

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Working Capital Fund (WCF)

For additional capital, the Working Capital Fund (WCF)(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.

	ACTUAL 2005	ESTIMATE 2006 (Dollars in Thousands)	REQUEST 2007	INCREASE + DECREASE - 2007 vs 2006
From Appropriation Bill:				
Direct Appropriation.....	\$270,000	\$197,000	\$219,780	\$+22,780
Rescission P.L. 109.148.....	-2,160	-1,970	0	-1,970
Subtotal	267,840	195,030	219,780	+24,750
Program Transfers:				
Salaries and Expenses.....	...	...	...	...
Inspector General.....	298	...	...	...
Housing Certificate Fund				
Tenant-Based.....	2,881	5,841	5,900	+59
Project-Based.....	1,984	1,386	3,960	+2,574
Public Housing Capital Fund.....	10,069	10,890	14,850	+3,960
Native American Housing Block Grants.....	2,579	...	...	...
Community Development Fund.....	3,437	1,584	...	-1,584
Housing Opportunities for Persons with AIDS (HOPWA) .....	...	...	1,485	+1,485
HOME Investment Partnerships Program.....	1,984	990	3,465	+2,475
Homeless Assistance Grants.....	2,480	990	2,475	+1,485
FHA MMI	14,880	18,098	23,562	+5,464
FHA GI/SRI	9,523	10,692	10,692	0
Disabled Housing	446	396	990	+594
Elderly Housing	446	396	1,980	+1,584
Interagency Agreements.....	306	366	192	-174
Subtotal.....	51,314	51,629	69,551	+17,922
Subtotal.....	319,154	246,659	289,331	+42,672
				...
<u>Unobligated Balances (rounded)</u>				
Unobligated Balance: SOY.....	32,231	20,711	22,970	+2,259
New Budget Authority.....	315,000	246,659	289,331	+42,672
Recovery: Prior Year Obl.....	17,008	12,000	12,000	0
New Obligations.....	-343,528	-256,400	-301,000	-44,600
Subtotal.....	20,711	22,970	23,301	-331
Outlays (net).....	262,000	213,000	206,000	-7,000

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APPROPRIATION HIGHLIGHTS

	ACTUAL 2005	ESTIMATE 2006 (Dollars in Thousands)	REQUEST 2007	INCREASE + DECREASE - 2007 vs 2006
Full-Time Equivalents.....	344	347	314	-33 <u>b/</u>

STAFFING

b/ As a result of the award of the HUD Information Technology Service contract, IT field office staff responsibilities have been realigned and certain IT activities will no longer be performed by HUD staff. Additional FTE reductions will be realized through IT Field Office and OCIO Buy-outs, attrition and realignment of some current Working Capital Fund employees to the Salaries and Expenses budget.

SUMMARY OF BUDGET REQUEST

The fiscal year 2007 Working Capital Fund request for the Department of Housing and Urban Development (HUD) is \$289 million; comprised of \$220 million in direct budget authority and \$69 million in reimbursable authority transfers from HUD program areas. The direct appropriation is a 13 percent increase from fiscal year 2006 level of \$197 million. The transfers increased by \$17 million over the fiscal year 2006 level of \$52 million.

The WCF is comprised of information technology (IT) projects that support the Department's objectives of: increasing homeownership, promoting decent affordable housing, strengthening communities, ensuring equal opportunities in housing, embracing high standards of ethics, management and accountability, and promoting participation of community and faith-based organizations. IT is deeply embedded in virtually all Departmental business functions, processes, and activities. HUD's investment principles focus on increasing development/reducing maintenance, the elimination or consolidation of redundant systems, and leveraging existing Governmentwide e-Government/Line of Business solutions. Planned IT development activities will allow HUD to implement these principles, as well as support implementation of the Presidential Management Agenda, adapt to changing business and user requirements, address General

Accounting Office and Inspector General findings, support government wide E-Government initiatives, and comply with legislative requirements, such as the E-Government, Privacy Act, Paperwork Reduction Act, 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). Over the past 2 years, HUD's program and administrative areas have initiated modernizations of the following areas: Financial Management, Grants Management, Rental Housing Assistance, Multifamily Housing, Single Family Housing, and Human Resources Management. HUD is committed to continuing these and other modernization efforts.

HUD conducts an annual formal portfolio selection process to select IT initiatives for the budget year. Using scoring criteria approved by the HUD's senior leadership, each project is evaluated to determine how it will enable the Department to achieve its strategic goals and objectives as well as specific IT related objectives. Enterprise Architecture is the primary driver in determining which projects would be approved for development, modernization and enhancement work. Only projects that demonstrated alignment with a target segment architecture and/or the future state technical architecture were selected for investment in development. A project's progress in meeting cost and schedule performance goals, having an experienced project manager, and progress in meeting security requirements were considered in the IT Select decisions. For this fiscal year 2007 submission, the IT Portfolio is organized by the Enterprise Architecture business function segments and core IT services. Viewing and managing the IT portfolio in this manner will provide opportunities to share common services, eliminate redundant functionality, and streamline business processes.

