DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WORKING CAPITAL FUND

For additional capital, the Working Capital Fund (42 U.S.C) was established pursuant to section 7 for the development of, modifications to, and infrastructure for Departmentwide information technology systems, and for the continuing operation of both Departmentwide and program-specific information systems.

APPROPRIATION HIGHLIGHTS

	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004	INCREASE + DECREASE - 2004 vs 2003
		(Dollars in Thousands)		
Budget Authority				
From Appropriation Bill:				
Direct Appropriation	...	$276,300	$276,300	...
Program Transfers:				
Salaries and Expenses	85,000	10,500	...	-10,500
Inspector General	...	300	300	...
Housing Certificate Fund .	13,400	3,000	3,010	+10
Public Housing Capital				
Fund	52,700	18,600	10,610	-7,990
Native American Housing				
Block Grants	3,000	600	2,720	+2,120
Community Development Fund	13,800	3,400	4,900	+1,500
HOME Investment				
Partnership Program	17,000	1,100	2,100	+1,000
Homeless Assistance Grants	5,600	1,500	2,580	+1,080
FHA MMI	118,400	21,360	20,744	-616
FHA GI/SRI	41,000	14,240	16,946	+2,706
Disabled Housing	600	250	470	+220
Elderly Housing	600	250	470	+220
Interagency Agreements ...	306	306	306	...
Subtotal	351,406	75,406	65,156	-10,250
Subtotal	351,406	351,706	341,456	-10,250
Unobligated Balances (rounded)				
Unobligated Balance: SOY ...	23,700	58,245	27,808	-30,437
New Budget Authority	351,406	351,706	341,456	-10,250
Recovery: Prior Year Obl ...	2,000	2,000	2,000	...
New Obligations	-318,861	-384,143	-351,830	+32,313
Subtotal	58,245	27,808	19,434	-8,374

Working Capital Fund

OBLIGATIONS BY OBJECT CLASS

The following table shows estimated obligations for fiscal years 2001 through 2003 for the Working Capital Fund by object class:

	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004	INCREASE + DECREASE - 2004 vs 2003
		(Dollars in Thousands)		
Personal Services	$35,000	$38,437	$39,633	+$1,196
Travel and Transportation Of Persons	1,500	1,500	1,500	...
Transportation Of Things	120	150	170	+20
Rent, Communications, and Utilities	40,000	40,000	40,000	...
Printing and Reproduction	112	115	115	...
Other Services	206,329	268,101	234,573	-33,528
Supplies and Materials	800	840	840	...
Furniture and Equipment	35,000	35,000	35,000	...
Total Obligations	318,861	384,143	351,830	-32,313

STAFFING

	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004	INCREASE + DECREASE - 2004 vs 2003
Full-Time Equivalents........	354	380	380	0

SUMMARY OF BUDGET REQUEST

The fiscal year 2004 Working Capital Fund (WCF) request for the Department of Housing and Urban Development (HUD) is $341,456,000; comprised of $276.3 million in direct budget authority and $65.2 million in reimbursable authority transfers from HUD program areas and interagency agreements. This is a decrease of 3 percent from the expected fiscal year 2003 WCF funding level of $351.7 million.

The WCF is comprised of information technology (IT) projects that support the Department's multiple missions of helping more Americans reach the dream of homeownership, simplifying the home-buying process and countering predatory lending, ensuring affordable housing opportunities, strengthening and renewing our communities, offering a compassionate hand to those in need, and emphasizing the importance of maintaining high standards of ethics and accountability. IT is deeply embedded in virtually all Departmental business functions, processes, and activities. Planned IT development activities will allow HUD to adapt to changing business and user requirements, address General Accounting Office and Inspector General findings, and comply with legislative requirements, such as the Government Paperwork Elimination Act (GPEA), the Government Performance and Results Act (GPRA), the Section 504 and 508 accessibility requirements, Federal Financial Management Improvement Act (FFMIA), and the Government Information Security Reform Act (GISRA).

Recent and planned investments in technology are enabling HUD to replace outdated technology and accelerate progress in meeting the mission and goals of the Department. The following sections describe how initiatives in the IT portfolio are supporting HUD's strategic goals.

Strategic Goal H: Increase homeownership opportunities

Single Family Integration Initiative: Currently, FHA mortgages provide financing for first-time homebuyers, underserved populations and refinancing homeowners. HUD insures over one million FHA loans a year and therefore this is a critical aspect of HUD's business. Many of these homeowners are managed, processed and endorsed through systems and technologies that are over 15 years old. This initiative will replace several large legacy systems with more modern, cost effective solutions. The new system will provide enhanced support to the FHA loan process, enhance portfolio management in order to streamline its mortgage business operations, improve the integration of the loan origination process with mortgage industry business partners, and improve

process feedback to support management monitoring and performance evaluation. Enhancement and integration of the FHA systems supports the simplification of the home-buying process.

The FHA loan cycle can be broken down into several areas including lender approval, underwriting, credit reporting, property appraisal, fraud/predatory lending avoidance, endorsement of the loan, and portfolio management. This new system will identify problem lenders and high risk lending practices. This system will integrate CHUMS, IMF, SFIS and CHUMS allowing for on-line editing and reviewing and increased sharing of information among multiple systems. This new system will implement a modern origination system to support a paperless insurance process, complete with virtual case binders, and digitally signed mortgage documents. This system will be in compliance with the recently passed legislation and executive orders regarding eCommerce and the Federal Government. The system would strengthen FHA's ability to meet its goal of increasing affordable housing and homeownership.

