Subsection (g)(1) would require the Secretary to ensure that the annual report submitted by the Secretary pursuant to Title 40 Section 11313 includes identification of any obligation approved by the Chief Information Officer under Subsection (e)(1) above, including date, amount and purpose of each obligation.

Subsection (g)(2) would require that the Secretary submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives an annual report that provides the Secretary's assessment of the implementation during the year covered by the re-

port of the provisions of Subsections (c), (d) and (e). Each report would include the assessment of the Secretary as to the increased efficiency within the Department of information technology acquisition processes, management, responsibility, and accountability, and the estimated cost savings to the Department as a result of those provisions.

Subsection (h) cites that the definition of information technology has the meaning given that term in Title 40, Section 11101, Paragraph 6.

Section (2)(b) would require regular reports to Congress from the Department of Veterans Affairs on the status of implementation of the Act at predetermined intervals, as well as require a final report once the Act is fully implemented.

PERFORMANCE GOALS AND OBJECTIVES

The reported bill would improve the management of information technology within the Department of Veterans Affairs by providing the Chief Information Officer the authority over resources, budget, and personnel related to the support function of information technology to support the business and mission needs of the Department. The Secretary of Veterans Affairs, through the Chief information Officer would be required to develop an information technology strategic plan that includes performance measures and an integrated enterprise architecture. The Chief Information Officer would be required to review and update the information technology strategic plan and enterprise architecture on an ongoing basis in order to maintain currency with technological changes, and changing mission needs of the Department. The performance of the CIO and Deputy CIOs would be assessed based on the degree that information technology advances the mission and business goals of the Department and its Administrations as determined using the strategic plan and the performance measurement system of VA and the Administrations.

STATEMENTS OF THE VIEWS OF THE ADMINISTRATION

STATEMENT OF GORDON H. MANSFIELD, DEPUTY SECRETARY,
DEPARTMENT OF VETERANS AFFAIRS BEFORE THE COM-
MITTEE ON VETERANS' AFFAIRS, U.S. HOUSE OF REP-
RESENTATIVES, SEPTEMBER 14, 2005

For at least 25 years prior to 1990, VA's IT program was centralized. VA was elevated to cabinet level in 1988, and in FY 1989 the VA IT organization was led by an Assistant Secretary for Information Resources Management. In July 1990, under a belief that decentralized operations provide for better management of VA facilities, the Department decentralized resources to the Administrations and staff offices for VA's IT systems design and applications development, systems operations, and systems oversight, along with four data processing centers. The remaining IT oversight program was placed under the Chief Financial Officer (CFO). Then, in accordance with the Clinger-Cohen Act of 1996, VA formally established the position of Assistant Secretary for Information and Technology (CIO), but the

IT oversight program remained aligned under the CFO and decentralization of VA's IT program continued.

At his confirmation hearing in January 2001, Secretary-designee Principi stated that he was committed to ending stovepiped systems in VA. Secretary Principi directed the centralization of the Department's IT program, including authority over personnel and funding, in the Office of the Assistant Secretary for Information Technology effective October 1, 2002. A team of executives from across VA was convened to design a centralized IT organization for VA. The Secretary approved a centralized reorganization plan on May 14, 2003. The reorganization involved the immediate detail and eventual permanent reassignment of 97 employees from the Administrations in the areas of telecommunications support and cyber security (field VISN level ISOs). The Administration level chief information officers were renamed as Deputy CIO's and designated as being "dual hatted," meaning they would take their technical direction from the CIO but remain employees of their existing parent organizations and take their business direction from the Administration in which they resided.

The result of this reorganization was a matrix organization which, over time, VA came to realize was not best suited for a large, geographically dispersed organization that is highly dependent on information technology to deliver services. VA is in the final phase of rebuilding its nationwide telecommunications infrastructure, beginning the consolidation of some infrastructure assets, and implementing aggressive cyber security and privacy programs to ensure the protection of our infrastructure and veterans' personal information. VA submitted its VA Enterprise Architecture design to OMB in June 2005 and received a score of 3.0, significantly higher than the previous score of 1.25.

A strong Enterprise Architecture is critical to any effort to bring down our stovepiped systems and replace them with integrated systems. The score of 3.0 is significant progress in this information technology area and signals that we are steadfastly working to build a foundation for systems integration and standardization. In the wake of the difficulties with CoreFLS, the Assistant Secretary for Information Technology McFarland undertook a study of our IT system and pursued outside assistance. In December 2004 VA contracted with The Gartner Group to conduct an Organizational Assessment of VA IT.

This assessment was to enhance the effectiveness of VA's IT by first baselining how it operates today, then developing organizational models that increase VA's IT value (in terms of greater efficiencies, economies of scale, and added business value), and finally, charting the path VA IT can follow to deploy its new organizational model to truly deliver value. The completed assessment was delivered to the Assistant Secretary for Information and Technology in May 2005. A decision is forthcoming. The next

step will be to systematically and methodically plan, organize, and transition to the new organization.

