

**Calendar No. 570**

116TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
{ 116-277

INFORMATION TECHNOLOGY  
MODERNIZATION CENTERS OF EXCELLENCE  
PROGRAM ACT

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R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE

TO ACCOMPANY

S. 4200

TO ESTABLISH A PROGRAM TO FACILITATE THE ADOPTION OF  
MODERN TECHNOLOGY BY EXECUTIVE AGENCIES, AND FOR  
OTHER PURPOSES



OCTOBER 1, 2020.—Ordered to be printed

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**INFORMATION TECHNOLOGY MODERNIZATION CENTERS  
OF EXCELLENCE PROGRAM ACT**

OCTOBER 1, 2020.—Ordered to be printed

Mr. JOHNSON, from the Committee on Homeland Security and  
Governmental Affairs, submitted the following

**R E P O R T**

[To accompany S. 4200]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 4200) to establish a program to facilitate the adoption of modern technology by executive agencies, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill, as amended, do pass.

**CONTENTS**

I. Purpose and Summary .....	Page 1
II. Background and Need for the Legislation .....	2
III. Legislative History .....	2
IV. Section-by-Section Analysis .....	3
V. Evaluation of Regulatory Impact .....	3
VI. Congressional Budget Office Cost Estimate .....	3
VII. Changes in Existing Law Made by the Bill, as Reported .....	4

**I. PURPOSE AND SUMMARY**

The purpose of S. 4200, the Information Technology Modernization Centers of Excellence Program Act, is to codify the General Services Administration's (GSA) Centers of Excellence (COE) program, which facilitates the adoption of modern information technology (IT) acquisition and utilization of best practices at Federal agencies.

## II. BACKGROUND AND THE NEED FOR LEGISLATION

After learning a painful lesson when its rollout of the Affordable Care Act was derailed by an inadequate government website, Healthcare.gov, the Obama administration recognized the need for in-house IT expertise that could be utilized by the whole of the Federal Government as a service to assist agencies with IT acquisition and development.<sup>1</sup> On March 19, 2014, then-GSA Administrator Dan Tangherlini announced the creation of 18F, named for the street address of GSA’s headquarters.<sup>2</sup> Designed to operate as the Federal Government’s version of a Silicon Valley tech startup, 18F successfully recruited IT talent into the Federal Government on the promise of serving their country in an emerging field.<sup>3</sup> Although 18F developed a solid track record of solving discrete problems at Federal agencies, IT leaders in the Federal government began to realize that, while solving small, discrete problems for Federal agencies is a valuable resource, greater efforts were needed to improve IT infrastructure, culture, and practices to prevent problems from occurring in the first place.

To take a more whole-of-agency approach, the Office of American Innovation and GSA established the COE program, designed to transform the entire IT infrastructure of a single Federal agency, and then use that process to replicate successes and avoid pitfalls when modernizing IT at other Federal agencies.<sup>4</sup> The “lighthouse” agency for the new concept was the United States Department of Agriculture (USDA).<sup>5</sup> The GSA COE team and USDA officials focused on five key areas to transform the large, federated bureau: cloud adoption, infrastructure modernization, customer experience, service delivery analytics and contact centers.<sup>6</sup>

Recognizing the early successes of the COE program at USDA, S. 4200 codifies the COE program and requires that the program assist agencies in utilizing commercial cloud and other IT platforms. It also requires program officials to coordinate with the Department of Homeland Security (DHS) regarding cybersecurity best practices. The program sunsets after seven years.

## III. LEGISLATIVE HISTORY

S. 4200 was introduced on July 2, 2020, by Senators Rob Portman (R–OH) and Margaret Wood Hassan (D–NH). The bill was referred to the Committee on Homeland Security and Governmental Affairs. The Committee considered S. 4200 at a business meeting on July 22, 2020.

<sup>1</sup>Daniel Castro, *The Rise and Fall of 18F*, fedscoop (Feb. 6, 2018), <https://www.fedscoop.com/rise-fall-18f/>.

