

Statement for the Record

**“The Department of Homeland Security at 10 Years: Better
Management and Better Results”**

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Chairman Carper, Ranking Member Coburn, and members of the Committee, I am pleased to be before this Committee regarding the critical topic of management integration at the Department of Homeland Security. Management integration was important to me when I was the Department's Chief Procurement Officer as a career senior executive, as well as after confirmation by this Committee as the Department's Under Secretary for Management. And it continues to be important to me today, even after my retirement from Federal service. So I thank you for the opportunity to testify in this hearing. I'd like to touch on three phases of DHS management integration in my testimony today: the past, present and future.

First, the past; what I often call the building block stage. Some have the misperception that DHS was formed as a blank slate. That actually would have been easier than the reality of DHS' start up. The truth is it was a melding of 22 different agencies, with many different and disparate systems, cultures, missions; all united by legislation. Each of the legacy agencies brought with them both the good and challenging aspects of their organizations and infrastructure. To achieve the management integration contemplated by the GAO High Risk List, DHS had to reconcile and align the existing, before it could begin integrating for the future. For instance, it could not just lease real property or build a new financial system without constraint; it had to manage through existing infrastructure and systems. One of the most complex problems inherited at the stand-up of DHS was its acquisition system. For example, when DHS was formed, about 90% of its major programs, those over \$1 billion, were not run by a program manager with the necessary qualifications and experience. That drove many of the requirements and program management issues that plagued early DHS programs. One building block to address this issue that was put in place was a certification and training program for program managers and other acquisition professionals, such as contracting officers, and quality assurance specialists. As a result, the numbers have reversed and over 75% of the major programs DHS-wide are run by a properly certified, trained, and experienced program manager.

Now I will briefly address some the present initiatives to further enhance management integration. DHS continues to strengthen some of the building blocks initiated in its early phases. It has expanded or is preparing to expand the acquisition professional certification and training program to other acquisition careers fields such as cost estimating, logistics, test and evaluation, and systems engineering, and it is developing acquisition centers of excellence to build those skills sets. It has put into place Component Acquisition Executives (CAE) at each operating component with major acquisition responsibilities. The CAE is responsible for ensuring successful acquisition in terms of cost, schedule and mission performance. It has also raised the level of acquisition oversight to the Program Accountability and Risk Management Office (PARM) to help increase its authority and effectiveness.

DHS has made significant accomplishments toward management integration. It has put in place several measures to increase accountability and place appropriate responsibility. It has better defined and strengthened the authorities of the six business lines that report to the Under Secretary for Management, including the Chief Procurement Officer and Chief Information Officer. That is an important step to driving the necessary integration throughout DHS. Additionally, it has strengthened the functional integration between the Department's chiefs and their counterparts in the operating components. For example, the component acquisition executive role aligns accountability and authority within the operational components and helps ensure a consistent focus on acquisition program performance. DHS has also strengthened its management governance through portfolio reviews by the Chief Information Officer and stronger investment review boards for major programs. Under the DHS OCIO, integration of the IT infrastructure has been a high priority, both to support efficiency in our IT, but also to support improved mission effectiveness. DHS chartered two Federal Funded Research and Development Centers, Homeland Security Studies and Analysis Institute and MITRE to provide the objective support to its continued integration efforts.

The results of the initial and continued efforts of DHS leadership and management personnel throughout the business lines are beginning to show demonstrated and sustained improvements. First started in USCG as the Blueprint for Acquisition Reform, DHS has applied the best acquisition practices throughout the Department. It has taken back systems integration responsibilities in key programs such as Deepwater and SBInet. It has used the acquisition review process to redirect programs that are breaching cost, schedule and performance measurements. DHS has made significant improvements on its financial audits, despite the fact that the financial systems continue to be disparate, and is launching a plan to improve the financial systems. To date, DHS has closed 18 data centers as it works to consolidate to two enterprise, state-of-the-art data centers. Further, DHS has embraced cloud computing, and has 11 cloud services in production. For instance, more than 100,000 DHS employees are on the DHS Email-as-a-Service, with other Components, such as CIS, poised to migrate shortly. And its strategic sourcing program has rightfully received many laudatory comments for its demonstrated cost savings.

