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Hearing Statement of Oversight, Management, and Accountability Subcommittee Chairwoman Xochtil Torres Small (D-NM)

Ensuring Effective and Efficient Operations: A Review of the Fiscal Year 2020 DHS Management Directorate Budget Request

April 3, 2019

Today's hearing will examine the President's budget request for the Department of Homeland Security's Management Directorate. DHS Management may not grab headlines like Secret Service, Coast Guard, Border Patrol, and other operational components, but the men and women who staff the Department's front office are every bit as important to the vision and direction of the DHS enterprise.

From budgeting to procurement and human resources to information technology, the Management Directorate provides the structure that's needed for DHS to be an effective and efficient organization. The President's proposed budget seeks nearly \$1.6 billion for the Management Directorate in Fiscal Year 2020. This funding would allow the Chief Readiness Support Officer to continue to consolidate Department personnel at the St. Elizabeths campus — the largest construction project in the Washington Metro since the Pentagon was built during World War II.

The budget would give the Chief Financial Officer additional resources to overhaul the Department's woefully outdated financial systems, so that from an accounting standpoint at least, DHS components can work from a common operating picture. The budget also proposes funding for new tools the Chief Human Capital Officer could use to recruit and retain top cybersecurity talent — no small task for a Department that's competing against other federal agencies and tech companies in Silicon Valley. All of these projects are worthy initiatives that deserve federal funding.

But, as the Government Accountability Office (GAO) has identified over the years, a number of existing programs and projects, with large budget requests, have been plagued by lengthy delays and repeated cost overruns spanning multiple budget cycles. The St. Elizabeths project, for instance, was initially set for completion in 2016. Now, after more than \$2 billion has been spent, we're told it won't be finished until 2026 at the earliest — 10 years behind schedule.

The Department's Financial Systems Modernization (FSM) has faced similar challenges. Original cost estimates for upgrades at three operational components — the Countering Weapons of Mass Destruction Office, Transportation Security Administration, and Coast Guard — were pegged at \$90 million. That work is still not complete. FSM faces additional delays as a result of the recent government shutdown, and the Administration is now asking for another \$120 million in FY 2020.

We see the same story with the Department's Human Resources Information Technology (HRIT) program, an investment that began in 2003 and has made limited progress over the past 15 years. DHS has requested another \$10 million for HRIT in the FY 2020 budget proposal. I don't want to discredit these projects or their importance. But I would like to see evidence that the Department has learned from its past mistakes and is better positioned for the future. I am also concerned that the Department continues to operate without its Quadrennial Homeland Security Review — or "QHSR" — which is now 15 months overdue. While I understand that the Management Directorate is not responsible for its delivery to Congress, I wonder how it plans for the Department's future and proposes a budget without a vision for the agency set forth in a QHSR.

To both of our witnesses: I thank you for your time and testimony. Mr. Fulghum, I understand that you will be leaving the Department this summer. On behalf of this Committee, I want to thank you for your service to DHS over the past 6 ½ years. Your departure speaks to the challenges the Department continues to face in terms of unity, vision, and morale. I welcome any ideas you have for improving cohesion across the Department and strengthening DHS's key management functions. And I look forward to a fruitful discussion with both of you this afternoon.

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