<sup>2</sup>Jason Miller, *GSA envisions 18F will be the new hub of digital innovation*, Fed. News Network, Mar. 19, 2014, <https://federalnewsnetwork.com/technology-main/2014/03/gsa-envisions-18f-will-be-the-new-hub-of-digital-innovation/>.

<sup>3</sup>Frank R. Konkel, *GSA’s New Tech Leader Says Group is Ready for Its Pixar Moment*, Nextgov, Nov. 30, 2016, <https://www.nextgov.com/cio-briefing/2016/11/gsas-new-tech-leader-says-group-ready-its-pixar-moment/133521/>.

<sup>4</sup>Frank R. Konkel, *White House Unveils Latest Plan to Fix Government Technology*, Nextgov, Dec. 14, 2017, <https://www.nextgov.com/it-modernization/2017/12/white-house-unveils-it-modernization-center-excellence/144572/>.

<sup>5</sup>Mark Rockwell, *USDA reports success with centers of excellence program*, FCW, Jun. 28, 2018, <https://fcw.com/articles/2018/06/28/usda-coe-phase2.aspx>

<sup>6</sup>*Id.*

During the business meeting, Senator Portman offered a substitute amendment to ensure coordination between GSA and DHS, improve reporting requirements, and add a rule of construction.

The substitute amendment was adopted by voice vote *en bloc* with Senators Johnson, Portman, Paul, Lankford, Romney, Scott, Enzi, Hawley, Peters, Carper, Hassan, Harris, and Rosen present. The bill, as amended, was reported favorably by voice vote *en bloc* with Senators Johnson, Portman, Paul, Lankford, Romney, Scott, Enzi, Hawley, Peters, Carper, Hassan, Harris, and Rosen present.

#### IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

##### *Section 1. Short title*

This section establishes the short title of the bill as the “Information Technology Modernization Centers of Excellence Program Act.”

##### *Section 2. GSA Modernization Centers of Excellence Program*

Subsection (a) defines the terms “cloud computing,” “executive agency,” and “program.”

Subsection (b) codifies the Information Technology Modernization Centers of Excellence Program to help agencies update and modernize their IT.

Subsection (c) requires the COE program to improve cooperation between the private sector and executive agencies, encourage agencies to adopt commercial IT practices, and assist agencies in securing commercial cloud computing systems.

Subsection (d) requires the Administrator of GSA and the Secretary of Homeland Security to ensure that the IT, tools, and framework purchased through the COE program provide sufficient cyber security to maintain the integrity of Federal information.

Subsection (e) establishes an annual reporting requirement for the program, and subsection (f) provides a seven-year sunset.

#### V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office’s statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

#### VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATES

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, September 24, 2020.*

Hon. RON JOHNSON,  
*Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 4200, the Information Technology Modernization Centers of Excellence Program Act.

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

Sincerely,

PHILLIP L. SWAGEL,  
*Director.*

Enclosure.

<b>S. 4200, Information Technology Modernization Centers of Excellence Program Act</b>			
As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 22, 2020			
By Fiscal Year, Millions of Dollars	2020	2020-2025	2020-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	*	not estimated
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

S. 4200 would establish the Information Technology Modernization Centers of Excellence Program within the General Services Administration (GSA) to encourage and support federal agencies' efforts to modernize their information technology (IT) systems. The bill would require GSA to provide, upon request, assistance in planning and adopting cloud computing systems from commercial sources, optimizing IT infrastructure, and adopting artificial intelligence, among other services.

CBO expects that any budgetary effects from implementing S. 4200 would not be significant because the bill would codify many existing policies and practices. In 2017, GSA established Information Technology Centers of Excellence to accelerate IT modernization in federal agencies. The program spends about \$500,000 annually.

On September 24, 2020, CBO transmitted a cost estimate for H.R. 5901, the Information Technology Modernization Centers of Excellence Program Act, as ordered reported by the House Committee on Oversight and Reform on September 16, 2020. The two pieces of legislation are similar and CBO's estimate of their budgetary effects are the same.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

#### VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

Because this legislation would not repeal or amend any provision of current law, it would not make changes in existing law within

the meaning of clauses (a) and (b) of paragraph 12 of rule XXVI of the Standing Rules of the Senate.

