

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 Department wide and program-specific information systems.

	ACTUAL 2006	CR ESTIMATE 2007	2007 President's Budget	REQUEST 2008	INCREASE + DECREASE - 2008 vs 2007
	(Dollars in Thousands)				
From Appropriation Bill:					
Direct Appropriation. P.L. 109.115.....	\$197,000	\$181,000	219,780	\$220,000	+220
Hurricane Emergency Supplemental P.L. 109.234.....	6,000	...	...	...	...
Rescission P.L. 109.148.....	-1,970	...	...	...	...
Subtotal	201,030	181,000	219,780	220,000	+220
Program Transfers:					
Salaries & Expenses	2,500	...	...	...	...
Housing Certificate Fund					
Tenant-Based.....	5,841	...	5,900	6,494	+594
Project-Based.....	1,386	...	3,960	3,960	0
Public Housing Capital Fund.....	15,890	...	14,850	16,847	+1,997
Community Development Fund.....	1,584	...	...	1,570	+1,570
Housing Opportunities for Persons					
with AIDS (HOPWA) .....	...	...	1,485	1,485	...
HOME Investment Partnerships Program.....	990	...	3,465	3,465	...
Homeless Assistance Grants.....	990	...	2,475	2,475	...
FHA MMI	18,098	...	23,562	25,550	+1,988
FHA GI/SRI	10,692	...	10,692	15,692	+5,000
Disabled Housing	396	...	990	600	-390
Elderly Housing	396	...	1,980	1,400	-580
KDHAP/DVP Vouchers.....	900	...	...	...	...
Interagency Agreements.....	0	0	192	192	...
Subtotal.....	59,663	69,000	69,551	79,730	+10,179
Total.....	260,693	250,000	289,331	299,730	+10,339
<u>Unobligated Balances (rounded)</u>					
Unobligated Balance: SOY.....	20,711	41,016	41,016	53,016	+12,000
New Budget Authority.....	260,693	250,000	289,331	299,730	+10,399
Recovery: Prior Year Obl.....	18,620	12,000	12,000	12,000	...
New Obligations.....	-259,008	-250,000	-301,000	-300,000	+1,000
Subtotal.....	41,016	53,016	41,347	64,786	+23,399
Outlays (net).....	246,040	182,000	206,000	262,000	+56,000

Working Capital Fund

APPROPRIATION HIGHLIGHTS

STAFFING

	<u>ACTUAL 2006</u>	<u>ESTIMATE 2007</u>	<u>PRESIDENT'S REQUEST</u>	<u>REQUEST 2008</u>	<u>INCREASE + DECREASE - 2008 vs 2007</u>
Full-Time Equivalents.....	308	...	314	280	-34 a/

a/ 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 anticipated 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 2008 Working Capital Fund request for the Department of Housing and Urban Development (HUD) is \$299.7 million; comprised of \$220 million in direct budget authority and \$79.7 million in transfers from HUD program areas. The direct appropriation estimate for fiscal year 2007 remains at the level requested in the President's Budget for fiscal year 2007, and is an increase of \$38.8 million over the 2007 Continuing Resolution estimate. The transfers increased by \$10.2 million over the President's Fiscal Year 2007 budget and increased by \$10.8M over the Continuing Resolution estimate. The web address for HUD's business cases is <http://www.hud.gov/exhibit300/>.

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 Accountability 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 HUD has achieved full compliance with the Federal Information System Management Act (FISMA). One hundred percent of HUD systems have received IT security certification and accreditation. Over the past 3 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 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 2008 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.

Working Capital Fund

WORKING CAPITAL FUND
Portfolio Summary - Fiscal Year 2008
(Dollars In Thousands)

	<u>FY 2006 Budget</u>	<u>FY 2006 Obligation</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Request</u>
GRAND TOTAL: WORKING CAPITAL FUND				
Activity				
Development	\$56,937	\$29,239	\$65,633	\$67,868
Maintenance	203,756	195,652	223,698	231,862
ACTIVITY TOTAL:	260,693	224,891	289,331	299,730
Funding				
Appropriated	201,030	169,380	219,780	220,000
Program Transfer + IAAs	59,663	55,509	69,551	79,730
Carryover	20,711	20,133		
Recoveries & Transfers	18,620	13,986		
FUNDING TOTAL:	300,024	259,008	289,331	299,730

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 that crystallizes in HUD's Vision 2010: *Business IT Modernization Strategy*. HUD's Vision 2010 investment principals are:

- Create Value, not just reduce costs;
- Build once, service many;
- Strengthen performance and compliance;
- Reduce complexity;
- Increase flexibility and agility; and
- Capitalize on multi-sourcing where it makes business sense.

