

117TH CONGRESS
2D SESSION

H. R. 2250

AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Department of Vet-
3 erans Affairs Information Technology Reform Act of
4 2022”.

5 **SEC. 2. INFORMATION TECHNOLOGY PROJECTS AND AC-**
6 **TIVITIES.**

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

10 “SUBCHAPTER VI—INFORMATION
11 TECHNOLOGY PROJECTS AND ACTIVITIES

12 **“§ 8171. Definitions**

13 “In this subchapter:

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

16 “(A) the Committee on Veterans’ Affairs
17 and the Committee on Appropriations of the
18 Senate; and

19 “(B) the Committee on Veterans’ Affairs
20 and the Committee on Appropriations of the
21 House of Representatives.

22 “(2) The term ‘information technology’ has the
23 meaning given that term in section 11101 of title
24 40.

25 “(3)(A) The term ‘information technology
26 project’ means a project or program of the Depart-

1 ment (including a project or program of any element
2 of the Department) for, or including, the acquisition
3 or implementation of information technology.

4 “(B) In cases where the Secretary transmits to
5 the Director of the Office of Management and Budget
6 information regarding information technology in-
7 vestments, which may consist of individual or mul-
8 tiple projects, the term ‘information technology
9 project’ refers to an individual project or program or
10 a grouping of multiple projects or programs result-
11 ing in the acquisition or implementation of discrete
12 information technology.

13 “(4) The term ‘life cycle costs’ means all direct
14 and indirect costs to acquire, implement, operate,
15 and maintain information technology, including with
16 respect to costs of any element of the Department.

17 “(5) The term ‘major information technology
18 project’ means an information technology project
19 if—

20 “(A) the project is designated by the Sec-
21 retary, the Chief Information Officer of the De-
22 partment, or the Director of the Office of Man-
23 agement and Budget as a major information
24 technology investment, as defined in section
25 11302 of title 40; or

1 “(B) the dollar value of the project is esti-
 2 mated by the Secretary to exceed—

3 “(i) \$1,000,000,000 (as adjusted for
 4 inflation pursuant to section 1908 of title
 5 41) for the total life cycle costs of the
 6 project; or

7 “(ii) \$200,000,000 (as adjusted for
 8 inflation pursuant to section 1908 of title
 9 41) annually.

10 “(6) The term ‘business owner’ means, with re-
 11 spect to an information technology project, the pro-
 12 gram manager, project manager, or other super-
 13 visory official of the Department responsible for the
 14 project.

15 **“§ 8172. Management of major information tech-**
 16 **nology projects**

17 “(a) COST, SCHEDULE, AND PERFORMANCE INFOR-
 18 MATION.—(1) The Secretary, acting through the Chief In-
 19 formation Officer of the Department, shall submit to the
 20 appropriate congressional committees a report containing
 21 information on the cost, schedule, and performance of
 22 each major information technology project that begins
 23 after the date of the enactment of the Department of Vet-
 24 erans Affairs Information Technology Reform Act of

1 2022, as generated by the business owner of the project,
2 prior to the commencement of such project.

3 “(2) Each report submitted under paragraph (1) for
4 a project shall include, with respect to such project, the
5 following:

6 “(A) An estimate of acquisition costs, imple-
7 mentation costs, and life cycle costs.

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

11 “(C) Key business, functional, and performance
12 objectives.

13 “(b) BASELINE.—(1) The Secretary shall use the in-
14 formation on the cost, schedule, and performance of a
15 major information technology project included in the re-
16 port under subsection (a) as the baseline against which
17 changes or variances are measured during the life cycle
18 of such project.

19 “(2) The Secretary shall—

20 “(A) annually update the baseline of a major
21 information technology project pursuant to sub-
22 section (c); and

23 “(B) include such updated baseline in the docu-
24 ments providing detailed information on the budget
25 for the Department that the Secretary submits to

1 Congress in conjunction with the President’s budget
2 submission pursuant to section 1105 of title 31.

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

12 “(2) A change or variance in the cost, schedule, or
13 performance of a major information technology project de-
14 scribed in this paragraph is—

15 “(A) with respect to the acquisition, implemen-
16 tation, or life cycle cost of the project, or develop-
17 ment increment therein, a change or variance that is
18 10 percent or greater compared to the baseline;

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

1 “(C) with respect to the performance, an in-
2 stance where a key business, functional, or perform-
3 ance objective is not attained, or is not anticipated
4 to be attained, in whole or in part.