The study proposed five different alternatives, as follows:

Option 1—Status quo. Currently, VA IT resources are operated and managed within a highly decentralized management structure. The Department's CIO manages a central office staff of approximately 350 government employees and a direct budget of approximately \$50M per year. While the CIO is charged with overall responsibility for the successful management of all VA IT resources (in FY05, \$1.6B and approximately 5400 IT FTE) the CIO has no direct management control or organizational authority over any of these resources. The CIO provides policy guidance, budgetary review and general oversight via indirect supervision (dotted line) of the Administration and staff office CIO's. Within some of the Administrations, the CIO does not directly supervise or have authority over the majority of IT resources in the field and must also provide policy guidance, budgetary review and general oversight via indirect supervision.

Option 2—Regional Option. Under this option, VA would be divided into three to five geographically based subdivisions. Within each of these, a Deputy CIO would control all IT assets (Operations, Staff Functions, and Systems Development) and be responsible for all service delivery within that region. These Deputy CIO's would report directly to the VA CIO.

Option 3—Administration-Centric Option. Under this option, VA would be divided by Administration and Staff Offices and a Deputy CIO for each would control all IT assets (Operations, Staff Functions, and Systems Development) and be responsible for all service delivery within that Administration or Staff Office. These Deputy CIO's would report directly to the VA CIO.

Option 4—Federated Option. Under this option, VA would separate operational responsibilities and IT systems development responsibilities into separate domains. All IT operational service delivery personnel and the budget associated with their support (to include all non-medical IT equipment, maintenance, and contractor support) would come under the direct supervision of a national organization that reports directly to the CIO's office. This organization would be charged with delivering all IT-related operational services to all elements of VA based upon a negotiated and formally agreed upon set of specific standard IT services delivered according to a clearly understood and documented set of service-level-agreement standards. Under a federated approach, IT systems development responsibility remains with the Administrations or staff office business units. The Administrations and staff offices directly manage all systems-development FTE and budget authority. The CIO clearly maintains overall responsibility for the successful management of these resources and con-

tinues to provide IT budget oversight, policy, and program management direction for the Department.

Option 5—Centralized Option. Under this option, all VA IT personnel resources, assets, and budget would be under the direct supervision of the VA's CIO. This centralized IT organization would be charged with delivering all IT-related operational and systems development services to all elements of the VA based upon a negotiated and formally agreed upon set of specific standard IT services and systems development standards delivered according to a clearly understood and documented set of service level agreement standards. Under this option the Administrations remain responsible for system and user requirements definition, service delivery standards development, and end user participation in systems development acceptance criteria development and testing.

The organizational assessment is one tool we are using to decide how to improve our IT programs. VA is determined to move forward and implement the changes necessary for a world-class IT program that increases efficiencies and performance. From better utilization of resources, any savings can be reinvested in direct services to veterans.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, October 26, 2005.

Hon. STEVE BUYER,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4061, the Department of Veterans Affairs Information Technology Management Improvement Act of 2005.

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

Sincerely,

DONALD B. MARRON
(For Douglas Holtz-Eakin, Director).

Enclosure.

H.R. 4061—Department of Veterans Affairs Information Technology Management Improvement Act of 2005

H.R. 4061 Would direct the Secretary of the Department of Veterans Affairs (VA) to ensure that the department's Chief Information Officer (CIO) has the authority to control the policy and procedures related to information technology (IT) throughout the department. The bill would direct the Secretary, acting through the CIO, to develop and implement a process for the selection and oversight of IT systems within VA, and to develop a strategic plan for IT systems that includes an integrated enterprise architecture. Finally, the bill would specify that funds appropriated to the department for IT be obligated according to plans and processes established by

the CIO and would direct the Secretary of VA to submit periodic progress reports to the Congress on the implementation of the requirements set forth in this legislation.

VA currently has decentralized system of IT development and management. Each of the three organizations within VA—the Veterans Health Administration (VHA), the Veterans Benefits Administration (VBA), and the National Cemetery Administration (NCA)—develops and manages its own IT functions, with much of the development and maintenance occurring at the local or regional levels. According to VA, the department recently decided to change its IT system so that the CIO will gain control over much of the IT budget and other resources but VHA, VBA, and NCA will still control software development and management. VA indicates it has yet to determine the costs associated with implementing this new model.

H.R. 4061 would require VA to adopt a more centralized approach that would give the CIO authority over almost all IT-related functions. Based on information provided by VA, CBO expects it would likely cost several hundred million dollars to implement either model of IT management within the department. However, because VA has not yet determined exactly how it would implement its planned new approach to IT management, or what it would cost, CBO has no basis for estimating whether the centralized approach required under the bill would be more or less costly to implement than VA's current plans.

H.R. 4061 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 is Michelle S. Patterson. This estimate was approved by Robert Sunshine, Assistant Director for Budget Analysis.