The strategic goals that supplement the principals described above are:

- Rapidly modernize HUD's information technology to support key HUD business initiatives;
- Transform the information technology infrastructure to adapt to and adopt emerging technologies;
- Develop a cadre of highly capable IT professionals with mission critical competencies needed to meet the Department's goals; and
- Provide secure, rapid, and reliable data and information to our customers, citizens, and business partners.

Working Capital Fund

WORKING CAPITAL FUND
Portfolio - Fiscal Year 2008
(Dollars in Thousands)

Funding sources for the projects below are estimates. The source of funding for the WCF is transfers from HUD programs and appropriated funds that remain available for 2 years.

Legislation is proposed for fiscal years 2007 and 2008 that will enable funds transferred to the WCF 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, 2006 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 Department-wide information technology systems, for the continuing operation of both Departmentwide and program-specific information systems, and for program-related development activities, \$219,780,000 to remain available until September 30, 2007: 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 2008. Further flexibility is requested to make all funds transferred to the WCF no less than amounts. This provides program offices the ability to add funds as changing requirements are identified.

The following categories 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.

<u>Business Functions</u>	<u>FY 2008 Request</u>
1. Financial Management	41,179
2. Grants Management	13,722
3. Multifamily Housing Finance	14,840
4. Rental Housing Assistance	26,962
5. Single Family Housing	15,463
6. Enterprise Business Solutions	145,292
7. Human Resources Management	2,496
8. Shared Services	2,276
9. Salaries and Indirect	<u>37,500</u>
Business Functions Total:	299,730

Working Capital Fund

The following tables describe these IT functions in more detail.

	<u>FY 2006 Budget</u>	<u>FY 2006 Obligation</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Request</u>
1. Financial Management				
Activity				
Development	\$20,287	\$8,882	\$15,013	\$19,124
Maintenance	16,047	15,371	22,470	22,055
ACTIVITY TOTAL:	36,334	24,253	37,483	41,179
Funding				
Appropriated	17,287	5,974	25,455	21,257
Program Transfer	19,047	18,279	12,028	19,922
Carryover	6,459	6,459		...
Recoveries & Transfers	3,000			
FINANCIAL MANAGEMENT FUNDING TOTAL:	45,793	30,712	37,483	41,179
<p>Description: HUD is taking a Departmentwide approach to addressing financial management, the business function by which HUD manages, controls and reports the Department's financial resources associated with: an annual budget of \$36 billion; \$85 billion in unexpended balances from prior years; and nearly three quarters of a trillion dollars in mortgage insurance and mortgage-backed securities program risk exposure. The vision for financial management at HUD includes a core financial system that provides a comprehensive source for financial, budget and performance information. The requirement to maintain four financial systems does not represent the best use of the Department's resources. Through establishment of standard financial processes and procedures, HUD is working to transition to a standard IT solution to support integration to a single core financial system supported by a shared service provider.</p> <p>The major initiatives included in this line of business are the HUD Integrated Financial Management Improvement Program (HIFMIP) and FHA Financial Operations Modernization. Increases in development funding are necessary in order to meet multiple Federal mandates, for example, full alignment with the Federal Credit Reform Act and implementing new requirements under the Debt Collection Reform Act. This initiative fully aligns with the PMA Financial Management Line of Business and the issued guidance for selecting a financial management service provider.</p>				