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 Summary of Positions by Grade
 Salaries and Expenses

<u>Grade:</u>	<u>Positions</u>		
	<u>2005 Estimate</u>	<u>2006 Estimate</u>	<u>2007 Request</u>
Executive Service	5	3	3
GS-15	54	54	52
GS-14	38	50	48
GS-13	99	98	92
GS-12	60	80	56
GS-11	11	9	11
GS-10	3	3	3
GS-9	21	21	20
GS-8	10	10	10
GS-7	12	12	12
GS-6	4	0	0
GS-5	8	4	4
GS-4	8	2	2
GS-3	10	1	1
GS-2	1	0	0
GS-1	<u>0</u>	<u>0</u>	<u>0</u>
Total Positions	344	347	314
Average GS Grade	12.4	12.6	12.6

HUD is providing funding in fiscal year 2007 to the following PMA E-Government Initiatives and Lines of Business (LoB):

- GovBenefits.gov
- Business Gateway
- E-Rulemaking
- Grants.gov
- Integrated Acquisition Environment
- E-Authentication
- Financial Management LoB

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- Grants Management LoB
- Human Resources Management LoB
- Geospatial One-Stop
- Enterprise Human Resources Integration

The PMA has established a framework for agencies to work together to develop common solutions that achieve mission requirements at reduced cost and deliver higher quality services for citizens, businesses, and federal employees. Benefits realized through the use of these initiatives are as follows:

- **Government to Citizen Portfolio**
GovBenefits.gov (Managing Partner DoL) - GovBenefits continues to increase awareness of available HUD benefit programs that support the agency's strategic goals to increase homeownership opportunities, promote decent affordable housing, and strengthen communities, as well as ensure equal opportunity in housing.
- **Government to Business Portfolio**
Business Gateway (Managing Partner SBA) - The Business Gateway portal provides relevant HUD housing and community development compliance information to the business community. In addition, HUD currently maintains 139 forms/instructions (139) in the BG Forms Catalog for increased awareness and availability.
E-Rulemaking (Managing Partner EPA) - HUD is one of the first agencies to migrate to the Federal Docket Management System (FDMS). Through its experience with E-Dockets and the implementation of FDMS (which centralize HUD's regulatory actions for public review and comment on the Internet) HUD's interaction with its public continues to increase when promulgating regulations that affect the building of communities and the promotion of affordable housing.
- **Government to Government Portfolio**
Grants.gov (Managing Partner HHS) - The Grants.gov initiative continues to benefit HUD and the applicant community by providing access to funding opportunities and electronic application packages through a central portal. All information needed to find opportunities for funding from over 50 competitive opportunities was made available using Grants.gov Find and Apply. The Grants.gov portal allows HUD to use a single mechanism to post and receive applications in a unified fashion, eliminating the need to build separate systems to receive and review applications for funding. The common application forms and process allowed HUD to develop a common standardized database from which both program reports and Department-wide reports are attainable. HUD programs use standard HUD forms and the SF 424 and SF 424 Supplement. Survey on Ensuring Equal Opportunity for Applicants. HUD has leveraged Grants.gov in the development of 11 agency specific forms and has used them 461 times; they use governmentwide forms 45 percent of the time for their application packages. As of September 2005 HUD had posted approximately 230 funding opportunities and 55 application packages on Grants.gov. HUD has received approximately 5,800 electronic applications from the grants community via Grants.gov.
Geospatial One-Stop (Managing Partner DOI) - HUD is a Federal spatial data producer/distributor and metadata contributor to the Geospatial One-Stop (GOS) geographic information portal. Sharing geospatial data allows Federal agencies to avoid costs and realize cost savings, as well as enhance overall Federal Spatial Readiness by making its large repository of current and historical data discoverable and accessible through the GOS Portal.
- **Internal Efficiency and Effectiveness Portfolio**
Integrated Acquisition Environment (Managing Partner GSA) - Through adoption of the tools and services provided by IAE, HUD continues to improve its ability to make informed and efficient purchasing decisions and to automate and streamline processes, including vendor and contract information, posting procurement opportunities, tracking and reporting subcontracting data, and evaluating vendor performance.
Enterprise Human Resources Integration (Managing Partner OPM) - EHRI provides for a common data repository of standardized core Human Resources (HR) data covering some 1.8 million Executive Branch employees. EHRI streamlines and automates several business processes by enabling the electronic exchange of information between agencies.
- **Cross-Cutting Portfolio**

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E-Authentication (Managing Partner GSA) - HUD is a member of the E-Authentication Federation and is planning and implementing an approved E-Authentication infrastructure for a common, interoperable authentication service that ensures that solution is appropriate for the level of risk and business needs.

● **Lines of Business**

Financial Management Line of Business (Managing Partner) - HUD has been an active participant in the FM LoB Project Team and has developed a business case consistent with direction established through this initiative. The HUD Integrated Financial Management Improvement Project (HIFMIP) was re-scoped to reflect an enterprise perspective to achieve "integrated financial management" for the Department, including all program and financial functions currently supporting the Department. The Department and the HIFMIP Program organization are migrating to an outside service provider to achieve economy of scale; the specific schedule is based on HUD's IT system lifecycle development process and ensures current independent financial systems modernization initiatives support the eventual transition to a single core financial system and qualified external service provider.

