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.

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Department of Veterans Affairs Information Technology Reform Act of 2021”.
SEC. 2. MANAGEMENT OF MAJOR INFORMATION TECHNOLOGY PROJECTS.

(a) In general.—Chapter 81 of title 38, United States Code, is amended by adding at the end the following new subchapter:

“SUBCHAPTER VI—INFORMATION TECHNOLOGY PROJECTS AND ACTIVITIES
§8171. Definitions

“In this subchapter:

“(1) The term ‘appropriate congressional committees’ means—

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

“(B) the Committee on Veterans’ Affairs and the Subcommittee on Military Construction, Veterans Affairs and Related Agencies of the Committee on Appropriations of the House of Representatives.

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

“(3) The term ‘information technology project’ means a project or program of the Department (in-
including a project or program of any element of the Department) for, or including, the acquisition or implementation of an information technology system.

“(4) The term ‘life cycle costs’ means all direct and indirect costs to acquire, implement, operate, and maintain an information technology system.

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

“(A) the project is designated—

“(i) by the Secretary or the Chief Information Officer of the Department as a major information technology project; or

“(ii) by the Director of the Office of Management and Budget as a major information technology investment, as defined in section 11302 of title 40;

“(B) the dollar value of the project or program is estimated by the Secretary to exceed—

“(i) $50,000,000 (as adjusted for inflation pursuant to section 1908 of title 41) for all project costs in a single fiscal year;

“(ii) $200,000,000 (as adjusted for inflation pursuant to section 1908 of title
§8172. Management of major information technology projects

“(a) Cost, Schedule, and Performance Information.—(1) The Secretary may not obligate or expend funds for any major information technology project that begins after the date of the enactment of the Department of Veterans Affairs Information Technology Reform Act of 2021 unless the Secretary, acting through the Chief Information Officer of the Department, submits to the appropriate congressional committees a report containing information on the cost, schedule, and performance of such project.

“(2) Each report submitted under paragraph (1) for a project shall include, with respect to such project, the following:
“(A) An estimate of acquisition, implementation, and life cycle costs.

“(B) An intended implementation schedule indicating significant milestones, initial operating capability, and full operating capability or completion.

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

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

“(2) The Secretary shall—

“(A) annually update the baseline of a major information technology project pursuant to subsection (c); and

“(B) include such updated baseline in the documents providing detailed information on the budget for the Department that the Secretary submits to Congress in conjunction with the President’s budget submission pursuant to section 1105 of title 31.

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

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

“(A) with respect to the acquisition, implement-
tion, or life cycle cost of the project, or an incre-
ment therein, a change or variance that is 10 per-
cent or greater compared to the baseline;

“(B) with respect to the schedule for achieving
a significant milestone, initial operating capability,
or final completion of the project, a change or vari-
ance that is 180 days or greater compared to the
baseline; or

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

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

“(1) A project manager who is—

“(A) certified in project management at level three by the Department or the Depart-
ment of Defense pursuant to section 1701a of title 10, or who holds an equivalent certification by a private sector project management certifi-
cation organization, as determined appropriate by the Secretary; and

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

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

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

“(4) A contracting officer.

“(5) Sufficient other project management, func-
tional, technical, and procurement personnel as the Secretary determines appropriate.
“§ 8173. Information technology activities of the Financial Services Center

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

“(1) the Chief Information Officer of the Department shall—

“(A) exercise authority over the management, governance, and oversight processes relating to information technology of the Financial Services Center of the Department, or such successor office; and

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

“(2) the Director of the Financial Services Center of the Department, or the head of such successor office, may not enter into a contract or other agreement for information technology or information technology services unless the contract or other agreement has been reviewed and approved by the Chief Information Officer.

“(b) OVERSIGHT.—The Chief Information Officer shall have oversight and operational authority over all information security practices of the Financial Services Center of the Department.
§ 8174. Submission of annual reviews of information technology

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

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

(a) LIST OF INFORMATION TECHNOLOGY PROJECTS IN EFFECT.—(1) The Secretary shall ensure that whenever the budget justification materials are submitted to Congress in support of the Department budget for a fiscal year (as submitted with the budget of the President for such fiscal year under section 1105(a) of title 31), such budget justification materials include a list of every information technology project currently in effect at the Department.
“(2) Each list included under paragraph (1) shall include, for each information technology project included in the list, the following:

“(A) The expenditures to date.

“(B) Planned expenditures for the upcoming fiscal year.

“(C) The scheduled completion date.

“(D) Any known deviation from the schedule, such as whether the information technology project is behind schedule.

“(E) The planned or actual functionality delivered.

“(b) PRIORITIZED LIST OF UNFUNDED PROJECTS.—

(1) In addition to the list included in the budget justification materials required by subsection (a), the Secretary shall ensure that the budget justification materials described in such subsection also include a prioritized list, in rank order, of every proposed project of the Department that is unfunded as of the time of the inclusion of the list under this paragraph.