5 “(d) MANAGEMENT.—The Secretary shall ensure
6 that each major information technology project is man-
7 aged by an interdisciplinary team consisting of the fol-
8 lowing:

9 “(1) A project manager who—

10 “(A)(i) is certified in project management
11 at level three by—

12 “(I) the Department;

13 “(II) the Federal Acquisition Institute
14 pursuant to section 1201 of title 41; or

15 “(III) the Department of Defense
16 pursuant to section 1701a of title 10; or

17 “(ii) holds an equivalent certification by a
18 private sector project management certification
19 organization, as determined appropriate by the
20 Secretary; and

21 “(B) is an employee of the Office of Infor-
22 mation and Technology of the Department or
23 an employee of an element of the Department
24 at which the project originates.

1 “(2) A functional lead who is an employee of
2 the element of the Department at which the project
3 originates.

4 “(3) A technical lead who is an employee of the
5 Office of Information and Technology of the Depart-
6 ment.

7 “(4) A contracting officer.

8 “(5) Sufficient other project management, func-
9 tional, technical, and procurement personnel as the
10 Secretary determines appropriate.

11 **“§ 8173. Information technology activities of the Fi-**
12 **nancial Services Center**

13 “(a) MANAGEMENT.—Consistent with sections 11302
14 and 11319 of title 40—

15 “(1) the Chief Information Officer of the De-
16 partment shall—

17 “(A) exercise authority over the manage-
18 ment, governance, and oversight processes relat-
19 ing to existing or proposed information tech-
20 nology of the Financial Services Center of the
21 Department, or such successor office; and

22 “(B) supervise the information technology
23 employees and contractors of the Financial
24 Services Center; and

1 “(2) the Director of the Financial Services Cen-
2 ter of the Department, or the head of such successor
3 office, may not enter into a contract or other agree-
4 ment for information technology or information tech-
5 nology services unless the contract or other agree-
6 ment has been reviewed and approved by the Chief
7 Information Officer.

8 “(b) OVERSIGHT.—The Chief Information Officer
9 shall have oversight and operational authority over all in-
10 formation security practices of the Financial Services Cen-
11 ter of the Department.

12 **“§ 8174. Submission of annual reviews of information**
13 **technology**

14 “(a) IN GENERAL.—The Secretary, acting through
15 the Chief Information Officer of the Department, shall
16 submit to the appropriate congressional committees each
17 annual review of the information technology portfolio of
18 the Department conducted pursuant to section
19 11319(d)(3) of title 40.

20 “(b) FIRST SUBMISSION.—The first annual review
21 submitted under subsection (a) shall include a copy of
22 each previous annual review conducted under section
23 11319(d)(3) of title 40.

1 **“§ 8175. Information technology matters to be in-**
2 **cluded in budget justification materials**
3 **for the Department**

4 “(a) LIST OF INFORMATION TECHNOLOGY PROJECTS
5 IN EFFECT.—The Secretary shall ensure that whenever
6 the budget justification materials are submitted to Con-
7 gress in support of the Department budget for a fiscal
8 year (as submitted with the budget of the President for
9 such fiscal year under section 1105(a) of title 31), such
10 budget justification materials include a list of every infor-
11 mation technology project currently in effect at the De-
12 partment (including not only congressional projects and
13 subprojects as determined by the Director of the Office
14 of Management and Budget or the Secretary).

15 “(b) PRIORITIZED LIST OF UNFUNDED PROJECTS.—
16 (1) In addition to the list included in the budget justifica-
17 tion materials required by subsection (a), the Secretary
18 shall ensure that the budget justification materials de-
19 scribed in such subsection also include summary descrip-
20 tions and a prioritized list, in rank order, of every informa-
21 tion technology project of the Department, proposed or in-
22 tended to be proposed for the following one, two, or three
23 fiscal years, that is unfunded as of the time of the inclu-
24 sion of the list under this paragraph.

25 “(2) In producing the list required by paragraph (1),
26 the Secretary shall—

1 “(A) ensure such list represents a ranking of all
2 proposed information technology projects that re-
3 flects the needs of all elements of the Department;

4 “(B) produce one unified list for the entire De-
5 partment demonstrating how the various proposed
6 information technology projects of each of the ele-
7 ments of the Department rank in priority with the
8 information technology projects of the other ele-
9 ments of the Department; and

10 “(C) ensure that the list—

11 “(i) does not disaggregate and rank infor-
12 mation technology projects based on element of
13 the Department; and

14 “(ii) does identify the element of the De-
15 partment requesting the information technology
16 project.

17 “(3)(A) In producing each list under paragraph (1),
18 the Secretary shall prioritize and rank each information
19 technology project based on an assessment of each of the
20 following factors:

21 “(i) Degree of collaboration between business
22 owners and the Chief Information Officer with re-
23 spect to joint functional-technical planning, require-
24 ments, and management.