Grants Management Line of Business (Managing Partners HHS and NSF) - This initiative supports end-to-end grants management activities that promote citizen access, customer service, and agency financial and technical stewardship. HUD is actively participating in this initiative, specifically: defining requirements, streamlining processes, and improving reporting.

Human Resources Management Line of Business (Managing Partner OPM) - Implementation of the Department of Treasury's HR cross-servicing solution has significantly reduced investment risk, resulted in millions of dollars in cost avoidance, and delivered a mature human resources solution.

The Chief Information Officer (CIO) is responsible for carrying out all activities related to the strategic use of information technology (IT) resources. The Secretary has made a commitment to provide excellent service and results and to improve performance in program management that reflects the highest standards of ethics, management, and accountability. The CIO places the highest priority on these principles. The Office of the Chief Information Officer (OCIO) will:

- Promote a customer-driven work environment;
- Deliver timely, reliable, and high quality services and products;
- Manage human resources effectively;
- Strengthen HUD's knowledge and skills capacity;
- Provide innovative IT services that meet customers' needs; and
- Establish accountability across-the-board for achieving mission-critical goals.

The expected benefits from the approach and strategies described above are:

- Improved Control. Monitoring the metrics to evaluate staff performance against competency frameworks and organizational objectives.
- Better Spending. Cost reduction and rigorous management of training and development budgets is possible once a clear picture of business needs and individual skills is assessed.
- Improved Processes and Full Reporting. Ability to demonstrate the progress of the workforce and the alignment of the individual's competencies and skills to strategic goals.
- Better Utilization of Resources. With real-time skills and availability of data, the OCIO can select the best possible teams for projects and fill gaps as needed based on defined job descriptions and competencies.

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Performance Measurement Table**

Program Mission: Improve accountability, service delivery, and customer service of HUD and our partners.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2005 Plan	2005 Actual	2006 Plan	2007 Plan
IT Investment Management	External Assessment	Achieve ITIM Maturity Stage 3	Stage 3 Attained	Maintain Information Technology Investment Management (ITIM) maturity stage 3 and make progress toward ITIM maturity stage 4	80 percent of development, modernization, and enhancement (DME) (non-infrastructure) spending is coordinated through segment architectures and core IT services that focus on core business lines and core business functions.
Enterprise Architecture	Program Area and CIO Agreement	Complete target enterprise architectures for eight core business functions.	Completed target enterprise architectures for eight core business functions.	Complete IT target enterprise architecture	Continue progress in business system modernization in the areas of single family housing, multifamily housing, rental housing assistance, financial management, and grants management.

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Performance Indicators	Data Sources	Performance Report		Performance Plan	
Security	President's Management Agenda Scorecard	Ensure that all individuals with access to HUD sensitive systems have background investigations.	100 percent of major application systems documented in HUD's inventory of automated systems (IAS) have been certified and accredited and 100 percent of HUD employees and contractors completed IT security awareness and training	HUD will meet IT related security requirements as follows: 100 percent of major application systems documented in HUD's inventory of automated systems (IAS) will be certified and accredited; prioritize and remedy high priority areas; and ensure that 100 percent of HUD employees and contractors will have completed IT security awareness and training	HUD will meet IT related security requirements as follows: 100 percent of major application systems documented in HUD's inventory of automated systems (IAS) will be certified and accredited; prioritize and remedy high priority areas; and ensure that 100 percent of HUD employees and contractors will have completed IT security awareness and training

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.

Enterprise Architecture: Provide strategic IT blueprint of HUD systems from the business, application, data, and technology perspectives. Utilize this tool to guide the IT Investment Management process. Indicator: Target architecture completed.

Security: Reduce risks and vulnerabilities through an effective critical infrastructure protection program for HUD's information and computing systems. Indicator: Computer security program milestones.

EXPLANATION OF PERFORMANCE

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 over-runs.

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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.

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Portfolio - Fiscal Year 2007
(Dollars in Thousands)

Funding sources for the projects below are estimates. The funding source identified as appropriated is made up of fiscal years 2005, 2006, and 2007 2-year appropriated funds.

As a result of the appropriations language, and in order to absorb the increased costs of HUD's new infrastructure solution, portions of program transfer funds carried forward from fiscal 2004 into fiscal year 2005 were converted to use for HUD's infrastructure and maintenance of automated system.

Legislation is proposed for fiscal years 2006 and 2007 that will enable funds transferred to the WCF fund from previously enacted Appropriations Acts to be used for purposes authorized under the WCF fund, such as infrastructure and maintenance. The language in H.R. 4818, Consolidated Appropriations Act, 2005 states the following: For additional capital for the Working Capital Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Departmentwide information technology systems, for the continuing operation of both Departmentwide and program-specific information systems, and for program-related development activities, \$267,840,000 to remain available until September 30, 2006: Provided, That any amounts transferred to this Fund under this Act shall remain available until expended: Provided further, That any amounts transferred to this Fund from amounts appropriated by previously enacted appropriations Acts or from within this Act may be used only for the purposes specified under this Fund, in addition to the purposes for which such amounts were appropriated. This flexibility may continue to be needed in fiscal year 2007.