FHA Connection. The FHA Connection is an automated, interactive, internet-based system that gives participating FHA lenders real-time access to FHA systems for the purpose of conducting official FHA business. FHA Connection assists in the home-buying process by reducing the time required for case processing and expediting the underwriting process. FHA Connection allows lenders to obtain case information in a timely manner providing the basic technical support for the mortgage origination process.

Using a single FHA assigned User ID, a business partner can submit official FHA business transactions to a variety of FHA automated systems. Using popular Internet browsers secure communication is accomplished with HUD systems through easily operated interfaces. The following Housing systems use the FHA Connection: Computerized Home Underwriting Management Systems (CHUMS or F17), Single Family Default Monitoring (F421D), Single Family Premium Collection System-Periodic (A80B), Single Family Insurance System (SFIS or A43), Institution Master File (IMF or F51), Single Family Premium Collection System-Upfront(A80R), and Neighborhood Watch. Information on HUD's portfolio of insured, subsidized, HUD-held, HUD-owned, Co-insured, and elderly properties is also available.

Currently, over 90 percent of the business transactions processed by CHUMS come from business partners using the FHA Connection. There are currently 9,000 lenders and 60,000 FHA Connection users. In fiscal year 2001, over one million mortgages were processed through the FHA Connection. Availability of the system is critical to the day-to-day operation of the multi-billion dollar FHA mortgage insurance business, a business targeted to the first-time homebuyer and those that have traditionally been underserved by the conventional market.

During fiscal years 2003 and 2004, this initiative plans to place origination reports on-line so they may be downloaded, add additional business partner functionality, support the eGovernment initiative, and add functionality to address the unique processing needs for condominiums.

Single Family Acquired Asset Management System (SAMS). SAMS is a critical financial system for operating the FHA single family mortgage insurance programs. SAMS tracks and reports on HUD-owned homes, and processes all financial transactions related to their repair, lease, listing, and sale. SAMS is integral to managing thousands of HUD homes and accounting for hundreds of millions of dollars of collections resulting from the maintenance and sale of these homes. SAMS supports the sale of HUD-owned homes to owner-occupant purchasers directly and through discounted sales to local government and non-profit housing providers. Proposed enhancements include data interchanges with the Management and Marketing contractors who oversee day-to-day operations Activities include reviewing evidence that the title has been properly conveyed, ensuring the property has been inspected, secured, maintained, and repaired as needed, accepting bids, calculating winning bids, scheduling closing, negotiating leases and processing evictions if needed. The data interchange enhancement will significantly improve the timeliness and accuracy of system data, eliminates duplicative data entry, complies with audit recommendations, and improves productivity.

Development Application Processing System. The Development Application Processing System provides HUD with an automated underwriting system that supports the processing and tracking of multifamily housing applications for FHA insurance. Through the Multifamily Housing Program, HUD provides mortgage insurance to facilitate the construction, substantial rehabilitation, purchase and refinancing of multifamily housing projects thereby increasing the share of available rental housing. In addition, DAP streamlines and facilitates the loan application process for the Elderly and Handicapped Housing Program.

Planned enhancements to the system include enhanced reporting abilities, streamlining of the underwriting process, web-enabled closing document system and a modification of the current security system. The enhanced reporting will allow easy access to existing reports and the development of new reports. DAP will allow for the electronic submission and review of all applications and improve data accessibility. Additionally, new functionality will be added to support the calculation of Capital Advance and PRAC amounts. Capital Advance awards assist in the development and rehabilitation of elderly and handicapped housing. Closing documents will be accessible online. This ensures accessibility by multiple partners, data accuracy, and quicker processing times. All these enhancements will simplify and streamline the home-buying process and aid the movement from rental housing to homeownership.

Tenant Rental Assistance Certification System. The Tenant Rental Assistance Certification system is the sole repository of all the tenant certification data for HUD's Office of Multifamily Housing. TRACS interacts with all of HUD's financial systems as well as external State and Federal Agencies. Enhancement to this system will ensure timely payments to property owners and management agents and allow for tenant certification reporting enforcement. By improving the timeliness of payments to property owners, TRACS will strengthen the rental housing program therefore optimizing rental unit availability. TRACS currently controls the payment process for approximately 250,000 Section 8 subsidiary payments annually, totaling some $5 billion. TRACS provides data on available housing programs and on eligible low-income families to owners and management agents of HUD's project based assisted housing projects.

In addition to the continued maintenance to TRACS for fiscal years 2003 and 2004, planned enhancements include modification of the voucher payment process to ensure timely payments to property owners, the development of the MFH Optimum Compliance tenant certification reporting enforcement capability, automation of HUD's year-end financial settlement with contract administrators, and tenant income calculation and matching services. In addition, the implementation of the MFH will satisfy audit recommendations and compliance with Section 508 of the Rehabilitation Act. Modifications to the current voucher payment process will streamline the payment procedure, improve service to the private sector business partners, strengthen the Assistance program, and reduce staff hours spent on complaints and problem resolution.

