



MEMORANDUM

April 28, 2023

To: Elizabeth Bhargava
Assistant Secretary for Administration, Office of Administration, A1


From: Brian Pattison
Assistant Inspector General for Evaluation, Office the Inspector General, G

Subject: End of Preliminary Research – Program Management Improvement Accountability Act of 2016

In September 2022, the Office of Evaluation began preliminary research related to the Program Management Improvement Accountability Act of 2016 (PMIAA) (Pub. L. No. 114-264, 130 Stat. 1371 (2016)). Initially, we were interested in learning more about the U.S Department of Housing and Urban Development's (HUD) progress in implementing and complying with PMIAA requirements and related Office of Management and Budget (OMB) guidance. Our preliminary objective was:

1. To determine how HUD has implemented and complied with the requirements of PMIAA.

After completing informational interviews with you and other senior officials, as well as reviewing related documentation, we have determined that a full evaluation is premature at this time because HUD is still implementing key elements of PMIAA. We are including a summary of our research and observations based on four interviews and review of related documentation. We researched and reviewed the PMIAA legislation, PMIAA-related OMB guidance, and HUD's plans for implementing PMIAA. We also reviewed HUD's PMIAA-related program reviews and human capital efforts.

We appreciate the assistance you and your staff provided throughout our preliminary research efforts. Please do not hesitate to contact me at 202-402-5832 or BPattison@hudoig.gov or Christopher Backley, Director of the Program Evaluations Division, at 202-731-9804 or CBackley@hudoig.gov with any questions or concerns.

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Attachments –1

Attachment A – Related Research

Congress Intended the Program Management Improvement and Accountability Act of 2016 To Improve Federal Program and Project Management Practices

Congress intended the Program Management Improvement and Accountability Act of 2016 (PMIAA) to improve program and project management practices within the Federal Government by developing government-wide standards, policies, and guidelines for program management; establishing an inter-agency council to focus on improving program management; and requiring clearer identification of skills and competencies necessary for effective program management.¹

PMIAA required the Office of Management and Budget (OMB) to create government-wide program and project management standards, policies, and guidelines to provide resources for agencies to leverage to produce desired outcomes and achieve strategic goals and objectives. PMIAA also required agencies to conduct annual portfolio reviews of programs, in coordination with OMB, to ensure that agencies effectively managed major programs. As part of the required programmatic reviews, OMB and the agencies evaluate the maturity and effectiveness of an agency’s program management process with a focus on talent management and governance and portfolio management.²

In addition, PMIAA established a role responsible for improving the role of program management and managers and implementing program management policies—the Program Management Improvement Officer (PMIO). PMIAA required each agency to appoint a PMIO to implement agencies’ program management policies and develop a strategy for enhancing the role of program managers.

OMB Provided Guidance to Agencies for Implementing PMIAA

OMB released a 5-year strategic plan for PMIAA in 2018 and developed program management standards. The strategic plan called for OMB and Federal agencies to leverage three strategies for implementing PMIAA. The strategies focused on clarifying key roles and responsibilities, identifying principles-based standards, holding managers accountable for results, and building a capable program management workforce.

¹ PMIAA applies to the 24 Federal agencies covered by the Chief Financial Officers Act of 1990 except for the U.S. Department of Defense.

² There are three levels of maturity: foundational, moderately mature, and strategic. The foundational level is defined as the agency possibly not having the portfolios or infrastructure in place to generate the data necessary to conduct a portfolio review. An agency considered “moderately mature” has policies and procedures in place to review and approve major acquisitions and support portfolio management. In addition, the agency has established a training strategy, a review board, and a portfolio structure.

The strategic plan identified a three-phase approach to implement PMIAA across the three strategies, with learning from the initial years of implementation informing future phases.³ The initial focus of the strategic plan was on non-information technology (IT) major acquisition programs, with additional program areas added in future phases. The first phase required agencies to implement governance, program management standards, and talent management initiatives contained in the OMB guidance. Agencies were also required to inform OMB of their approaches through a PMIAA implementation plan.

In 2019, the U.S. Government Accountability Office (GAO) reviewed OMB's role in implementing PMIAA among the agencies. GAO found that while OMB had begun to implement all requirements of PMIAA, OMB needed to take additional actions to fully implement the legislation. At the time of the review, OMB had released its 5-year strategic plan for PMIAA and developed government-wide program management standards. However, GAO found that the OMB standards were not detailed enough when compared to accepted program and project management standards, and OMB's governance structure was insufficient for developing and maintaining the standards over time. GAO made eight recommendations to OMB, including further developing the standards to include more detail, creating a governance structure for program management standards, and establishing measures to track agencies' progress in program management. All recommendations remained open as of February 2023.