Working Capital Fund

	<u>FY 2006 Budget</u>	<u>FY 2006 Obligation</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Request</u>
2. Grants Management				
Activity				
Development	\$10,041	\$2,936	\$9,300	\$7,385
Maintenance	6,223	5,510	9,019	6,337
ACTIVITY TOTAL:	16,264	8,446	18,319	13,722
Funding				
Appropriated	10,671	3,176	5,394	4,727
Program Transfer	5,593	5,270	12,925	8,995
Carryover	1,722	1,722		...
Recoveries & Transfers				
GRANTS MANAGEMENT FUNDING TOTAL:	17,986	10,168	18,319	13,722
<p>Description: The HUD e-Grants modernization initiative will produce an enterprisewide solution for the agency's grants management line of business. The initiative will automate grants management processes in the four program offices that perform most of their operations manually as well as upgrade the six legacy systems supporting two other offices.</p> <p>This effort will improve the delivery of HUD's core business functions by maximizing interoperability with Grants.gov and other Federal and non-Federal systems. In addition, HUD will minimize redundancies by centralizing data storage, increasing data availability, and increasing service delivery by simplifying the process of finding, applying for, and managing more than \$26 billion in HUD grants.</p> <p>To achieve this result, in fiscal years 2007 and 2008, HUD will develop a functional analysis of all HUD grants systems and a modernization strategy that will align with the HUD Modernization Strategy and the Federal Enterprise Architecture. Once implemented, this initiative will benefit citizens and strengthen communities by facilitating a more-effective delivery of grants programs.</p> <p>Consistent with the approach for an enterprisewide solution for agency grants management, this line of business now includes the Resource Allocation system, which primarily deals with formula grant funding for public housing. This system was formerly in the Rental Housing Assistance line of business. This initiative fully aligns with the PMA Grants Management line of business and its approach for consolidating grants management systems around consortia service providers.</p>				

Working Capital Fund

	<u>FY 2006 Budget</u>	<u>FY 2006 Obligation</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Request</u>
3. Multifamily Housing Finance				
Activity				
Development	\$500	\$247	\$5,350	\$7,993
Maintenance	4,206	4,198	5,826	6,847
ACTIVITY TOTAL:	4,706	4,445	11,176	14,840
Funding				
Appropriated	488	475	2,823	4,965
Program Transfer	4,217	3,968	8,353	9,875
Carryover	1,065	1,065		...
Recoveries & Transfers	1,486	1,486		
MULTIFAMILY HOUSING FINANCE FUNDING TOTAL:	7,256	6,994	11,176	14,840
<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 downpayments or mortgage payments, as well as certain capital grant programs dedicated to the building or maintenance of multifamily dwellings.</p> <p>In fiscal years 2007 and 2008, the Office of Multifamily Housing will concentrate on the following activities: processing a wide variety of applications for assistance, capital advances and mortgage insurance; underwriting mortgage loans and monitoring project construction; evaluating performance, compliance and risk potential of approximately 30,000 rental housing projects throughout the country; and administering rental subsidy payments for roughly two-thirds of these projects. In fiscal years 2007 and 2008, \$5.1 million and \$10 million respectively will be used for modernization and integration of 8 MF Housing systems.</p> <p>The major initiative in this line of business is the Integrated Real Estate Management System (IREMS).</p>				

Working Capital Fund

	<u>FY 2006 Budget</u>	<u>FY 2006 Obligation</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Request</u>
4: Rental Housing Assistance				
Activity				
Development	\$15,609	\$10,351	\$18,426	\$14,463
Maintenance	11,639	10,789	14,029	12,499
ACTIVITY TOTAL:	27,248	21,140	32,455	26,962
Funding				
Appropriated	6,089	1,953	4,964	
Program Transfer	21,159	19,187	27,491	26,962
Carryover	210	210		...
Recoveries & Transfers	3,000	2,500		...
RENTAL HOUSING ASSISTANCE	30,458	23,850	32,455	26,962
FUNDING TOTAL:				
<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 assistance (e.g., tenant and project-based vouchers). Additional capabilities allow HUD to insure loans used for the development, purchase, refinance, 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. The major initiatives in this line of business are Inventory Management, Oversight and Monitoring, Enterprise Income Verification (EIV), and the Physical Assessment Sub-System (PASS). For fiscal year 2008 Resource Allocation, which automates the formula-based and discretionary funding processes for allocating program funds to Public Housing Authorities and was previously included in this line of business, was transferred to the Grants Management line of business to stay consistent with the approach for an enterprise-wide solution for agency grants management.</p>				