Disposition Program Compliance System. This system supports the Officer Next Door/Teacher Next Door program, which allows law enforcement officers and teachers to receive a discount off the list price of a home in exchange for occupying the home as their sole residence for at least 3 years. To date, over 6,055 law enforcement officers have purchased homes in 47 States and the District of Columbia. Additionally, over 1,800 teachers have bought homes in 43 States and the District of Columbia. This program provides approximately 3,500 homebuying opportunities annually to purchasers who are not homeowners. The system enables the Department to monitor compliance with the regulations set by this program by collecting eligibility-related data and utilizing databases to verify the information provided by a participant. The IT development to support the Officer Next Door/Teacher Next Door management controls complies with the eGovernment Strategic Plan. This program plans to develop an enhanced bid form, which will also serve as a pre-registrations form. This will require participants to submit information for certification and ensure that all participants comply with the eligibility requirements. The system will electronically survey publicly accessible databases to verify information provided by the participants. This will reduce staff time and expenses. For example, the system will automatically verify employment information with the named employee, thereby eliminating the need for telephone verification. Additionally, this system will reduce the noncompliance rate, which will translate into cost savings. Funds will not be wasted on participants that are not eligible and the system ensures that qualified people are successfully and efficiently moved from rental housing to homeownership.

Strategic Goal A: Promote decent affordable housing

Public and Indian Housing Information Center (PIC) Maintenance Initiative. PIC is the primary system for the Office of the Public and Indian Housing. Through the PIC Maintenance Initiative, several modules are maintained including: the (Risk Assessment) sub-module which provides a single source for all risk assessment information in support of PIH field office and Headquarters activities; the (Housing Authority) sub-modules which allows users to maintain and view logistical, contact, performance and funding information for each Housing Authority; the (Drug Elimination Reporting System) a web-based system used to collect drug elimination and crime reduction statistics; the (Event Tracking System) which enables the Troubled Agency Recovery, PIH Field Operations and Field Staff to track the activities of their staff by providing a detailed audit trail of daily activities including travel to and/or interaction with Public Housing Authorities; the (Section Eight Management Assessment Program) scoring module which is used to measure the performance of 2,600 Public Housing Authorities that administer more than $8 billion annually in Federal Section 8 rental assistance for 1.5 million low-income families nationwide; and the (Multifamily Tenant Characteristics System) which contains information on tenants who receive subsidized rental assistance for Public Housing and Section certifications, vouchers and moderate rehabilitation units.

The PIC maintenance effort provides continued support of all PIC functions and business partners by providing maintenance to the various modules. This ensures improved data quality, reduction of administrative burden, ease of system use, support of business changes, flexible, customer-focused data, automation of manual processes, and reliability. This initiative assists

families in public or assisted housing make progress towards self-sufficiency by providing on-line accessibility to local Public Housing Authority information. In addition, efficient and user-friendly computer based systems provide a more effective management tool to account for grant funds.

Public and Indian Housing Information Center (PIC) Enhancements. Through the PIC Enhancements initiative, enhancements to PIC are funded. Planned enhancements include improvements to the module used to run Capital Fund Program formula which provides funds to Public Housing Agencies for capital and management activities, including modernization of public housing; streamlining the Designated Housing applications process by allowing Housing Authorities to make their submissions on-line; augmenting the MTCS reporting system to include specialized formats for Moving to Work Demonstration participants (one-third of all housing units); improving monitoring of the Housing Choice Voucher Program by enabling tracking of units subject to Congressional Requirements, homeownership vouchers and transactions that affect the allocation of units including awarding of units, reallocation of units.

Tenant Eligibility Assessment Subsystem Initiative. The Tenant Eligibility Assessment Subsystem provides a means for conducting upfront income verification for the administrators of both Housing and PIH Programs. TASS prevents potential program by abuse by identifying households that are ineligible to receive rental assistance and assists the Department in reducing the number of program errors and improper payments in HUD's rental housing assistance program.

The large-scale Computer Matching Income Verification (CMIV) identifies differences between tenant Federal tax data and tenant reported/Public Housing Agency, owner, or management agent (collectively referred to as POAs) verified income. This process matches calendar year tenant income data provided by the Internal Revenue Service (IRS) and the Social Security Administration (SSA) with comparable tenant data maintained in HUD's PIH Information Center (PIC) and Tenant Rental Assistance Certification System (TRACS) databases. Results of the large-scale CMIV effort are used to conduct analyses related to financial statement requirements and for quality assurance purposes. TASS obtains Social Security and Supplemental Security Income (SS/SSI) from SSA and provides it to POAs prior to the POA determining a tenant's eligibility and level of rental subsidies. TASS also conducts field reviews at selected POA sites to measure and monitor errors in subsidy payments that result from POA rent calculation and billing error.

During fiscal year 2003, TASS plans to enhance its large-scale CMIV by collecting income from additional sources. These sources include two states and other Federal agencies such as Department of Veterans' Affairs (VA). TASS also plans to identify and implement additional matching services that will help POAs to verify tenant eligibility at the time of re-certification. These services will include Identity Match, Disability Match, Citizenship Match, and Death Match etc. TASS will also enhance its SS/SSI verification process to accommodate ad-hoc requests for Benefit History Reports and to monitor the usage of SS/SSI reports.

In fiscal year 2004, TASS plans to extend interfaces with more states to receive and process state wages data, provide capability to commingle income received from the Department of Defense with the income received from IRS and SSA, develop a national clearinghouse for tenants seeking rental subsidy from HUD, develop a comprehensive and rolling Risk Assessment Model to help identify PHAs and OAs that are at high risk of making errors in determining rental subsidy for its tenants.

Physical Assessment Subsystem Initiative. The Physical Assessment Subsystem is critical to the physical inspection of HUD's portfolio of housing. The system enables the Department to collect profile data for all public housing and multifamily properties for which HUD has a statutory obligation or financial interest and provides an automated capability to assess the physical condition of the properties. By collecting data to assess and monitor properties, PASS helps assure that the physical condition of properties is addressed.

