DATA CENTER OPTIMIZATION

Agencies Continue to Report Progress

Why GAO Did This Study

In 2010, OMB established a government-wide effort to reduce the number of duplicative or outdated federal data centers. In December 2014, Congress enacted federal IT acquisition reform legislation known as FITARA, which included provisions related to ongoing federal data center consolidation efforts. Less than two years later, OMB's Federal Chief Information Officer launched DCOI to build on prior efforts. Specifically, it required, among other things, that agencies consolidate and optimize existing facilities.

FITARA included a provision for GAO to annually review agencies' data center inventories and strategies. This report addresses (1) agencies' progress on data center closures and the related savings and agencies' plans for future closures and savings; and (2) agencies' progress against OMB's data center optimization targets.

GAO reviewed the 24 DCOI agencies' data center inventories as of March and August 2022, including their reported cost savings and data center optimization strategic plans, and interviewed relevant agency officials.

What GAO Recommends

GAO reiterates that agencies need to address the 16 recommendations previously made to them that have not yet been implemented. These include agencies taking action to meet optimization targets. Of the 24 agencies and OMB, six agreed with the report, two agencies provided technical comments, and 17 stated they had no comments.
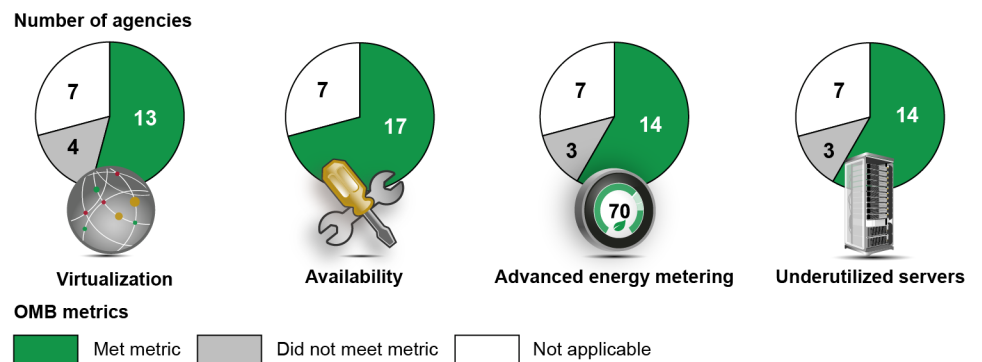
What GAO Found

Federal agencies continue to close data centers and report related cost savings under the Data Center Optimization Initiative (DCOI). In fiscal year 2021, federal agencies closed 58 data centers. In fiscal year 2022, agencies closed 20 data centers by August 2022, and planned to close 58 additional data centers through the end of the fiscal year. Moreover, 22 of the 24 agencies met their related cost savings goals for fiscal year 2021, identifying a total of $612.326 million in cost savings. Agencies also planned to meet their cost savings goals for fiscal year 2022; as of August 2022, they had identified $334.324 million in cost savings. Agencies have a cumulative total of $6.6 billion in cost savings and avoidances from fiscal years 2012 through 2021.

In fiscal year 2022, federal agencies reported mixed progress in meeting the Office of Management and Budget's (OMB) data center optimization targets. These targets consist of virtualization, data center availability, advance energy metering, and underutilized servers. As of September 2022, 13 agencies reported meeting the virtualization target, 17 met the availability target, and 14 met the metering and utilization targets. In addition, seven agencies do not have any agency-owned data centers or their remaining centers are exempted from optimization by OMB; therefore, reporting on optimization metrics for these agencies was not applicable. (See figure)

24 Agencies Reported Progress towards Meeting Office of Management and Budget (OMB) Data Center Optimization Targets, as of September 2022

Number of agencies

| Virtualization | Availability | Advanced energy metering | Underutilized servers |

OMB metrics: Met metric | Did not meet metric | Not applicable

Source: GAO analysis of data from OMB's Information Technology Dashboard. | GAO-23-105946

Note: A metric is not applicable if an agency does not have any agency-owned data centers or if its remaining centers are exempted from optimization by OMB.

GAO has made 126 recommendations since 2016 to help agencies meet their DCOI targets, and the agencies have implemented 110 of them. Once agencies fully address all previous GAO recommendations to meet their optimization performance targets, they should fully realize the expected benefits, including cost savings from DCOI.