HUD Implemented Key Elements of the First Phase of PMIAA and Identified Its Program and Project Management Maturity Level

Our informational interviews with senior U.S. Department of Housing and Urban Development (HUD) officials revealed that HUD implemented key elements of PMIAA phase I—specifically, naming a PMIO, submitting a PMIAA implementation plan, conducting required programmatic reviews of two non-IT acquisitions, and implementing (1) program and project management standards and (2) talent management initiatives by identifying and taking inventory of program and project manager certifications. In addition, HUD and OMB assessed the agency's PMIAA maturity between level 1, "foundational building," and level 2, "moderately mature," in 2021.⁴

HUD appointed the General Deputy Assistant Secretary (GDAS) for the Office of the Assistant Secretary for Administration (OASA) as the PMIO in September 2018⁵ and issued its PMIAA implementation plan in November 2018. In 2019, HUD conducted a programmatic review of two small non-complex Office of

³ Phase I included covered agencies appointing PMIOs, participating on a Program Management Policy Council, reviewing portfolios for major acquisition programs, and the establishing a job series and/or job identifier by the Office of Personnel Management. Phase II focused on OMB coordinating an interagency process expanding portfolio reviews of programs, to include grants. Phase III focused on issuing a revised 5-year strategic plan with updated strategies, expanded portfolio reviews, and refinement of program and project management standards for additional program types.

⁴ As part of the required programmatic reviews, OMB and the agencies evaluate the maturity and effectiveness of an agency's program management process with a focus on talent management and governance and portfolio management. There are three levels of maturity: foundational, moderately mature, and strategic.

⁵ As discussed below, this appointment lasted for about 4 months, as the GDAS for OASA retired in January 2019.

Policy Development and Research procurement projects as required by PMIAA: the Family Self-Sufficiency Demonstration Study and the Multidisciplinary Research Team. The reviews examined the overall process—from defining requirements through execution, including the planning, solicitation, and evaluation phases—and found that both acquisitions were well managed. HUD was scheduled for additional portfolio reviews for fiscal year (FY) 2020, but OMB paused the reviews because of the COVID-19 pandemic. In 2020, HUD also issued Acquisition Instruction (AI) 20-01, Acquisition Program and Project Management Policy. AI 20-01 provided policy and tools to institutionalize the practice of acquisition program and project management, including requiring program offices to assign program and project managers for all acquisitions regardless of complexity and dollar value. To address elements of PMIAA’s talent management initiatives, HUD built on previously ongoing efforts to improve program and project management, which included collecting component level data to assess skills gaps and certification requirements for project managers.

HUD’s 2021 portfolio review found that HUD was more advanced than the previous maturity assessment indicated—between the “foundational building” level and “moderately mature” level of the Program Management Maturity Model. Through this assessment, HUD demonstrated multiple “moderately mature” level traits, including collecting data on the number of project managers and related certifications, as well as identifying training needs. In FY 2021, HUD trained approximately 149 employees. Senior officials also noted that over a 3- to 5-year period, the number of certified and qualified project managers at HUD increased from 30 to 327. Additionally, HUD implemented the Office of Personnel Management’s Competency Exploration for Development and Readiness tool to assess the skills of its workforce and fill any skills gaps. HUD also identified non-IT major acquisitions, created an initial portfolio structure, and linked the portfolios to strategic goals. However, HUD did not meet other “moderately mature” level governance criteria, such as having a senior management level review board in its governance structure.

The PMIO Role Is Vacant, and HUD Has Not Determined Which HUD Program Office Should House the PMIO Position

Since the initial PMIO appointment, there has been turnover in the senior officials responsible for the role. Multiple senior officials who have served in the PMIO or interim PMIO role since HUD began implementing PMIAA have retired from the agency, resulting in a void in leadership to continue moving the program forward. HUD originally appointed the GDAS for the OASA as the PMIO in September 2018. However, that official retired in January 2019. HUD did not appoint a new PMIO, and the Senior Procurement Executive (SPE) in the Office of the Chief Procurement Officer (OCPO) agreed to pick up responsibility for the role in March 2019. HUD eventually appointed a new OASA GDAS in November 2020. However, PMIO responsibilities did not transfer to the new OASA GDAS as originally intended. HUD reassigned a senior official from the Office of Housing to OASA to manage the PMIAA program in the interim, but that official retired at the end of 2021. The SPE reassumed PMIO responsibilities until transitioning to a detail in the Office of the Chief Financial Officer in March 2022 and then retiring in October 2022. Since that official’s retirement, no one has assumed the PMIO role and related PMIAA

responsibilities. Some senior officials we interviewed believed that the turnover has prevented HUD from making progress in implementing PMIAA and making departmentwide program and project improvements.

HUD continues to examine where in its organizational structure the PMIO role is best suited. OCPO has been primarily responsible for implementing PMIAA requirements at HUD and facilitating program and project management improvement for HUD programs. However, the senior officials we interviewed did not believe OCPO was the best office within HUD for the PMIO role. One senior official stated that because OCPO's primary function is related to contracting, the PMIO would not be as effective at developing broadly applicable program and project management improvements across HUD program offices. Another official stated that the PMIO position should be a full-time position and at a level at which the PMIO can achieve PMIAA's desired outcomes—not located somewhere lower in the organization with limited power.