Finally, I will give my recommendations for the future. DHS has a comprehensive strategy in its Integrated Investment Lifecycle Model (IILCM). This model is ideal for the next phase of management integration. It does two important things. First, it develops some much needed management structure around policy and joint requirements. Second, it seeks to integrate and flow the decision making of the various governance processes and boards established as stand-alone building blocks. The integration of the policy, joint capabilities and requirements, resources, and acquisition under the IILCM is critical for the continued maturation and integration of DHS management. It will result in consistent and informed decision making. Under the IILCM, policy will inform capabilities and requirements which will drive resource allocation and set the

stage for strong performance management during program execution. It also expands the portfolio approach to mission which is essential for both improved mission effectiveness and efficiency. The upcoming second DHS Quadrennial Homeland Security Review (QHSR) provides an ideal launching point for DHS to use its IILCM to show a systemic and consistent approach to management decision making throughout the lifecycle. The IILC will, once completely implemented, integrate the work of Policy, Program Accountability and Risk Management, Program Analysis and Evaluation (PA&E), and Science and Technology, driving more effective management of resources and the integration of DHS mission and management throughout the Department.

I believe there are several key things that DHS and GAO, supported by this Committee and other committees of Congress, must do to continue its progress on management integration.

- DHS and its oversight bodies must continue to focus on effectiveness and efficiency. Mission effectiveness must be the primary goal, with efficiency built in to every aspect of mission performance.
- DHS and its oversight bodies must continue to appropriately and allocate resources, both financial and human capital, toward the business lines that drive management integration and sound business practices. It often takes an initial investment to recoup significant long term savings and more effective mission performance. DHS should develop sound business plans with analysis of alternatives and break even analysis to drive investments in management integration, and receive the commensurate financial and policy support to execute those plans. It is important not to be shortsighted with budget for management integration efforts if DHS is to continue its integration progress. DHS has several key initiatives underway, including its three portfolio reviews under the IILCM, and critical efficiency projects under the Chief Readiness Support Officer critical to DHS at this time of budget constraint. It has a key opportunity to build a critically necessary integrated broadband communications/data network, leveraging the F1rstNet Public Safety Network. It has also begun, and needs the resources and continued emphasis, to build a multilayered approach to border and transportation security.
- DHS and its oversight bodies must appropriately recognize the efforts DHS employees have made and continue to make, and the results that have been accomplished. Much has been discussed about the poor employee satisfaction at DHS. This clearly must be a DHS leadership priority. However we must not underestimate the negative effect of continued criticism without appropriate recognition by outside parties. Being an employee of DHS, because of its critical mission, public presence, and continued need more maturation, is a challenge. I worked in several different Departments in my career and none was nearly as demanding as DHS. If we are to expect DHS career employees to keep up the good fight for their 30 to 35 year careers, we

must ensure that appropriate positive support accompanies the continued oversight, so those employees can sustain the energy and drive to provide superb mission results.

- DHS must continue implementing its Integrated Investment Lifecycle Model, and should be given the resources to ensure it can do that. The IILCM is a comprehensive integration of the building blocks DHS has put in place to date. The upcoming second Quadrennial Homeland Security Review is an ideal point in time to ensure there is an integrated approach to mission policy and integration at DHS.

DHS remains on the GAO High Risk list for management integration. As time progresses, I would recommend to GAO, DHS, and this Committee to consider the following regarding that continued designation:

- Mr. Dodaro in his February 14 statement to this Committee noted that “DHS has made more progress in implementing its range of missions than in its management functions...” I would argue that the progress in missions could not have been made without improvements in the management functions. DHS is a very mission oriented organization. One needs to consider the “applied management integration” in addition to the pure processes of governance and oversight that are evaluated under the High Risk List. DHS has spent a considerable amount of its limited management resources, throughout its history to support and build mission, after all that is why DHS was formed. I agree with Mr. Dodaro’s statement that DHS has “more work” to do toward management integration, but the positive effect of work to date on mission should not be discounted.
- Is DHS managing its management integration risk? Every Department, not just DHS, has many of the key actions in being tracked by related to management integration. For instance, major acquisition programs with cost, schedule, and performance slippage is not unique to DHS, so it begs the question: Should DHS should uniquely be on the high risk list for this reason, or is it part of any overall Federal risk? As DHS transitions to managed risk, GAO should consider in its evaluation if DHS is uniquely lacking in an area, and as a result should have this unique designation on the high risk list; or is DHS similar to other Departments in needs to continually focus on and enhance its human capital, financial, acquisition, and information technology management and integration.

I thank this Committee and GAO for their continued commitment to supporting DHS in driving management integration. You have always worked in partnership, toward results in a way that drives change in a bipartisan manner. I also thank the thousands of civil servants at DHS for their continued service to their country and homeland security, for their dedication and tenacity.

Finally, thank you for the strong support you provided DHS while I was there, and that you continue provide today. I am confident that DHS' continued focus and work on management integration, coupled with your leadership, will ensure DHS accomplishes its management integration plan, and protecting our homeland effectively and efficiently. I look forward to your questions.