The categories below represent major business functions and IT Core Services described in HUD's target Enterprise Architecture. HUD is establishing Integrated Project Teams (IPT) for each major business function to manage the modernization of the individual projects and the retirement or replacement of legacy systems. Managing related projects together in these categories will accelerate modernization and reduce maintenance costs.

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	<u>FY 2005 Budget</u>	<u>FY 2005 Obligation</u>	<u>FY 2006 Appropriation/Request</u>	<u>FY 2007 Request</u>
GRAND TOTAL: Financial Management				
Activity				
Development	\$21,086	\$14,404	\$19,967	\$14,871
Maintenance	11,367	11,590	14,816	15,150
Funding				
Appropriated	21,740	15,442	18,887	23,593
Program Transfer	10,713	10,552	9,027	6,428
Carryover	...	...	6,870	...
Recoveries & Transfers				
GRAND TOTAL: WORKING CAPITAL FUND	32,453	25,994	34,784	30,021
<p>Description: HUD is taking an enterprise approach to addressing financial management, the business function by which HUD manages, controls and reports the Department's financial resources. The vision for financial management at HUD includes a core financial system that provides a comprehensive source for financial, budget and performance information. In fiscal year 2006, HUD, as a partner in the Financial Management Line of Business (FMLOB) initiative, will evaluate and select a System Integrator/Center of Excellence provider to assist HUD with the development of a migration plan and to transition the Department's four core financial systems to a single integrated system. In fiscal year 2007, HUD will begin the migration of the Office of the Chief Financial Officer financial systems to the new system and operating environment (\$9 million). In fiscal year 2008, a migration plan will be developed to transition FHA, Ginnie Mae and OFHEO to the single core financial system when each of these three has completed their data clean -up and standardization of business processes. Funding is also included in the fiscal year 2007 budget request to further integrate legacy Housing financial management systems into the newly implemented FHA Subsidiary Ledger so it will be ready for the transition to the single core financial system (\$5 million). Also included in this modernization category is a funding request for fiscal year 2007 to implement a new acquisition module (\$1 million) to replace the current antiquated one.</p>				

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	<u>FY 2005 Budget</u>	<u>FY 2005 Obligation</u>	<u>FY 2006 Appropriation/Request</u>	<u>FY 2007 Request</u>
GRAND TOTAL: Grants Management				
Activity				
Development	\$2,570	\$919	2,642	\$5,000
Maintenance	6,329	6,055	6,123	7,886
Funding				
Appropriated	1,168	1,168	1,450	2,450
Program Transfer	7,731	5,806	5,593	10,436
Carryover	...	...	1,722	...
Recoveries & Transfers				
GRAND TOTAL: WORKING CAPITAL FUND	8,899	6,974	8,765	12,886
<p>Description: The Department is taking an enterprise approach to addressing grants management through the grants management segment architecture and eGrants initiative. HUD is streamlining the delivery of grants management services to the public. This includes standardizing and simplifying the processes for grant announcements, application receipt and processing, administration and monitoring, and reporting. In support of the business streamlining, HUD is undertaking the eGrants initiative to provide an automated enterprisewide solution for Grants Management. The eGrants objective is to integrate the "find and apply" (or "front office") functionality provided by the Federal Grants.gov system and other Federal Grants Management activities with the backend grants processing functions at HUD.</p>				

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	<u>FY 2005 Budget</u>	<u>FY 2005 Obligation</u>	<u>FY 2006 Appropriation/Request</u>	<u>FY 2007 Request</u>
GRAND TOTAL: MultiFamily Housing Finance				
Activity				
Development	\$1,840	\$950	\$1,733	\$6,052
Maintenance	5,283	5,109	5,966	6,429
Funding				
Appropriated	1,595	1,595	800	2,111
Program Transfer	5,528	4,464	5,835	10,370
Carryover	...	...	1,065	...
Recoveries & Transfers				
GRAND TOTAL: WORKING CAPITAL FUND	7,123	6,059	7,700	12,481
<p>Description: Multifamily Housing encompasses the processes, systems, and technologies that primarily enable HUD to provide mortgage insurance to HUD-approved lenders to facilitate the construction, rehabilitation, purchase and refinancing of multifamily housing properties and healthcare facilities. It provides capabilities that promote the migration of renters of multifamily units to ownership through the administration of vouchers for down payments or mortgage payments, as well as certain capital grant programs dedicated to the building or maintenance of multifamily dwellings.</p> <p>In April 2005, HUD developed the segment architecture for the Multifamily Housing Finance line of business and is targeted for initiation in the first phase of the Enterprise Architecture transition plan. Implementation of this segment will enable HUD to respond to government audit report recommendations to improve its control and monitoring of multifamily housing operators, as well as demand greater accountability from fund recipients on the performance of their programs, in order to prevent fraud and reduce waste. Development work is planned for the Real Estate Management System (REMS) for \$1.5 million; Development Application Processing (DAP) for \$1.5 million; Financial Assessment Subsystem (FASS) - FHA for \$0.7 million; and five other multifamily systems under \$1 million each. In fiscal year 2006, there is only \$0.9 million in development for FASS-FHA.</p>				