Working Capital Fund

	<u>FY 2006 Budget</u>	<u>FY 2006 Obligation</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Request</u>
5. Single Family Housing				
Activity				
Development	\$4,401	\$3,111	\$7,957	\$5,000
Maintenance	8,128	7,694	11,063	10,463
ACTIVITY TOTAL:	12,529	10,805	19,020	15,463
Funding				
Appropriated	2,882	2,000	10,266	2,183
Program Transfer & IAAs	9,647	8,805	8,754	13,280
Carryover	1,850	1,519		...
Recoveries & Transfers	1,134			
SINGLE FAMILY HOUSING FUNDING TOTAL:	15,513	12,324	19,020	15,463
<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. The goal of the Single Family modernization effort 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. As a result of this investment, the Department will realize the following impacts: (1) a significant reduction in operational and maintenance costs; (2) a simplified system administration; (3) reduced total costs of ownership; (4) enhanced system flexibility and adaptability; (5) improved systems security; (6) additional support for field operations; (7) an enhanced ability to respond to emerging business requirements; and (8) an improved program support and oversight.</p> <p>The major initiative in this line of business is Single Family Integration. The investment integrates the legacy systems supporting the SF mortgage origination process, resulting in decreased system operations and maintenance costs, and improved integration of the loan origination process.</p>				

Working Capital Fund

	<u>FY 2006 Budget</u>	<u>FY 2006 Obligation</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Request</u>
6. Enterprise Business Solutions				
Activity				
Development	\$4,049	\$3,026	\$5,738	\$9,622
Maintenance	118,927	115,640	120,217	135,670
ACTIVITY TOTAL:	122,976	118,666	125,955	145,292
Funding				
Appropriated	122,976	118,666	125,955	144,596
Program Transfer & IAAs		...	...	696
Carryover	4,109	4,109		...
Recoveries & Transfers	10,000	10,000		
ENTERPRISE BUSINESS SOLUTIONS FUNDING TOTAL:	137,085	132,775	125,955	145,292
<p>Description: Enterprise Business Solutions encompasses IT services that span the entire Department - Headquarters and Field offices. Elements of this line of business include technology infrastructure, core IT services, enterprise records management, and the strategic integration of Investment Management and Enterprise Architecture principles to HUD's IT Strategic Planning, Project Management, Data Quality Management, and Departmental E-Government and Policy functions. It creates a centralized, consolidated source of information on IT projects and OCIO business and IT modernization management services.</p> <p>Infrastructure, the largest component of the line of business, provides database management, enterprise engineering, telecommunications, TV/Video conferencing, desktop and notebook support, performance modeling, technology assessment, system acceptance, integration and testing, facilities management, printing and distribution, configuration management, program management, LAN/WAN administration, tape management, and Wide Area Network circuits to HUD's 9,164 employee workforce and to nationwide business partners.</p> <p>This line of business, new for fiscal year 2008, represents the merging of three previous business lines: Core Services, Electronic Document & Records Management, and IT Management. This combination encompasses an enterprise approach to bringing technology solutions and planned modernization to for the entire Department, Headquarters, Field and business partners. This initiative fully aligns with the PMA Electronic Records Management initiative, ensuring compliance with established policies and procedures.</p>				

Working Capital Fund

	<u>FY 2006 Budget</u>	<u>FY 2006 Obligation</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Request</u>
7. Human Resources Management				
Activity				
Development	\$2,050	\$686	\$1,500	\$2,005
Maintenance	348	268	600	491
ACTIVITY TOTAL:	2,398	954	2,100	2,496
Funding				
Appropriated	2,398	954	2,100	2,496
Program Transfer	...	...	...	...
Carryover	169	169		
Recoveries & Transfers				
HUMAN RESOURCES MANAGEMENT FUNDING TOTAL:	2,567	1,123	2,100	2,496

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. 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 Governmentwide Human Resources Line of Business (HRLOB) initiative, led by the Office of Personnel Management (OPM).

The major initiative in this line of business is the HUD Integrated Human Resources and Training System (HIHRTS). This initiative fully aligns with the PMA Human Resource Management Line of Business through the implementation of an HR shared service provided in 2005 and the further expansion of the solution to enable/improve the strategic management of human capital.