PASS is growing with new initiatives, necessitating an effort to increase efficiency and effectiveness through use of shared code modules and database design elements. The existing PASS system infrastructure will be integrated and updated through the development of PASS Online and DCD Version 3.0, the continuation of the servicing mortgagee initiative, the expansion and refinement of the CLASS Lead-Based Paint module, and the inclusion of the Real Estate Owned pilot under the overall PASS umbrella. With such a diverse set of initiatives, many of which have parallel modules, one of the important efforts will be system integration through the development use of shared object oriented programming classes and procedures against a consolidated database. During the next two years, PASS will be expanded to include a lead-based paint module. In addition, the system will be converted to JAVA in order to improve system scalability and reduce maintenance costs and enhanced with 30 distinct system improvements that will enhance customer satisfaction with the system. During fiscal year 2003, PASS will incorporate post-processing analyses and electronic project tracking, integrate PASS database to interface REMS and PIC, link PASS with the Technical Assistance Center (TAC), and develop a financial module. During fiscal year 2004, PASS plans to convert all PASS modules to JAVA and develop a common PASS portal to convert data from the physical inspection database to the REAC consolidated data model.

Strategic Goal FC: Promote participation of faith-based and community organizations

Interagency Portals Initiative. In order to support the Department's efforts to strengthen and expand faith-based and community partnerships, HUD will continue to invest in the Interagency Portals initiative. As part of the Interagency Portals initiative, HUD's site for the Center for Faith-Based and Community Initiatives is maintained. The site provides information to faith-based and community organizations on how to find funding opportunities at HUD, other Federal agencies and philanthropic foundations; how to find donors; how to find volunteers; and, how to contact the faith-based liaisons for in their respective city and States. In addition, the site also provides other helpful information on proposal development and organization management. Through the Interagency Portals initiative, the site for the Interagency Council on the Homeless will also be maintained (in support of Strategic Objective 5.0).

Planned enhancements include the development of two new websites, the assessment of existing agency portals and gap analysis, the expansion of the current capabilities to included on-line applications for citizens, and activities to ensure compliance of all sites with Section 508.

Strategic Goal C: Strengthen communities

Special Needs Assistance Program System (SNAPS). Since 1987, the programs authorized under the McKinney-Vento Homeless Assistance Act have been a major source of Federal assistance to States, local government, and nonprofit organizations for meeting the needs of homeless individuals and families. It is widely recognized and accepted that these and other programs designed to assist homeless persons are more effective and efficient when carried out through carefully planned and systematic local approaches, otherwise known as Continuum of Care (CoC) systems. The Specials Needs Assistance Program System is used to capture, analyze and report on the data from approximately 500 continuums of care representing approximately 3,500 homeless assistance projects.

SNAPS plans to develop a web-based system, which will increase the efficiency of the SNAP and Annual Performance report (APR) systems and ensure a faster turn around rate when changes need to be made. The web-based system will be beneficial to HUD because there will be a reduction of information retrieval from multiple systems. The current SNAP system has limited access by headquarters staff only including the APR system. These will be integrated onto the same platform so that reporting will be more efficient, and accurate. In addition, Public Law 106-377 mandates that HUD develop an automated, client-level Annual Performance Report system. SNAPS plans to develop a client level HMIS/Annual Homeless Assessment Reporting system to meet this mandate. This will also improve the reporting of local continuum of care services and will enable HUD to better target the needs of the homeless. This initiative will provide the information necessary for HUD to effectively track individual homeless people and their characteristics. This information is critical to targeting the right type of technical assistance to local communities.

The Economic Development Initiatives. This project includes the Youthbuild (YB) and Rural Housing and Economic Development (RHED) Program. Under these two programs, HUD will award grants based on a competition for available funds. Youthbuild grantees may use their allocated funds to provide education and job training for the youth participants; and to assist in the acquisition, construction, rehabilitation, development and maintenance of housing for their communities' low-income and homeless population. The Rural Housing and Economic Development Program gives special consideration to colonias, Appalachia, Indian tribes and the Mississippi Delta. By increasing the availability of affordable housing in rural areas, RHED addresses homelessness. This initiative will provide a web-based system for awarding the grants for these programs. Three additional programs are included in the proposed new system. They are the Brownfields Economic Development initiative (BEDI), the Economic Development Initiative (EDI), and the Consolidated Economic Development Reporting (CEDR or EDsys). EDsys will consolidate Economic Development program information and provide a central repository for reporting.

Integrated Disbursement and Information System (IDIS). IDIS supports four HUD formula grants programs: 1) Community Development Block Grant, 2) HOME Investment Partnerships Program, 3) Emergency Shelter Grant, and 4) Housing Opportunities for Persons with AIDS. These programs strive to help communities assist their neediest populations through the funding of housing, economic development, public services and facilities, homelessness assistance, and special needs activities. Annually, funds disbursed through IDIS and related systems enable over 450,000 families to receive some form of housing assistance, including the rehabilitation, construction or acquisition of homes, homeownership or rental assistance. Additionally, funds disbursed through IDIS help create over 100,000 jobs, assist over 280,000 homeless individuals, and support

thousands of public improvement and service projects. IDIS Program Support and Training, provides State and Local governments with the ability to correctly access funds to implement the projects that directly benefit disadvantaged citizens. At present, grantees successfully manage nearly 200,000 projects using IDIS. Over 1,000 State and local governments, servicing nearly 200 million people, are presently online and use IDIS on a daily basis.

