

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WORKING CAPITAL FUND

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
<b>Strategic Goal EM: Embrace high standards of ethics, management, and accountability.</b>			
FTE			
Headquarters	247	273	273
Field	107	107	107
Subtotal	354	380	380
S&E Cost (Dollars in Thousands)			
Personal Services	\$35,000	\$38,437	\$39,633
Travel	1,500	1,500	1,500
Transportation of Things	120	150	170
Rent, Communications & Utilities	40,000	40,000	40,000
Printing	112	115	115
Other Services	206,329	268,101	234,573
Supplies	800	840	840
Furniture & Equipment	35,000	35,000	35,000
Subtotal	318,861	384,143	351,830
<b>Strategic Objective EM.3: Improve accountability, service delivery, and customer service of HUD and our partners.</b>			
IT Investment Management: Implement ITIM Maturity Framework to improve the selection and management of HUD's IT portfolio and to ensure that the Department's portfolio of IT projects adequately addresses HUD's business and workforce needs. This process has 5 levels. Five is the highest level of achievement. Indicator: ITIM maturity level.	Level 1 - Creat. Investment Awareness	Level 2 - Building Investment Foundation	Level 3 - Dev. Complete Investment Portfolio
Enterprise Architecture: Provide strategic IT blueprint of HUD systems from the business, application, data, and technology perspectives. Utilize this practice to guide the IT Investment Management process. Indicator: Core business target architectures developed	N/A	Mort and loan insur; Human resources mgmt	Finance resour mgmt;PIH Rental Assist;SFH
Security: Reduce risks and vulnerabilities through an effective critical infrastructure protection program for HUD's information and computing systems. Indicator: Computer security program milestones	N/A	5 milestones	5 milestones

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Data Systems Assessments: Conduct systematic, independent assessments of the quality of mission critical data within the Department. Indicator: Additional mission critical data systems that have been independently, systematically assessed.	N/A	+8 assessments	+8 assessments
Software Acquisition Capability Maturity Model: Improve the maturity of software acquisition processes in terms of an evolutionary path from ad hoc to mature. This process has five levels. Five is the highest level of achievement. Indicator: ITIM maturity level.	N/A	Level 1- Creat. Investment Awareness	Level 2 - Building Foundation Investment

NA = Not Available.

EXPLANATION OF PERFORMANCE

Means and Strategies

The Working Capital Fund proposes \$351.830 million in S&E funding to support Strategic Goal EM: Embrace high standards of ethics, management, and accountability.

IT Investment Management

HUD's established, rigorous Capital Planning and Investment Control (CPIC) process ensures that the Department's portfolio of IT projects adequately addresses HUD's business strategies, and is managed to achieve the expected benefits in accordance with accurate and complete cost, schedule, technical, and performance baselines. In addition to selecting an optimal portfolio of IT projects or investments, HUD monitors and controls its investments to ensure success. Control mechanisms have been established to minimize the likelihood of project failure or excessive cost and schedule overruns.

All investment decisions are based on cost, benefit, and risk assessments or driven by legislative mandates or other external drivers. Investment performance is measured regularly to ensure that all investments contribute to the overall strategic business plan of the agency. The CPIC process at HUD is a dynamic process. HUD's portfolio of IT investments is actively managed to ensure that resources are allocated to the mix of projects that will support the achievement of business goals. The portfolio composition and funding allocations are reviewed quarterly. Active portfolio management ensures that the Department is able to address changing business needs, emergent departmental requirements (legislation, regulations, guidance, court orders, etc.), and project performance considerations in a timely manner.

Enterprise Architecture

The Enterprise Architecture (EA) describes the current and planned design of the Department's business, information and technology. It is an information set that depicts the business activities, the information and data necessary to conduct the business activities, and the technologies necessary to support business operations. An EA enables HUD to clearly see and confirm what is intuitively known about the organization and its inner-workings.

As business conditions, priorities, and technologies change, the HUD CPIC process allows for frequent portfolio reviews and alterations that are subsequently reflected in the architecture. The EA is being used to drive investment decision making by ensuring that initiatives align with the business of the Department, by means of data and technical standards, analysis of redundancies and identification of opportunities. HUD's CPIC process has integrated essential information from the EA as projects are selected, controlled, and evaluated. The Department also has developed EA and IT standards to ensure the interoperability, compatibility and shared usage of technology resources. The architecture and standards provide a foundation for building HUD's IT applications and infrastructure, and are designed to ensure that information can be transferred between different networks, or different hardware and software systems, with accuracy, reliability and security. The standards provide for interoperability across a range of

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disparate systems. This approach is both proactive and value added in creating a stronger framework for aligning IT strategy and day-to-day activities with the overall business strategy.

### Security

The Department also benefits from a mature security program provided under the IT Security Policy Compliance and Operations initiative. A primary protection for HUD is assuring that only authorized users are granted access to important application systems, a security feature that is maintained throughout the lifecycle of each HUD system. Such protection is ensured by periodic security reviews, and periodic updates of security plans that delineate the security features of HUD systems. A second major benefit is that it addresses GISRA reporting requirements through security self-assessments, developing and reporting on an overall HUD security plan, and providing a 5-year plan for security. A third benefit is that this initiative provides for a periodic security review by an independent entity; therefore, security problems and shortcomings are revealed and addressed by HUD management.

### Data Systems Assessments

The Enterprise Data Management (EDM) Framework and Data Quality Improvement Program (DQIP) facilitates a HUD-wide data management practice that enables the quality, availability, and integration of the Department's data. Key components of the EDM practice are data architecture, data stewardship, and data standards and data quality. The EDM practice directly supports a key HUD enterprise architecture principle:

Information is an enterprise asset, leveraged across the information value chain, to improve performance, support decision-making and enable accurate reporting.

EDM/DQ primarily provides for the systematic, independent assessment of the quality of mission critical data at the Department. HUD plans to systematically assess all mission critical data in all HUD mission critical data systems for quality and implement corrective mechanisms to ensure high quality mission critical data. During fiscal year 2003 and fiscal year 2004, HUD plans to increase the number of mission critical data systems that have been independently, systematically assessed for data quality. This will enable the Department, in program areas and in IT service areas, to reduce the amount of time and cost devoted to "scrap and rework," by "doing it right" instead of "doing it over".

### Software Acquisition Capability Maturity Model

The Software Acquisition (SA) Capability Maturity Model (CMM) describes the principles and practices underlying software acquisition process maturity. It is intended to help HUD improve the maturity of its software acquisition processes in terms of an evolutionary path from ad hoc, chaotic processes to mature, disciplined software acquisition processes. The focus is on identifying key process areas and the exemplary practices that may comprise a disciplined software acquisition process. The maturity framework provided by SA-CMM establishes a context in which:

- Practices can be repeated, if an activity isn't repeated, there is no reason to improve it. There are policies, procedures, and practices that commit the Department to implementing and performing consistently.
- Best practices can be rapidly transferred across Program Areas. Practices are defined sufficiently to allow for transfer across project boundaries, thus providing some standardization for the Department.
- Variations in performing best practices are reduced. Quantitative objectives are established for tasks; and measures are established, taken, and maintained to form a baseline from which an assessment is possible.
- Practices are continuously improved to enhance capability (optimizing).

### Resource Management Information

The Working Capital Fund is requesting 380 FTE in fiscal years 2003 and 2004.