Working Capital Fund

	<u>FY 2006 Budget</u>	<u>FY 2006 Obligation</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Request</u>
8. Shared Services				
Activity				
Development	...	...	\$2,349	\$2,276
Maintenance	\$3,207	\$2,992		
ACTIVITY TOTAL	3,207	2,992	2,349	2,276
Funding				
Appropriated	3,207	2,992	2,349	2,276
Program Transfer	...	...	...	...
Carryover				...
Recoveries & Transfers				
SHARED SERVICES FUNDING TOTAL:	3,207	2,992	2,349	2,276
Description: This is the funding required to support the President's Management Agenda e-Gov initiatives described below.				

HUD is providing funding in fiscal year 2008 to the following E-Government Initiatives and Lines of Business (LoB) in the President's Management Agenda, which seeks to achieve systems' efficiencies and improved public service within the government:

- GovBenefits.gov
- Business Gateway
- E-Rulemaking
- Grants.gov
- Integrated Acquisition Environment
- Enterprise Human Resources Integration
- E-Authentication
- Financial Management LoB
- Grants Management LoB
- Human Resources Management LoB
- Geospatial LoB
- IT Infrastructure LoB
- E-Training

Working Capital Fund

In addition, HUD is participating in developing an efficient solution for complying with the Federal Funding Accountability and Transparency Act of 2006 (FFATA). The President's Management Agenda has established a framework for agencies to work together to develop common solutions that achieve mission requirements at reduced costs 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.gov creates public awareness for 30 of HUD's benefit programs, as well as provides on-line potential eligibility determination capabilities for these 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. For the year ending September 2006, over 575,000 citizens viewed HUD benefit program pages on GovBenefits.gov, which generated over 126,000 referrals to HUD program pages.
- **Government to Business Portfolio - Business Gateway (Managing Partner SBA).** Business Gateway's primary focus on compliance provides another avenue for HUD to highlight and communicate to the business community the requirements of housing and community development rules and regulations. Business.gov now houses 258 HUD compliance links providing cross-agency effectiveness to American businesses. Many of the organizations working with HUD operate as business entities, and by creating access to consolidated regulatory compliance information, Business Gateway directly benefits HUD's "customers" who are subject to complex regulatory requirements across multiple agencies. By making 385 forms available on Forms.gov, HUD saves agency time in forms management and customers realize additional time and cost savings through paper reduction. Additionally, Business.gov's search technology is expected to provide HUD with valuable user statistics and feedback.

E-Rulemaking (Managing Partner EPA). Participation, implementation and use of the federalwide Federal Docket Management System (FDMS) and Regulations.gov continue to provide cost avoidance to HUD. HUD dockets now reside within FDMS, a centralized, online Docket management system providing a higher degree of efficiency with rulemaking processes by providing citizens and government agencies the ability to search, view, download and submit comments on proposed federal rules. HUD has published a total of 363 *Federal Register* rules and notices for the period from January 2006 through September 2006 and has posted a total of 1,386 public submissions on *Regulations.gov*.

- **Government to Government Portfolio. Grants.gov (Managing Partner HHS).** The Grants.gov initiative benefits 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 Departmentwide reports are attainable. As of September 2006, HUD had posted 35 synopses and 33 application packages on Grants.gov and received 4,709 electronic applications from the grants community via Grants.gov. HUD is almost one hundred percent compliant with Grants.gov, making it a leader in the Federal IT community. In fact, HUD was the first agency to run all competitive grant application processes through the Grants.gov portal.
- **Internal Efficiency and Effectiveness Portfolio. Integrated Acquisition Environment (Managing Partner GSA).** Through the adoption of the tools and services provided by IAE, HUD improves its ability to make informed and efficient purchasing decisions and allows it to replace manual processes. If HUD were not allowed to use the IAE systems, the agency would need to build and maintain separate systems to record vendor and contract information, to post procurement opportunities, track and report subcontracting data, and evaluate vendor performance. HUD's purchasing officials would not have access to shared databases of important information supporting acquisition decision-making and would return to paper-based and labor-intensive work efforts, greatly taxing an already overburdened workforce.