1 “(ii) Operational or efficiency benefits to em-
2 ployees of the Department created or produced by
3 the information technology project.

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

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

8 “(v) Time to completion of the information
9 technology project.

10 “(vi) The difficulty of the information tech-
11 nology project, the likelihood the information tech-
12 nology project will be completed, or the risks associ-
13 ated with undertaking the information technology
14 project.

15 “(vii) Tangible benefits to veterans created or
16 produced by the information technology project.

17 “(viii) Such other factors as the Secretary con-
18 siders appropriate.

19 “(B) The Secretary shall ensure that each list pro-
20 duced under paragraph (1) includes, for each information
21 technology project included in the list, a brief description
22 of the findings of the Secretary with respect to each as-
23 sessment carried out by the Secretary for each factor for
24 the information technology project under subparagraph
25 (A).

1 “(c) PROJECTED FUNDING NEEDS.—(1) In addition
 2 to the matters included under subsections (a) and (b), the
 3 Secretary shall ensure that the budget justification mate-
 4 rials described in subsection (a) also include a projection
 5 of the one-year, two-year, and three-year funding needs
 6 of the Department for information technology,
 7 disaggregated by—

8 “(A) portfolio; and

9 “(B) the product line of the Department that
 10 requires the funding.

11 “(2) In addition to the projections under paragraph
 12 (1), with respect to each of the periods set forth in such
 13 paragraph, the Secretary shall include a description of the
 14 funding required for each technology business manage-
 15 ment category used by the Office of Information Tech-
 16 nology of the Department (commonly referred to as ‘cost
 17 pools’ and ‘towers’).”.

18 (b) CLERICAL AMENDMENT.—The table of sections
 19 at the beginning of such chapter is amended by adding
 20 at the end the following:

“SUBCHAPTER VI—INFORMATION TECHNOLOGY PROJECTS AND ACTIVITIES

“Sec. 8171. Definitions.

“Sec. 8172. Management of major information technology projects.

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

“Sec. 8174. Submission of annual reviews of information technology.

“Sec. 8175. Information technology matters to be included in budget justifica-
 tion materials for the Department.”.

1 (c) APPLICATION AND REPORT REGARDING MANAGE-
2 MENT OF MAJOR INFORMATION TECHNOLOGY
3 PROJECTS.—

4 (1) CURRENT AND NEW MAJOR PROJECTS.—

5 Except as specifically provided in subsection (a) of
6 section 8172 of title 38, United States Code, as
7 added by subsection (a) of this section, such section
8 8172 shall apply with respect to major information
9 technology projects that begin before, on, or after
10 the date of the enactment of this Act.

11 (2) REPORT ON CURRENT PROJECTS.—

12 (A) IN GENERAL.—Not later than 90 days
13 after the date of the enactment of this Act, the
14 Secretary of Veterans Affairs shall submit to
15 the appropriate congressional committees a re-
16 port on each major information technology
17 project that the Secretary is carrying out as of
18 the date of the report.

19 (B) CONTENTS.—The report submitted
20 under subparagraph (A) shall contain, with re-
21 spect to each project described in such subpara-
22 graph, information on the cost, schedule, and
23 performance of the project as described in sub-
24 section (a) of section 8172 of such title, as so
25 added.

1 (3) DEFINITIONS.—In this subsection, the
2 terms “appropriate congressional committees” and
3 “major information technology project” have the
4 meanings given those terms in section 8171 of title
5 38, United States Code, as added by subsection (a)
6 of this section.

7 (d) INFORMATION TECHNOLOGY ACTIVITIES OF THE
8 FINANCIAL SERVICES CENTER.—

9 (1) EFFECTIVE DATE.—Section 8173 of such
10 title, as added by subsection (a), shall take effect on
11 the date of the enactment of this Act.

12 (2) APPLICABILITY.—Subsection (a)(2) of such
13 section shall apply with respect to contracts and
14 agreements entered into on or after the date of the
15 enactment of this Act.

16 (e) EFFECTIVE DATE OF REQUIREMENT FOR
17 PROJECTS IN BUDGET JUSTIFICATION MATERIALS.—
18 Subsection (c) of section 8175 of such title, as added by
19 subsection (a) of this section, shall take effect on the first

- 1 Monday in the second January beginning after the date
- 2 of the enactment of this Act.

Passed the House of Representatives November 17,
2022.

Attest:

Clerk.

117TH CONGRESS
2^D SESSION

H. R. 2250

AN ACT

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.