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	<u>FY 2005 Budget</u>	<u>FY 2005 Obligation</u>	<u>FY 2006 Appropriation/Request</u>	<u>FY 2007 Request</u>
GRAND TOTAL: Rental Housing Assistance				
Activity				
Development	\$10,065	\$10,000	\$10,907	\$22,024
Maintenance	11,967	11,791	11,559	14,559
Funding				
Appropriated	3,814	3,720	2,000	3,020
Program Transfer	18,218	18,071	20,255	33,563
Carryover	...	...	210	...
Recoveries & Transfers				
GRAND TOTAL: WORKING CAPITAL FUND	22,032	21,791	22,465	36,583
<p>Description: Rental Housing Assistance encompasses the processes, systems, and technologies that allow HUD to provide decent and affordable rental housing to low- to medium-income families, primarily through the use of grants and subsidies (e.g., tenant and project-based vouchers). Additional capabilities allow HUD to insure loans used for the development, purchase, refinancing, and rehabilitation of rental housing; provide financial vehicles such as direct loans to fund the construction, purchase, operation, and maintenance of rental housing for the elderly and disabled; and develop housing strategies for individuals with HIV/AIDS.</p> <p>This business function is supported by the Office of Multifamily Housing and the Office of Public and Indian Housing, which are working together to complete a business process reengineering effort by June 2006, to guide the consolidation and streamlining of their functions. Thirteen projects are being integrated into the Rental Housing Assistance initiative, which will improve customer satisfaction, enhance program compliance and standardize internal communication, and enable the Department to further reduce the \$1.7 billion remaining estimated improper payments. Pending the completion of the business process reengineering effort; significant development funds are needed in fiscal year 2007 to implement the planned integrated systems supporting this business. These include PIH's initiatives Enterprise Income Verification (\$1.1 million), Inventory Management (\$2.5 million), Resource Allocation (\$4.3 million), and Oversight and Monitoring (\$1.9 million).</p>				

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	<u>FY 2005 Budget</u>	<u>FY 2005 Obligation</u>	<u>FY 2006 Appropriation/Request</u>	<u>FY 2007 Request</u>
GRAND TOTAL: Single Family Housing				
Activity				
Development	\$7,723	\$7,123	\$620	\$8,457
Maintenance	18,231	16,981	17,364	18,297
Funding				
Appropriated	16,830	16,000	5,827	18,000
Program Transfer & IAAs	9,124	8,104	10,919	8,754
Carryover	...	...	1,237	...
Recoveries & Transfers				
GRAND TOTAL: WORKING CAPITAL FUND	25,954	24,104	17,983	26,754
<p>Description: Single Family Housing encompasses the processes, systems, and technologies that enable HUD to primarily provide mortgage insurance to lenders on loans for the development/purchase/refinancing of new or existing homes, condominiums, and manufactured housing; financing of houses needing rehabilitation; and for reverse equity mortgages to elderly homeowners.</p> <p>The goal of the Single Family Integration initiative is to consolidate the large number of existing separate systems through the design, development and deployment of a unified systems design based on the Single Family Target Enterprise Architecture, resulting in reduced operational and maintenance costs, simplified systems administration, enhanced system flexibility and improved systems security. The Single Family Integration initiative will accomplish this, resulting in improved customer service an anticipated increase in FHA loan applications, and faster processing. Development in this category includes SF Integration for \$7.2 million. Other Single Family systems in this category including SF Insurance Claims Subsystem for \$1.1 million, SF Premium Collection Subsystem-Periodic for \$1.9 million will transition to the integrated solution.</p>				

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	<u>FY 2005 Budget</u>	<u>FY 2005 Obligation</u>	<u>FY 2006 Appropriation/Request</u>	<u>FY 2007 Request</u>
GRAND TOTAL: Core Services				
Activity				
Development	\$662	\$462	\$2,526	\$2,500
Maintenance	10,793	10,712	10,653	10,331
Funding				
Appropriated	11,455	11,174	12,604	12,831
Program Transfer & IAAs	...	...	...	...
Carryover	...	...	575	...
Recoveries & Transfers				
GRAND TOTAL: WORKING CAPITAL FUND	11,455	11,174	13,179	12,831
<p>Description: Core IT Services represents activities and their associated technologies, with the potential to be shared across HUD. These activities will be reviewed and undergo an architecture/planning phase similar to the line of business segments. In cases where the application of the IT service is different depending on the business process being supported, the architecture may heavily explore business rules and requirements. On the other hand, where an IT service is applied fairly consistently regardless of the business process being supported, an analysis and selection of an appropriate Commercial Off-the-Shelf (COTS) solution(s) that aligns with HUD's EA may be required.</p> <p>Development funding of \$1.5 million is for the Title Eight Automated Paperless Office Tracking System (TEAPOTS) to support the Office of Fair Housing and Equal Opportunity (FHEO) to enable on-line submission of discrimination complaints, improving customer service and \$1 million is for the technical improvements to increase the efficiencies and capabilities of HUD's web sites to serve citizens, business partners, and employees. Maintenance funding includes \$2 million for the Office of Policy Development and Research requirement for computer programming, statistical and database support.</p>				