IDIS plans to invest in several key areas during fiscal years 2003 and 2004. This investment will streamline processing screens to facilitate accurate and timely reporting. Analysis has shown that the IDIS screens and navigation hinder the grantee in reporting their accomplishments. IDIS forces grantees to navigate through extraneous screens and fields and fosters the reporting of inaccurate and incomplete data. Investment in this project will allow HUD to accurately and instantaneously report on program accomplishments and Program Area Management Plan goals related to those accomplishments. In addition, the number of processing screens will be reduced, saving grantees a tremendous number of staff hours of data entry. It is anticipated that the grantees data entry burden would be reduced by 300 percent. IDIS plans to incorporate functionality to accommodate the American Dream Down payment Assistance program. Several modifications are required to allow IDIS to accurately capture and report funds spent on the American Dream Down Payment Assistance program. Proposed modifications include the simplification of directions; enhanced edits to require detailed beneficiary data related to down payment assistance and to improve data quality and prevent incorrect data from being entered into the system; the development of a windows-based system that is consistent with current computer technology and understandable by grantee staff; and the development of a robust report platform to allow grantees to create their own reports on program effectiveness and accomplishments. Support of IDIS ensures that grantees have ready access to program information and funds to complete their community development activities. These programs support projects and activities that build community infrastructures, provide better living conditions, and revitalize communities.

Empowerment Zones and Enterprise Community System. In 1994, 105 distressed communities across the nation were designated as Empowerment Zones and Enterprise Communities (EZ/EC). In January 1999, the initiative was expanded through a second round of designations to include 20 new urban and rural Empowerment Zones and 20 new rural communities. In December 2000, the initiative was expanded further to include 40 Renewal Communities and 9 more round III EZs. HUD's Empowerment Zone/Enterprise Community System is a web-based system that: (1) provides community and economic development information, resources, technical assistance and publications, (2) allows businesses, individuals and non-profit organizations to determine if they are in a Zone or Enterprise Community and therefore eligible for Federal tax incentives and grants to promote housing and economic development, and (3) allows the EZ/EC partners to review each others implementation plans to learn from and replicate successful economic and community development programs.

The Office of Economic Development currently have several competitive grants programs. They are Youthbuild (YB), Rural Housing and Economic Development (RHED), Brownfields Economic Development Initiative (BEDI), the Economic Development Initiative (EDI) and the Consolidated Economic Development Reporting (CEDR). This investment plans to develop a web-based system that combines the awarding of grants for YB, RHED, BEDI and EDI administered by the Economic Development office, with the accomplishment reporting from Consolidated Economic Development Reporting (CEDR). This will increase the efficiency of the current systems and ensure faster turn around when changes need to be made to the existing systems. This initiative will directly benefit the Office of Economic Development by providing an integrated database to capture grant applicant information. This integrated database will enable the Office of Economic Development staff to provide individual and aggregate program accomplishments on the programs, which are providing economic stimulus to local communities. This initiative will capture and report the number of jobs created, housing units built, commercial and industrial square footage made available, etc. Additionally, economic development specialists located in field offices, who do not currently have access to this information, will have immediate access to this data.

Neighborhood Networks. The current system serves as a repository of data for the Multifamily Housing programs. This program allows for public access to this information through computer centers. Many of the services provided by these technology centers promote educational and economic opportunities targeted to youths, seniors, and the disabled populations. Additionally, by providing activities for youths, centers help reduce property crime and vandalism. This improves the community environment. Some activities that are provided by the centers include after-school homework assistance, computer access for families that can't afford computers, academic and career advising programs, and partnerships with programs that foster interest in science and mathematics. Employers benefit from the centers providing skilled workers and often train participants to meet specific requirements by potential employers. This improves the local economy.

The current system does not interact functionally with Multifamily Housing systems for the managing of the multifamily housing portfolio. Beginning in fiscal year 2003, this investment will provide a complete Business Process Reengineering (BPR) of the Neighborhood Networks program and develop a Neighborhood Networks based eGovernment solution that is consistent with the President's Management Agenda and HUD IT management objectives. During fiscal years 2003 and 2004, this investment will provide a complete redefinition of Neighborhood Networks from a HUD policy and procedure prospective, fund a complete BPR and diagnostics for the Neighborhood Networks program, and build the first phase of the Neighborhood Networks eGovernment solution

covering HUD's business partners and HUD staff. This will ensure the seamless integration of the Neighborhood Networks with Multifamily Housing's business processes.

Strategic Goal EM: Embrace high standards of ethics, management and accountability

FHA Subsidiary Ledger. The FHA Subsidiary Ledger initiative will enable the Department to use a commercial off-the-shelf (COTS) software package to function as the core financial system that will capture and report on the Federal Housing Administration's (FHA) financial transactions in a manner consistent with Federal rules and regulations. When implementation is completed, this initiative will eliminate material weaknesses in FHA financial systems, eliminate manual accounting processes, strengthen controls and integrity, and improve efficiency and accuracy of FHA financial operations and reporting. Once the implementation of all phases of the project is complete, FHA will be able to meet departmental reporting requirements while maintaining responsibility for its own accounting and financial reporting (e.g., SF-133 Report on Budget Execution). This implementation will provide FHA with the ability to perform daily and real-time funds control, automate the reconciliation of fund and cash balances, conduct queries of detailed case-level financial data, and reduce the number of legacy mainframe systems (an on-going OMB concern) by incorporating their functionality into the COTS core financial system.

