

Highlights of GAO-15-506, a report to congressional committees

June 2015

FARM PROGRAM MODERNIZATION

Farm Service Agency Needs to Demonstrate the Capacity to Manage IT Initiatives

Why GAO Did This Study

Since 2004, FSA has spent about \$423 million to modernize IT systems through a program known as MIDAS. FSA planned for this program to replace aging hardware and software applications and to provide a single platform to manage all of the agency's farm programs. However, the agency experienced significant challenges in managing this program. In July 2014, the Secretary of Agriculture decided to halt MIDAS after the completion of a second software release.

GAO was asked to review the MIDAS program. This report (1) describes what led to the decision to halt further MIDAS development, (2) compares the functionality that MIDAS has implemented to its original plans, and (3) evaluates the adequacy of key program management disciplines in place for MIDAS and successor programs.

To do so, GAO analyzed agency policies and guidance; evaluated program management plans and related artifacts, program and contractor status reports, program milestone artifacts, and lessons learned; obtained a live demonstration of MIDAS; and interviewed agency and contractor officials.

What GAO Recommends

GAO is making five recommendations to FSA, including establishing and implementing a plan for adopting recognized best practices. GAO received written comments from the FSA administrator. While the agency did not explicitly agree or disagree with the recommendations, it cited steps it has taken or plans to take to implement best practices.

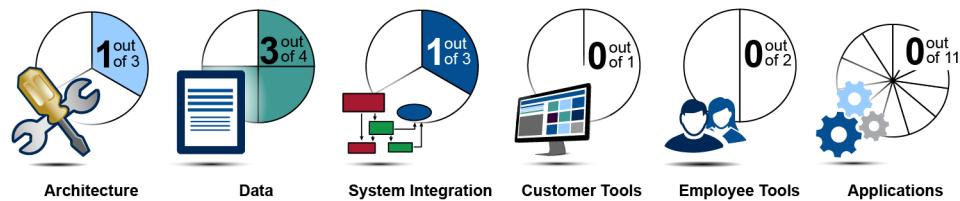
View [GAO-15-506](#). For more information, contact David Powner at (202) 512-9286 or pownerd@gao.gov.

What GAO Found

The key factors that led to the decision to halt the Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) program were poor program performance and uncertainty regarding future plans. The Farm Service Agency (FSA) experienced significant cost overruns and schedule delays, deferred the majority of the envisioned features, skipped key tests, and deployed software in April 2013 that was slow and inaccurate. In addition, FSA struggled to establish a new program baseline as estimates grew from \$330 million to \$659 million and time frames were delayed from early 2014 to late 2016. The United States Department of Agriculture (USDA) and FSA did not approve three different baseline proposals by the time the program was halted. By March 2015, MIDAS had overrun its baseline cost estimate by \$93 million.

FSA has delivered about 20 percent of the functionality that was originally planned for MIDAS. FSA envisioned MIDAS as a single platform to host data, tools, and applications for administering farm program benefits that would be integrated with USDA financial, geospatial, and data warehouse systems. However, FSA delivered a platform that hosts data for administering farm program benefits and is integrated with USDA's geospatial system; it does not host tools and applications for administering benefits, and is not integrated with USDA's financial system or data warehouse.

Figure: Comparison of Functions Planned and Delivered



Source: GAO analysis based on Farm Service Agency data. | GAO-15-506

FSA did not have key program management disciplines in place for MIDAS, and lacks the capacity to effectively manage successor programs. Of 18 key practices associated with sound IT acquisition and investment management and required by USDA or FSA policy, FSA implemented 2, partially implemented 7 practices, and did not implement 9 others. For example, USDA and FSA did not establish a complete set of requirements, perform key tests before deploying the system, or provide effective oversight as the program floundered for 2 years. Moving forward, FSA has begun planning how it will continue to automate, integrate, and modernize its farm program services through additional system development initiatives. However, the agency has not yet established plans to improve its management capabilities. Until FSA establishes and implements such a plan, the agency will continue to lack the fundamental capacity to manage IT acquisitions. Further, until FSA addresses shortfalls in key program management disciplines on successor programs to MIDAS, the agency will be at an increased risk of having additional projects that overrun cost and schedule estimates and contribute little to mission-related outcomes.