

Statement for the Record

“Modernizing Social Security’s Information Technology Infrastructure”

United States House of Representatives

Committee on Ways and Means

Subcommittee on Social Security

Cheryl Sullivan

BMC

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July 14, 2016

Chairman Johnson, Ranking Member Becerra, and Members of the Subcommittee, thank you for the opportunity to submit a statement for the record on information technology (IT) at the Social Security Administration (SSA).

BMC is a global leader in software solutions that enable IT transformation of traditional government processes into digital enterprises for the ultimate competitive advantage. Our Digital Enterprise Management set of IT solutions is designed to make digital services fast, seamless, and optimized. From mainframe to mobile to cloud and beyond, we pair high-speed digital innovation with robust IT industrialization-allowing our customers to provide intuitive user experiences with optimized performance, cost, compliance, and productivity. BMC solutions serve more than 10,000 customers worldwide including 82 percent of the Fortune 500.

To keep pace with the rapid change in today's marketplace, government must have the digital platforms and processes in place to continually refine existing products and seamlessly rollout new initiatives without impacting core operations or customer experiences.

To accomplish this, organizations must strike the proper balance between speed, scale and quality, ensuring that key teams are aligned on deliverables and results. By adopting a more open and flexible approach to innovation, the SSA is better positioned to respond to the growing demands and increased number of citizens using services.

One area of focus for SSA continues to be modernizing the infrastructure. SSA has for more than 30 years used mainframes to meet the high computing needs for mission-critical systems. With many of the Federal directives pushing for adoption of cloud computing, it should be noted that companies are working together to bring down the cost of mainframe software. In general, these new offering should enable organizations that have deployed mainframes to save as much as 20 percent on their mainframe software costs.

What would BMC suggest to SSA leadership moving forward? Behave like a startup to ensure continued productivity and development by remaining a nimble and driven organization. Some of those key steps to enable IT employees to leverage digital tools to better automate processes would include:

- Accelerate Collaboration - Enable collaboration by building frameworks and harnessing tools that align disparate departments and clearly define shared goals and priorities. This will invite employees to share insights and know-how across team lines.
- Empower The Workforce - An organization's most valuable asset is its dedicated employees and their knowledge and insight. Empowering these workers to be able to act on ideas for improvement will prove to be mutually beneficial, offering increased project ownership to employees that in turn deliver tailored innovation concepts back to the SSA. It is imperative to provide intuitive, self-service tools to enable and empower the government knowledge worker.
- Focus On The Citizen – Citizen services should be at the core of any government programs and with more data driven citizen insight readily available, it is important that organizations and decision makers harness digital tools to further understand the motivations of the consumer.
- Balance Speed With Quality - Traditional cycles for modernization and updates have been replaced by continuous and incremental developments, more successfully balancing speed of

delivery with quality of product. This would allow SSA to do minor rollbacks of faulty updates instead of extensive shutdowns of complete offerings.

The reality is a large percentage of the mission-critical applications and systems that run on the mainframe today are going to remain on that platform for many years to come. So it's crucial for the Agency to find savings without trading off reliability. SSA's largest mainframe budget challenges could find efficiencies and savings by optimizing mainframe workloads, reduce Monthly License Charges (MLC), and increase productivity.

Controlling MLC costs up to this point has been manual in nature and fundamentally limits SSA's ability to attack the problem in the way it must be attacked. Software automation is required.

Importantly, the savings recovered from the Mainframe Optimization Program can then be used to help fund the investments that will be required for the new Cloud environments. We see this as an alternative to requesting more funding from the Legislature. These types of cost reduction efforts mirror the intent of the Federal IT Acquisition Reform Act and the bipartisan and bicameral Modernizing Outdated and Vulnerable Equipment and Information Technology (MOVE IT) Act.

These efforts will help SSA to focus on eliminating waste and on lowering the cost of services for the taxpayer. Citizens should be at the core of all government programs and delivering those services at the rate and level that they deserve.

The drive towards digitization is just as relevant and compelling for Federal Government agencies as it is in the private sector. In fact, the rapid adoption of digital technology in the commercial world is changing citizens' expectations of how they should interact with their government. These changes are also driving agencies' IT departments to fundamentally rethink how they deliver the best service while also managing costs.

Thank you for the opportunity to submit written testimony and BMC would be happy to answer any questions you may have.