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	<u>FY 2005 Budget</u>	<u>FY 2005 Obligation</u>	<u>FY 2006 Appropriation/ Request</u>	<u>FY 2007 Request</u>
GRAND TOTAL: Electronic Document & Records Management				
Activity				
Development	\$412	\$0	\$1,224	\$2,740
Maintenance	3,413	3,158	3,120	2,799
Funding				
Appropriated	3,824	3,158	3,345	5,539
Program Transfer	...	...	...	...
Carryover	...	...	999	...
Recoveries & Transfers				
GRAND TOTAL: WORKING CAPITAL FUND	3,824	3,158	4,344	5,539

Description: The Enterprise Electronic Document and Records Management initiative will enable HUD to effectively manage all of its documents and records in a consistent, legal, and logical manner, from creation to final disposition, using a common set of tools. This project leverages the standards and policies developed by Government wide Electronic Records Management (ERM) initiative, led by the National Archives and Records Administration (NARA) as part of the President's Management Agenda. The objective of Document Management is to promote collaboration and sharing, and to enable much of HUD's knowledge to be captured in digital format. The Enterprise Electronic Document and Records Management (EEDRM) initiative is requesting \$2.7 million in fiscal year 2007 to improve internal efficiency and effectiveness by simplifying processing procedures. Submitted documents can be accepted on line and become an immediate resident of the ERM system, where identification, processing, review and final approval can be managed and monitored effectively. Housing directives management is included in the first phase.

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	<u>FY 2005 Budget</u>	<u>FY 2005 Obligation</u>	<u>FY 2006 Appropriation/Request</u>	<u>FY 2007 Request</u>
GRAND TOTAL: Human Resources Management				
Activity				
Development	\$20	\$20	\$2,050	\$1,500
Maintenance	818	648	592	600
Funding				
Appropriated	838	668	2,473	2,100
Program Transfer	...	...	...	...
Carryover			169	
Recoveries & Transfers				
GRAND TOTAL: WORKING CAPITAL FUND	838	668	2,642	2,100
<p>Description: The Human Resource Management business function encompasses a comprehensive suite of processes, services and technologies to fully support the management of human resources across HUD. It makes available all HR information to managers and supervisors for workforce planning and employee development, and helps to ensure that HUD employees are used in the most effective manner possible. Specifically, Human Resources Management encompasses the functions, processes, and service components related to career development and retention, contingent workforce management, education and training, personnel administration, recruiting, retirement management, skills management, time reporting and workforce acquisition and optimization. HUD aligns these systems and processes with the Government wide Human Resources Line of Business (HRLob) initiative, led by the Office of Personnel Management (OPM).</p> <p>The HUD Integrated Human Resources and Training System (HIHRTS) represent the application target for the Human Resources Management at HUD. HUD is using the HRConnect services provided by the Department of the Treasury. HIHTRS is requesting \$1.5 million in development funds in fiscal year 2007 to begin completing the datamart needed to enable real time data reporting.</p>				

Working Capital Fund

	FY 2005 Budget	FY 2005 Obligation	FY 2006 Appropriation/Request	FY 2007 Request
GRAND TOTAL: IT Management				
Activity				
Development	...	...	...	...
Maintenance	\$206,067	\$202,942	\$123,375	\$106,814
Funding				
Appropriated	156,828	202,942	104,663	106,814
Program Transfer	...	...	...	...
Carryover	32,231	...	6,712	...
Recoveries & Transfers	17,008		12,000	
GRAND TOTAL: WORKING CAPITAL FUND	206,067	202,942	123,375	106,814
Description: The Information and Technology Management business function encompasses the processes, systems, and technologies that allow HUD to properly orchestrate the information technology resources (i.e., hardware and infrastructure) and systems it requires to effectively provide its services and execute its mission. Specific functions contained within the purview of IT Management are Systems Development, Lifecycle Change Management, IT Infrastructure Maintenance, System Maintenance, IT Security and Information Management. Request includes Infrastructure for \$100 million, Consolidated IT Management for \$5.7 million and IT Security for \$1.1 million.				

	FY 2005 Budget	FY 2005 Obligation	FY 2006 Appropriation/Request	FY 2007 Request
GRAND TOTAL: PMA eGov Initiatives				
Activity				
Development	\$2,501	\$2,501		\$2,847
Maintenance	--	--	\$3,188	--
Funding				
Appropriated	2,501	2,501	3,188	2,847
Program Transfer	--	--	--	--
Carryover				
Recoveries & Transfers				
GRAND TOTAL: WORKING CAPITAL FUND	2,501	2,501	3,188	2,847
Description: This category reflects HUD's contributions to government wide e-Government and Line of Business initiatives.				