The Master Project Plan defines the purpose of the overall program, and the Phase 2 Project Plan defines resources, budget estimates, and tasks for current work on implementing the COTS General Ledger (GL) module. The Master Project Plan calls for FHA to implement the COTS package modules in several phases and to modify or replace feeder systems to achieve better integration in the financial systems that support FHA's business:

Phase 2: FHA is implementing new COTS software to perform its core accounting functions. Phase 2 includes two major milestones. In October 2002 FHA achieved the first major milestone by implementing a new general ledger using the U.S. Standard General Ledger chart of accounts and additional classifications essential to accounting for Federal credit programs. With this step, FHA now has the capability to record and track budgetary resources, control expenditures against available resources, and automatically produce reports for its financial statements all using the general ledger. FHA has also automated interfaces with its own insurance systems and with the departmental systems that process transactions against FHA funds, including the departmental general ledger. Later in Phase 2, FHA will implement other PS modules to improve accounting operations, cash management processes and contract accounting. During Phase 2 FHA will also upgrade to a new web-enabled version of the product (PS version 8.4) that will better support accounting and program operations in the field.

Phase 3: FHA will revisit the approximately 20 interfaces between the new core financial system and the insurance systems supporting financial operations within FHA's program offices. Many of these systems now perform accounts payable, payment, accounts receivable, billing, and collection functions that are fully supported within FHA's new COTS core financial system. FHA has tentatively identified several systems whose functionality can be performed by the COTS package. FHA needs to determine the level of effort required to migrate this functionality to PS. In other cases, FHA can modify the source system to provide timely and correctly classified accounting transactions without resorting to interfacing cross-walks, look-ups, and translations. Efforts to modify feeder systems to feed directly to the COTS package could be dependent on funding for those individual systems. These are currently unknown factors and will drive the content of future phases.

HUD Integrated Financial Management Information System Project(HIFMISP). This project will lead to the development of an integrated core general ledger that will manage HUD's financial information and that will be compliant with Joint Financial Management Improvement Program requirements. When implemented, this initiative will address recurring material weaknesses, ensure that sufficient controls and procedures are in place to prepare timely consolidated financial statements, improve efficiency and accuracy of data, and result in improved internal controls through integration with program subsidiary ledgers such as FHA and Ginnie Mae. The feasibility study for this initiative is considering all options, including the upgrade of the current legacy systems, using an application host, using cross-servicing, and acquiring a new JFMIP COTS application package.

HUD Integrated Human Resources and Training System (HIHRTS). The HIHRTS initiative will provide a comprehensive system that will re-engineer the Human Resources process, integrate all Human Resource information in a single platform, be available to managers and supervisors for strategic planning and employee development, and help ensure that HUD employees are used in the most effective manner possible. This initiative combines the needs of the HUD Office of Human Resources, the HUD Training Academy and all Program Offices to produce an integrated system that can address most human resources and training information systems needs. It will replace several legacy systems that are expensive to maintain. The current legacy systems are isolated, unable to communicate with one another, unable to create timely reports and do not process data quickly. This Initiative will provide a comprehensive system that re-engineers the Human Resources process, integrates all Human Resource information in a single platform, is available to managers and supervisors for strategic planning and employee development and to help ensure that HUD employees are used in the most effective manner possible.

The Initiative began in fiscal year 2002 with the purchase of a COTS package. Future plans focus on completing the installation and deployment of the HIHRTS. The implementation plan is to install the system in a modular fashion. For example, the Time and Attendance module may be the first to be implemented because it will replace the current Personal Computer Time & Attendance Remote Entry System (PC-TARE) that is outdated. Additional modules will be incorporated into the HUD environment on a scheduled interval according to need. The final modules to be implemented and any modifications are planned for fiscal year 2003. Plans for fiscal years 2003 and 2004 include support of the initial modules that were implemented in the previous year to ensure that all remaining modules are compatible with the initial modules, to provide user training, and to provide interfaces with multiple applications.

Internet/Intranet Maintenance. The Internet/Intranet initiative enables HUD to maintain and improve the capabilities of HUD's web sites (hud.gov and hud@work) and serves as a foundation for offering information and applications in support of the Department's strategic goals and e-Gov initiatives. The HUD web sites provide customers with the most current information available (24 hours a day, 7 days a week), as well as a means to submit feedback or request further assistance.

Benefits realized by funding this investment include empowering citizens, HUD's current and future business partners, and HUD's employees by providing information, services, and business processes they want and need to achieve their objectives in an efficient, timely, easy-to-use way. Citizens and business partners can access a wealth of information on the web, relieving HUD staff of the more mundane and routine activities and allows HUD staff to use their time to do more complex work. The most obvious benefit to HUD are the websites themselves. HUD.gov and HUD@work are an integral part to how HUD accomplishes its mission. A substantial portion of this funding is to keep these sites current, accurate, and operational.

This Initiative plans to increase the web sites' capabilities to serve the public and HUD staff through the application of new technologies. Baseline: HUD's web site is a tremendously useful tool as it is currently implemented. The performance target however is to begin using a content management system that will improve the efficiency of maintaining the web sites; to implement technology to enable virtual teams both within the Department and with business partners; and to use new technologies to deliver content in multiple channels. In addition, the investment in a content management system will lay the foundation for creating the ability to customize the external website. During fiscal year 2003, this initiative will implement a content management system for hud.gov, acquire and implement a new search engine, implement technology to enable virtual teams and redesign hud.gov. During fiscal year 2004, this Initiative will begin moving hud.gov and hud@work to databases and begin development work to more fully integrate and coordinate internet/intranet and kiosk content creation and delivery.