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Director of Federal, State and Local Mainframe Solutions

Compuware

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Chairman Johnson, Ranking Member Becerra, and Members of the Subcommittee, thank you for the opportunity to submit a statement for the record on Information Technology (IT) at the Social Security Administration (SSA). I am the Director of Federal, State and Local Mainframe Solutions at Compuware, the world's leading mainframe-dedicated software company. We are headquartered in Detroit and I am proud that 99% of our development team is located onsite. Like the city itself, Compuware has demonstrated its ability to reinvent itself and modernize.

Prior to joining Compuware, I had the opportunity to serve as the Agency Director for the Arkansas Department of Information Systems on the Cabinet of Governor Mike Huckabee. I was honored with the opportunity to continue to serve as the Agency Director of the Arkansas Department of Information Systems and Arkansas Chief Technology Officer on the Cabinet of Governor Mike Beebe. In this role, I had firsthand experience with ensuring the operational and cost effective delivery of services to Arkansans and our federal partners. When I retired from the state, I joined Compuware because of their new leadership and dedication to innovating the tools needed to maximize the mainframe platform which is a critical asset for the public sector. Compuware was the only company coming forth with solutions to help innovate citizen centric services, leverage assets owned by public entities and assist emerging technologists.

A new generation of Federal IT leaders are assuming responsibility for guiding the Social Security Administration (SSA) to success as citizen demands become increasingly tech-centric. Having forged their careers through a period of intensive technological innovation, these leaders are by and large well-prepared to do so. However, many of these IT leaders should look at the modernization efforts for the single most important IT asset: the mainframe.

Federal IT leaders who don't view the mainframe strategically can be lured into a migration to inferior operational tools and platforms plagued by security threats by vendors offering aggressive discounts. This kind of tactical, short-term thinking should be nipped in the bud to avoid compromising the strategic, long-term future of the technical architecture for SSA. And, what might appear as a short term financial cost savings in reality can have excessive cost overruns.

SSA's current assets can be leveraged to modernize systems on and off platform as necessary with a focus on cost savings. Critical to this type of transformation is simplifying mainframe operations, empowering IT workers with easy-to-learn and use development tools that provide visualization across platforms, and insulating the complexity of the mainframe platform for a new generation of IT professionals.

As mentioned in oral testimony from Robert Klopp, the Deputy Commissioner and Chief Information Officer at the Social Security Administration, the mainframe will remain the insurance industry's premier data server for mission-critical workloads. According to Forrester Research¹, "Mainframe systems of record are the beating heart of most large businesses. The mainframe is essential to 92 of the top 100 banks worldwide, 23 of the top 25 US retailers, all 10 of the world's 10 largest insurers, and 23 of the top 25 largest airlines. Since PCs have emerged in the early 1980s, pundits have been predicting the end of the mainframe, yet while PCs and now mobile and cloud platforms have enabled new kinds of applications unimagined a generation ago, mainframes still run the core processes of most organizations." Because outcomes are paramount in all lines of business, organizations in critical industries continue to leverage the multiple decades of investment in business rules, intellectual property surrounding their calculations and process logic in their modernization efforts.

Mainframe longevity is no accident. No other platform or set of platforms comes close to delivering the performance, scalability, reliability or security of the mainframe. None offers a lower marginal cost. Nor has any other platform come close to demonstrating a similar ability to adapt to the changes in the world around it decade after decade.

Asserting that mainframe applications have lost their relevance to government because they were originally written in the 20th century is a bit like asserting that the Constitution has lost its relevance to the government of the United States because it was originally written in the 18th century. The correct course of action is not to abandon them—but to diligently leverage and modernize them as appropriate.

SSA's IT Modernization plan will include pairing the right applications with the right platforms on which they should run. One of the major platforms being modernized is the mainframe. The reality is, a large percentage of the mission-critical applications and systems that run on the mainframe today are going to remain on that platform for many years to come.

SSA is under increasing pressure to optimize mainframe platform costs, including monthly license charges (MLC). While application software consumes many of the resources driving peak MLC costs, finding the specific applications impacting the peak and knowing how to improve the code can be incredibly daunting. Opportunities exist for SSA to reduce MLC costs by up to 20% or more by tuning applications that drive peak CPU utilization. By creating savings and staying on budget, SSA can reinvest those funds into modernization efforts. And, citizen services are improved when SSA applications run on the most secure, highest processing and compute capacity. We see this as a more workable solution than having to request substantial funding from the Legislature.

Thank you for the opportunity to submit testimony for the record and holding this important hearing. Compuware is available for any questions you may have.

¹[“Digital Transformation Needs Mainframe DevOps,”](#) by Kurt Bittner and Rob Stroud, Forrester Research, Inc., June 20, 2016.