Working Capital Fund

	<u>FY 2005 Budget</u>	<u>FY 2005 Obligation</u>	<u>FY 2006 Appropriation/Request</u>	<u>FY 2007 Request</u>
GRAND TOTAL: Salaries & Indirect				
Activity				
Development	...	...	...	...
Maintenance	\$43,093	\$38,163	\$40,945	\$40,475
Funding				
Appropriated	43,093	38,163	39,793	40,475
Program Transfer	...	...	...	...
Carryover	...	...	1,152	...
Recoveries & Transfers				
GRAND TOTAL: WORKING CAPITAL FUND	43,093	38,163	40,945	40,475
Description: This is the funding required for personnel costs for 314 FTEs in 2007, training, travel and supplies.				

	<u>FY 2005 Budget</u>	<u>FY 2005 Obligation</u>	<u>FY 2006 Appropriation/Request</u>	<u>FY 2007 Request</u>
GRAND TOTAL: WORKING CAPITAL FUND				
Activity				
Development	\$46,879	\$36,379	\$41,669	\$65,991
Maintenance	317,360	307,149	237,701	223,340
Funding				
Appropriated	263,686	296,531	195,030	219,780
Program Transfer + IAAs	51,314	46,997	51,629	69,551
Carryover	32,231	...	20,711	22,970
Recoveries & Transfers	17,008		12,000	12,000
GRAND TOTAL: WORKING CAPITAL FUND	364,239	343,528	279,370	324,301

Overall Summary of Working Capital Fund Staff Requirements

	Estimate 2005	Estimate 2006	Estimate 2007	Increase + Decrease - 2007 vs 2006
Headquarters.....	344.0	347.0	314.0	-33.0
Field	0.0	0.0	0.0	0.0
Total	344.0	347.0	314.0	-33.0

Summary of Working Capital Fund Staff Requirements

	Estimate 2005	Estimate 2006	Estimate 2007	Increase + Decrease - 2007 vs 2006
<u>Headquarters Employment</u>				
Chief Information Officer				
Office of the Chief Information Office	8.7	2.0	2.0	0.0
Chief Information Security Officer	10.9	10.9	10.9	0.0
Administrative Services	2.5	10.0	10.0	0.0
Strategic Planning	1.0	1.0	1.0	0.0
Office of IT Security	10.9	10.6	10.6	0.0
Office of Enterprise Architecture	7.3	7.3	7.3	0.0
Office of System Integration and Efficiency	111.1	111.1	85.1	-26.0
Investment Strategies Policy & Mgmt	15.1	15.1	12.1	-3.0
Office of IT Reform	9.9	9.9	9.9	0.0
Office of Information Technology	151.1	150.1	140.1	-10.0
Subtotal	328.5	328.0	289.0	-39.0
Office of Administration				
DAS for Operations Immediate Office	1.1	0.0	0.0	0.0
Chief Procurement Officer	4.4	9.0	15.0	+6.0
Subtotal	5.5	9.0	15.0	+6.0
Office of Chief Financial Officer				
Working Capital Fund Division	10.0	10.0	10.0	0.0
Subtotal	10.0	10.0	10.0	0.0
Total	344.0	347.0	314.0	-33.0

Detail of Working Capital Fund Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2005 -----			----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Headquarters Employment											
Chief Information Officer											
Office of the Chief Information Officer											
	Provide CIO Immediate Office program policy and guidance	NA		8.7			2.0				2.0
	Subtotal			8.7			2.0				2.0
Chief Information Security Officer											
	Provide IT Security Program and Policy Support	NA		7.2			7.2				7.2
	Provide IT Security services	NA		3.7			3.7				3.7
	Subtotal			10.9			10.9				10.9
Administrative Services											
	Provide Administrative Services to the OCIO	NA		2.5			10.0				10.0
	Subtotal										
Strategic Planning											
	Provide Strategic Planning for the OCIO	NA		1.0			1.0				1.0
	Subtotal										
	Office of IT Security			10.9			10.6				10.6
Office of Enterprise Architecture											
	Provide Enterprise Architecture Program and Policy Support	NA		2.3			2.3				2.3
	Provide Enterprise Architecture Management oversight	NA		5.0			5.0				5.0
	Subtotal			7.3			7.3				7.3
Office of System Integration and Efficiency											
	Provide OSIE Security Program and Policy Support	NA		8.8			8.8				6.8
	Develop and manage BPR and systems integration	NA		7.4			7.4				5.4