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

“(A) ensure such list represents a ranking of all proposed projects that reflects the needs of all components of the Department;
“(B) produce one unified list for the entire Department that shows how the various proposed projects of each of the components of the Department rank in priority with the projects of the other components of the Department; and

“(C) ensure that the list—

“(i) does not disaggregate and rank projects based on component of the Department; and

“(ii) does identify the component of the Department requesting the information technology project.

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

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

“(ii) Operational or efficiency benefits to employees of the Department created or produced by the information technology project.

“(iii) The cost of the information technology project.

“(iv) The cost savings or cost avoidance yielded by the information technology project.
“(v) Time to completion of the information technology project.

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

“(vii) Such other factors as the Secretary considers appropriate.

“(B) The Secretary shall ensure that each list produced under paragraph (1) includes, for each information technology project included in the list, a brief description of the findings of the Secretary with respect to each assessment carried out by the Secretary for each factor for the information technology project under subparagraph (A).

“(c) PROJECTED FUNDING NEEDS.—(1) In addition to the matters included under subsections (a) and (b), the Secretary shall ensure that the budget justification materials described in subsection (a) also include a projection of the one-year, five-year, and 10-year funding needs of the Department for information technology, disaggregated by major business line of the Department that requires the funding.
“(2) In addition to the projections under paragraph (1), the Secretary shall include a description of the following, with respect to each of the periods set forth in such paragraph, disaggregated by major business line of the Department:

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

“(B) The funding required for development.

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

“(D) The funding required by cybersecurity.

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

“(d) DECOMMISSIONING OF INFORMATION TECHNOLOGY SYSTEMS.—(1) In addition to the matters included under subsections (a), (b), and (c), the Secretary shall ensure that the budget justification materials described in subsection (a) also include information about the decommissioning of information technology systems and applications of the Department.

“(2) Information included under paragraph (1) shall include the following:

“(A) A list of information systems and applications of the Department that have been scheduled
for decommissioning or the Secretary proposes decommissioning.

“(B) For each information technology system and application listed under subparagraph (A), the following:

“(i) The cost of maintaining the information technology system or application.

“(ii) A projection of the cost avoided if the information technology system or application were to be decommissioned.

“(iii) A schedule for decommissioning the information technology system or application.

“(iv) Whether a transition plan for the functionality of the information technology system or application to be provided, when appropriate, by other information technology systems or applications of the Department has been developed.

“(v) Performance data regarding whether the Department has decommissioned the information technology system or application that was set forth under clause (iii) in the budget justification materials for the previous fiscal year.”.
(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding 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 justification materials for the Department."

(c) APPLICATION; REPORT.—

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

(2) REPORT ON CURRENT PROJECTS.—

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

(B) CONTENTS.—The report submitted under subparagraph (A) shall contain, with respect to each project described in such subpara-
graph, information on the cost, schedule, and performance of the project as described in subsection (a) of section 8172 of such title, as so added.

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

(d) EFFECTIVE DATE OF REQUIREMENT FOR PROJECTS IN BUDGET JUSTIFICATION MATERIALS.—Subsection (c) of section 8175 of such title, as added by subsection (a) of this section, shall take effect on the first Monday in the second January beginning after the date of the enactment of this Act.

(e) EFFECTIVE DATE OF DECOMMISSIONING PERFORMANCE ELEMENT OF BUDGET JUSTIFICATION MATERIALS.—Clause (v) of section 8175(d)(2)(B) of such title, as added by subsection (a) of this section, shall take effect on the first Monday in the second January beginning after the date of the enactment of this Act.
SEC. 3. ASSESSMENT OF SUITABILITY OF CLOUD MIGRATION INVESTMENTS.

(a) Assessment.—Not later than one year after the date of the enactment of this Act, the Secretary of Veterans Affairs, acting through the Chief Information Officer of the Department of Veterans Affairs, shall conduct an assessment, in accordance with guidance from the Office of Management and Budget, of all information technology investments of the Department of Veterans Affairs to determine the suitability of the investments for migration to a cloud computing service.

(b) Consistent Mechanism.—The Secretary, acting through the Chief Information Officer, shall establish a consistent and repeatable mechanism to track savings and cost avoidances from—

(1) the migration of information technology investments to cloud computing services; and

(2) the deployment of cloud computing services.

SEC. 4. REPORT ON INFORMATION TECHNOLOGY DASHBOARD INFORMATION.

(a) Report.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Veterans Affairs, acting through the Chief Information Officer of the Department of Veterans Affairs, shall submit to the appropriate congressional committees a report containing—
(1) an explanation of the ratings, rankings, and risk categorizations used by the Chief Information Officer pursuant to subparagraph (C) of section 11302(e)(3) of title 40, United States Code, with respect to the information technology dashboard of the Office of Management and Budget developed under such section; and

(2) copies of supporting or explanatory information provided by the Chief Information Officer to the Office of Management and Budget with respect to submissions by the Chief Information Officer to the information technology dashboard for the fiscal year in which the report is submitted (other than information not otherwise made public pursuant to such section).

(b) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In section, the term “appropriate congressional committees” has the meaning given such term in section 8171 of title 38, United States Code, as added by section 2.