Strategic Goal FH: Ensure equal opportunity in housing

Title Eight Automated Paperless Tracking System (TEAPOTS). TEAPOTS is an automated case management system that processes housing discrimination inquiries and complaints. This initiative records, tracks, and processes housing discrimination case files and supports the completion of the investigative process by providing electronic management review and editing of the process and generation of results documents and reports. Investment in this initiative will allow for the standardization of the investigation and compliance review processes, allow for an electronic management review and editing of investigation progress, and the generation of final investigation documents and reports. This initiative provides for paperless communication and transmission of work internally and externally. It provides for integrated, interactive communications with the Office of General Counsel, thereby significantly improving the manner in which the interdependent activities operate. Enhancements that are planned for fiscal years 2003 and 2004 include infrastructure upgrades, the development of document scanning capabilities, the development of data pulling capabilities from other critical systems, and support of GISRA compliance.

Single Family Neighborhood Watch. The Single Family Neighborhood Watch initiative is a web browser-based risk assessment/decision support tool that identifies lenders, loan types, and locations that have a high incidence of single family insured mortgages that go into default. This initiative improves HUD customer service delivery by providing lenders and the public with on-line performance data on FHA insured loans by lender and area. Its primary purpose is to improve the quality of the single family mortgage insurance program operations by providing an automated tool for detecting and analyzing problems. Neighborhood Watch is the primary targeting tool used by HUD's Quality Assurance Division to target lenders for compliance reviews.

During fiscal years 2003 and 2004, this initiative plans to expand its existing system by adding performance views by program participants so HUD/FHA will be able to more accurately and efficiently monitor the performance of the individuals that are involved in the origination process such as loan officers, underwriters, non-profits, and appraisers. Neighborhood Watch will be used to target appraisers for the Appraisers Watch initiative that is currently under development. Additional enhancements include the modification of existing reports to include comparison data by category for originating lenders, a total lender display that includes counts of origination by lender, summary portfolio, and loss mitigation information, a count of pending claims feature that will view loans that were in default when the mortgage was terminated, and

the addition of an early risk attributes feature that will identify loans that may potentially be at risk.

    FHEO Maintenance. The FHEO Maintenance initiative is an automated, intranet management system that tracks the progress of grant recipients in removing impediments to fair housing choices and allow recipients (subject to Section 3 requirements) to report annual accomplishments regarding employment and other economic opportunities. This initiative combines two systems; Analysis of Impediments System (AIMS) and Section 3 Summary Report System. AIMS is used by FHEO to facilitate the elimination of the discriminatory practices as stipulated under the Civil Rights Act of 1968, as amended by the Fair Housing Act of 1988. The Section 3 Summary Report is designed to allow recipients subject to Section 3 requirements an electronic means to report annual accomplishments. This initiative enables HUD to facilitate the elimination of housing discrimination practices.

ADMINISTRATIVE EXPENSES

FTE/OBJECT CLASS	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
FTE			
Headquarters	247	273	273
Field	107	107	107
Total FTE	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
Total S&E Cost	$318,861	$384,143	$351,830

Overall Summary of Working Capital Fund Staff Requirements

	FTE			
	Actual 2002	**Estimate 2003**	**Estimate 2004**	**Increase + Decrease - 2004 vs 2003**
Headquarters……………………………....................................	247.2	273.2	273.2	0.0
Field ………………………….…..	107.0	107.0	107.0	0.0
Total ……………………………...	**354.2**	**380.2**	**380.2**	**0.0**

Summary of Working Capital Fund Staff Requirements

	Actual 2002	**Estimate 2003**	**Estimate 2004**	**Increase + Decrease - 2004 vs 2003**
Headquarters Employment				
Office of Administration	24.0	27.0	27.0	0.0
Chief Technology Officer				
Immediate Office	0.0	6.0	6.0	0.0
Administrative Services Staff	19.0	19.0	19.0	6.0
Capital Planning and Investment Management Division	8.0	9.0	9.0	0.0
Enterprise Architecture and Solutions Division	8.0	8.0	8.0	0.0
Office of Investment Strategies Policy and Management	16.0	17.0	17.0	0.0
Office of Systems Integration and Efficiency				
Office of Central Information Management	7.2	7.2	7.2	0.0
Contract Oversight/monitoring	10.0	12.0	12.0	0.0
Systems Integration	4.0	4.0	4.0	0.0
Real Estate Management, Fin. Admin Supp, R. E. Ins Di	60.0	65.0	65.0	0.0
Subtotal	**81.2**	**88.2**	**88.2**	**0.0**
Office of IT Security	12.0	15.0	15.0	0.0
Office of Information Technology				
Immediate Office	4.0	4.0	4.0	0.0
Customer Services Division	5.0	6.0	6.0	0.0
Telecom Processing Division	23.0	23.0	23.0	0.0
Departmental Platform and Processing Division	10.0	11.0	11.0	0.0
Systems Engineering, Oversight and Performance Management Division	9.0	9.0	9.0	0.0
Systems Integrity and Quality Assurance Division	20.0	22.0	22.0	0.0
Subtotal	**71.0**	**75.0**	**75.0**	**0.0**
Office of Chief Financial Officer	8.0	9.0	9.0	0.0
Total	**247.2**	**273.2**	**273.2**	**0.0**
Field Employment				
Administration				
Operations	107.0	107.0	107.0	0.0
Subtotal	**107.0**	**107.0**	**107.0**	**0.0**
Total	**354.2**	**380.2**	**380.2**	**0.0**