Workload Guideline	Workload Indicator	----- Fiscal Year 2005 -----			----- Fiscal Year 2006 -----				----- Fiscal Year 2007 -----			
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Maintain FHA/Housing systems	# of FHA/Housing systems	47	1,168.87	26.3		47	1,168.87	26.3		47	1,168.87	19.3
Maintain CPD systems	# of CPD systems	11	1,631.16	8.6		11	1,631.16	8.6		11	1,631.16	6.6
Maintain FHEO systems	# of FHEO systems	5	673.55	1.6		5	673.55	1.6		5	673.55	1.6
Maintain Administration systems	# of Admin systems	8	640.01	2.5		8	640.01	2.5		8	640.01	2.5
Maintain OGC/DEC systems	# of OGC/DEC systems	3	261.81	0.4		3	261.81	0.4		3	261.81	0.4
Maintain PIH/REAC systems	# of PIH/REAC systems	14	493.73	3.3		14	493.73	3.3		14	493.73	3.3
Maintain GNMA systems	# of GNMA systems	2	503.36	0.5		2	503.36	0.5		2	503.36	0.5
Maintain OIG systems	# of OIG systems	0	0.00	0.0		0	0.00	0.0		0	0.00	0.0
Maintain CFO systems	# of CFO systems	21	1,384.35	13.9		21	1,384.35	13.9		21	1,384.35	8.9
Perform FOTS contract administration	NA			5.8				5.8				4.8
Develop and maintain executive automated systems	# of executive systems	31	376.87	5.6		31	376.87	5.6		31	376.87	5.6
Develop and maintain administrative services systems	# of administrative systems	45	549.53	11.8		45	549.53	11.8		45	549.53	7.8
Provide WCF management operations support	NA			5.1				5.1				4.1
Provide WCF contract/procurement oversight	NA			9.5				9.5				7.5
Subtotal				111.1				111.1				85.1
Investment Strategies Policy & Mgmt												
Provide Office of Policy and E-Gov't program and policy guidance	NA			0.4				0.4				0.4
Oversee IT/IRM policy program oversight and E-Gov't functions	NA			13.7				13.7				10.7
Perform WCF GAO/IG audit coordination	NA			1.0				1.0				1.0

Workload Guideline	Workload Indicator	----- Fiscal Year 2005 -----			----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Subtotal				15.1			15.1					12.1
Office of IT Reform												
Provide Investment Management program and policy guidance	NA			2.7			2.7					2.7
Provide Investment Portfolio program and policy guidance	# of systems in portfolio	9	1,680.00	7.2		9	1,680.00	7.2		9	1,680.00	7.2
Subtotal				9.9			9.9					9.9
Office of Information Technology												
Provide IT Operations program and policy guidance	NA			2.0			2.0					2.0
Provide customer service to IT users	# of IT users supported	14,000	3.83	25.7		14,000	3.83	25.7		14,000	3.83	25.7
Manage LAN/WAN, Internet and Intranet services	# of servers maintained	633	33.09	10.0		633	33.09	10.0		633	33.09	10.0
Manage communications systems and infrastructure	NA			6.5			6.5					4.5
Manage production systems environment	NA			6.5			6.5					4.5
Provide systems development guidance and standards	NA			9.8			9.8					7.8
Operate Test Center	NA			3.6			3.6					2.6
Provide day-to-day IT security operations	NA			5.5			5.5					4.5
Provide automated Change Control Management	NA			1.9			1.9					1.9
Provide Management and Oversight of Field IT program policy and guidance	NA			0.0			0.0					0.0
Provide Management and Oversight of Field hardware/software installation and problem resolution	# of employees served	6,747	13.77	44.5		6,747	13.77	44.5		6,747	13.77	44.5
Provide Management and Oversight of Field WAN/LAN support	# of STARS tickets resolved	9,547	2.63	12.0		9,547	2.63	12.0		9,547	2.63	12.0
Perform Field IT infrastructure maintenance	# of Offices supported	88	346.77	14.6		88	346.77	14.6		88	346.77	14.6
Provide Field IT program policy and guidance	NA			8.5			8.5					5.5
Subtotal				151.1			150.1					140.1

Workload Guideline	Workload Indicator	----- Fiscal Year 2005 -----			----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
<u>Office of Administration</u>												
DAS for Operations												
Immediate Office												
Provide DAS/Ops WCF program policy and guidance program and policy guidance	NA			1.1			0.0				0.0	
Subtotal				1.1			0.0				0.0	
Office of the Chief Procurement Officer												
Administration Support Division												
Perform Contract Placement Activities - ASD WCF				1.5			4.5				6.0	
Perform Contract Administration Activities - ASD WCF				2.7			4.3				5.7	
Provide Procurement Management Support - ASD WCF				0.2			0.2				3.3	
Subtotal				4.4			9.0				15.0	
<u>Chief Financial Officer</u>												
Working Capital Fund Division												
Manage Working Capital Fund	# of Contract Action (HPS/SPS) processed	162	124.59	9.7		162	124.59	9.7		162	124.59	9.7
Perform Special Projects and Qual/Control / Audit Supt	NA			0.3			0.3				0.3	
Subtotal				10.0			10.0				10.0	

Working Capital Fund

EMPLOYMENT

EXPLANATION OF CHANGES FROM 2005 BUDGET ESTIMATE TO 2006 ESTIMATE

The Working Capital Fund (WCF) Division's FTE level of 350 FTE for fiscal year 2006 shows no change with the fiscal year 2005 FTE level, but is a 30 FTE reduction from the requirements identified by the recently completed Resources Estimation and Allocation Process (REAP) Study. The FTE numbers requested for each office represent an effort to staff each component of WCF as close to their identified REAP requirement as possible.

The 30 FTE reduction cuts the Field Operations by 29 percent from the identified REAP requirement. However, it is expected that the new infrastructure contract will provide the services formerly provided by these FTE resources.