STATEMENT OF FEDERAL MANDATES

The preceding Congressional Budget Office cost estimate states that the bill contains no intergovernmental or private sector mandates as defined in the Unfunded Mandates Reform Act.

STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to Article I, section 8 of the United States Constitution, the reported bill is authorized by Congress' power to 'provide for the common Defense and general Welfare of the United States.'

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in *italic* and existing law in which no change is proposed is shown in *roman*):

SECTION 310 OF TITLE 38, UNITED STATES CODE

§ 310. Chief Information Officer

(a) * * *

* * * * *

(c) *To support the economical, efficient, and effective execution of the information technology objectives, policies, and plans of the Department in support of Department goals, the Secretary shall ensure that the Chief Information Officer has the authority and control necessary for the development, approval, implementation, integration, and oversight of policies, procedures, processes, activities, and systems of the Department relating to the management of information technology for the Department, including the management of all related mission applications, information resources, personnel, and infrastructure.*

(d)(1) *The Secretary, acting through the Chief Information Officer, shall develop, implement, and maintain a process for the selection and oversight of information technology for the Department.*

(2) *As components of the development of the process required by paragraph (1), the Secretary shall develop for the Department—*

(A) an information technology strategic plan that includes performance measurements; and

(B) an integrated enterprise architecture.

(3) *The information technology strategic plan shall set forth a multiyear plan for the use of information technology and related resources to support the accomplishment of the Department's mission.*

(4) *The Chief Information Officer shall review and update the information technology strategic plan and the integrated enterprise architecture on an ongoing basis to maintain the currency of the plan and the currency of the enterprise architecture with technological changes and changing mission needs of the Department.*

(e)(1) *Funds may be obligated for information technology for the Department only in accordance with the process implemented under paragraph (1) or as otherwise specifically authorized or delegated by the Chief Information Officer or as otherwise directed by the Secretary.*

(2)(A) *Amounts appropriated for the Department for any fiscal year that are available for information technology shall be allocated within the Department, consistent with the provisions of appropriations Acts, in such manner as may be specified by, or approved by, the Chief Information Officer.*

(B) *If for any fiscal year amounts referred to in subparagraph (A) that are available for the Veterans Health Administration (or are otherwise available for functions relating to medical care) are to be allocated under subparagraph (A) in a manner that is inconsistent with the allocation method known as the Veterans Equitable Resource Allocation, such allocation may be made only with the approval of the Secretary and after the Under Secretary for Health is notified.*

(3) *When the budget for any fiscal year is submitted by the President to Congress under section 1105 of title 31, the Secretary shall submit to Congress a report that identifies amounts requested for information technology for the Department. The report shall set*

forth those amounts both for each Administration within the Department and for the Department in the aggregate and shall identify, for each such amount, how that amount is aligned with and supports the information technology strategic plan under subsection (d), as then in effect.

(f)(1) *The Chief Information Officer shall select the Chief Information Officer for each of the Veterans Health Administration, the Veterans Benefits Administration, and the National Cemetery Administration. Any such selection may only be made after consultation with the Under Secretary with responsibility for the Administration for which the selection is to be made.*

(2) *Each Administration Chief Information Officer selected under paragraph (1)—*

(A) shall be designated as a Department Deputy Chief Information Officer; and

(B) shall report to the Department Chief Information Officer.

(3) *The Department Deputy Chief Information Officers are responsible for implementing in their respective Administrations, as directed by the Department Chief Information Officer, the information technology strategic plan and the integrated enterprise architecture developed for the Department by the Department Chief Information Officer pursuant to subsection (d)(2).*

(4) *To accomplish the policies, programmatic goals, information technology system acquisitions, and alignments prescribed, authorized, or directed by the Department Chief Information Officer, each Department Deputy Chief Information Officer shall maintain, for their respective Administrations, operational control of all information technology system assets and personnel necessary, including direct management of the Administration's software and applications development activities.*

(5) *The Department Deputy Chief Information Officers—*

(A) shall be the principal advocate for the information technology needs of their respective Administrations; and

(B) shall assure, by coordinating with the Department Chief Information Officer, that the business and mission needs of their respective Administrations are met by considering requirements at all levels.

(g)(1) *The Secretary shall ensure that the annual report submitted by the Secretary pursuant to section 11313 of title 40 includes an identification of any obligation approved by the Chief Information Officer under subsection (e)(1), including the date, amount, and purpose of such obligation.*

(2) *The Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives an annual report, not later than March 1 of each year (beginning in 2009), providing the Secretary's assessment of the implementation during the year covered by the report of the provisions of subsections (c), (d), and (e). Each such report shall include—*

(A) the assessment of the Secretary as to increased efficiency within the Department of information technology acquisition processes, management, responsibility, and accountability as a result of those provisions; and

(B) estimated cost savings to the Department as a result of those provisions.

(h) In this section, the term “information technology” has the meaning given that term in paragraph (6) of section 11101 of title 40.