Detail of Working Capital Fund Staff Requirements

Workload Guideline	Workload Indicator	Fiscal Year 2002 Projected Accomplish-ment	Fiscal Year 2002 Projected Unit Cost (Hrs)	FTE	Fiscal Year 2003 Underfunded Workload/ Allocation	Fiscal Year 2003 Projected Accomplish-ment	Fiscal Year 2003 Projected Unit Cost (Hrs)	FTE	Fiscal Year 2004 Underfunded Workload/ Allocation	Fiscal Year 2004 Projected Accomplish-ment	Fiscal Year 2004 Projected Unit Cost (Hrs)	FTE
Provide IT Support	Number of HUD staff supported	7,375	12.75	45.0		7,375	12.75	45.0		7,375	12.75	45.0
Support IT infrastructure	Number of PCs, servers, printers, and laptops supported	11,320	11.44	62.0		11,320	11.44	62.0		11,320	11.44	62.0
				107.0				**107.0**				**107.0**
DAS Operations **Field Operations & Technical Support**				2.0				2.0				2.0
Coordinate the development and maintenance of systems	# of systems maintained and supported	26	1,770.00	22.0		26	2,010.00	25.0		26	2,010.00	25.0
				24.0				**27.0**				**27.0**
				131.0				**134.0**				**134.0**
Provide Program and Policy Support	NA	…	…			…	…	6.0		…	…	6.0
Perform Personnel Management	# of CIO Personnel	243	163.56	19.0		243	163.56	19.0		243	163.56	19.0
				19.0				**19.0**				**19.0**
Support, Develop and Report on the IT Portfolios Within HUD	# of Projects Over $5 Million Per Fiscal Year	32	520.00	8.0	3	36	520.00	9.0	8	36	520.00	9.0
				8.0				**9.0**				**9.0**
Develop, Support and Maintain HUD's Enterprose Architecture (EA)	NA	…	…	8.0	2	…	…	8.0	3	…	…	8.0
				8.0				**8.0**				**8.0**

Workload Guideline	Workload Indicator	Fiscal Year 2002			Fiscal Year 2003				Fiscal Year 2004			
		Projected Accomplish-ment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplish-ment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplish-ment	Projected Unit Cost (Hrs)	FTE
Establish and Implement an IT/IRM Policy and Governance Department-wide to Ensure Legislative Compliance	NA	…	…	16.0	6	…	…	17.0	6	…	…	17.0
				16.0				**17.0**	0			**17.0**
Coordinate the development and maintenance of enterprise systems and compliance programs	# of systems/programs maintained and supported	3	5,000.00	7.2		3	5,000.00	7.2		3	5,000.00	7.2
Project management	# of procurements	495	42.00	10.0	120	568	44.00	12.0	150	568	44.00	12.0
Coordinate the development and maintenance of systems	# of systems maintained and supported	4	2,100.00	4.0	2	4	2,100.00	4.0	4	4	2,100.00	4.0
Coordinate the development and maintenance of systems	# of systems maintained and supported	255	491.00	60.0	20	255	532.00	65.0	20	255	532.00	65.0
				81.2				**88.2**				**88.2**
Develop and Manage Critical Infrastructure Protection Assurance	# of IT Systems/Applications	192	131.00	12.0	16	240	130.50	15.0	60	240	130.50	15.0
				12.0				**15.0**				**15.0**
Provide Program and Policy Support	NA	…	…	4.0		…	…	4.0	1	…	…	4.0
Provide customer services to IT users	# of STARS tickets	13,886	0.75	5.0		14,000	0.90	6.0		14,000	0.90	6.0
Manage LAN, WAN, Internet, and Intranet services	% prime time system availability	99.90	168.00	8.0		99.90	168.00	8.0		99.90	168.00	8.0
Manage Technical Support and Network Infrastructure	HINET availability	99.90	146.00	7.0		99.90	146.00	7.0		99.90	146.00	7.0

Workload Guideline	Workload Indicator	Fiscal Year 2002			Fiscal Year 2003				Fiscal Year 2004			
		Projected Accomplish-ment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplish-ment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplish-ment	Projected Unit Cost (Hrs)	FTE
Manage Technical Support and Network Infrastructure for FTS2001 (Federal Telecommunications System Contract)	Repair outages	247	67.50	8.0 23.0		247	67.50	8.0 23.0		247	67.50	8.0 23.0
Manage Client Servers and Lotus Notes Applications Environment	# of Lotus Note Accounts Supported	14,000	0.75	5.0		14,000	0.90	6.0		14,000	0.90	6.0
Manage Production Systems Environment	# of Application Systems Supported	185	56.00	5.0 10.0	37	185	56.00	5.0 11.0	37	185	56.00	5.0 11.0
Provide Systems Development Standards, Guidance and Technical Assistance to the Development Community	# of Systems Supported	175	107.00	9.0	61	175	107.00	9.0	61	175	107.00	9.0
Operate Test Center	# of Applications, Plus COTS, That Go Through the Test Center	425	49.35	10.0	55	440	52.00	11.0	55	440	52.00	11.0
Provide automated change control management	# of Applications, Plus COTS, That Go Through the Test Center	425	49.00	10.0 20.0	55	440	52.00	11.0 22.0	55	440	52.00	11.0 22.0
				71.0				**75.0**				**75.0**
				215.2				**231.2**				**231.2**
Manage Working Capital Fund	# of Contract Action (HPS) processed	700	23.75	8.0 **8.0**		790	23.75	9.0 **9.0**	89	790	23.75	9.0 **9.0**
				354.2				374.2				374.2