E-Travel (Managing Partner GSA). HUD has selected and is implementing a common, web-based, travel management service with features that will provide HUD with a more efficient end-to-end travel process. E-Travel provides a self-service reservation system and travel authorization and vouchering system with a single interface to HUD's business systems, which will benefit HUD by reducing capital investments and lower operating costs for travel.

Working Capital Fund

E-Training (Managing Partner OPM). The E-Training initiative continues to provide HUD with a centralized, robust training environment that deploys a simplified and one-stop access to e-Training products and services. E-Training is enhancing HUD's ability to attract, retain, manage, and continuously educate the highly skilled professionals needed for a flexible and high-performing Departmental workforce.

Recruitment One-Stop (Managing Partner OPM). HUD continues to realize increased efficiencies and reduced costs with the use of USAJobs, the federalwide, state-of-the-art online recruitment service for Federal job seekers that includes online job postings, job search capabilities, resume warehousing, online application submission, automated eligibility and status feedback, applicant data mining and sophisticated, automated assessment tools.

Enterprise Human Resources Integration (Managing Partner OPM). HUD is preparing to implement EHRI's electronic official personnel file (eOPF) that will transform HUD's current OPF paper-based processes to electronic-based processes and allow all HUD employees the ability to view their records online 24 hours a day, 7 days a week to ensure data accuracy, be accessed and exchanged among Federal agencies, and support the reoccurring data systems of the Retirement Systems Modernization (RSM). HUD is anticipating cost efficiencies through a streamlined HR process for creating, storing, accessing, sharing, and archiving OPF data. HUD is also anticipating cost efficiencies through improved workforce analysis/planning capabilities provided by the consolidated EHRI data warehouse containing HR data on all Executive Branch civilian employees and accompanied by a robust set of tools.

- **Lines of Business.** Financial Management Line of Business (Managing Partner GSA). This initiative benefits HUD by providing the reference tools and templates needed to assist in planning and managing migration to a selected center of excellence. The FMLoB has established an Advisory Board to govern the activities and decision-making process for the initiative. HUD's involvement with this board affords the opportunity to review critical issues impacting FM systems, voice unique needs and concerns, and collaboratively offer recommendations and influence decisions on how best to implement the common solution. HUD has developed a business case consistent with direction established through this initiative and is using the FMLoB guidance, templates and documentation to acquire and migrate to an approved FMLoB shared service provider; 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 benefits HUD by improving the delivery of services to grant recipients, improving decision-making, and decreasing costs associated with building and maintaining Grants Management IT systems. GM LoB identifies Federal Service Centers. These Service Centers work with customer agencies to define requirements, streamline processes, improve reporting, and host a grants management system. The grants management system can be used by multiple grant-making agencies to make awards and manage grants programs. Under GM LoB, HUD has benefited from participating in the consortia lead submission and selection process through the establishment of a strong partnership with DOT, SBA, and an additional partner DOL. The knowledge sharing/exchange of information on business processes, shared services and solutions, and best practices would not have occurred if not for the impetus of the GMLoB requesting agencies to seek common solutions to meet business needs not currently met by selected consortia.

Human Resources Management Line of Business (Managing Partner OPM). Implementation of the Department of Treasury's approved HR shared service solution has significantly reduced investment risk, resulted in millions of dollars in cost avoidance, and delivered a mature human resources solution. This initiative allows HUD to spread the cost of managing HR systems and processes across a larger customer base, reducing agency costs to operate these systems and processes. Employees across the agency benefit from improved HR services.

Geospatial Line of Business (Managing Partner DOI). HUD will benefit from the identification of geospatial-related activities and investments across the government. This effort is expected to present opportunities for optimizing and consolidating Federal geospatial-related investments to reduce costs and improve services to citizens. Cross-agency coordination of geospatial activities can identify, consolidate, and reduce or eliminate redundant geospatial investments. Developing the Geospatial Line of Business

Working Capital Fund

will result in a more coordinated approach to producing, maintaining, and using geospatial data, and will further the establishment of a collaborative model for geospatial-related activities and investments.

IT Infrastructure Optimization (Managing Partner GSA). This initiative offers HUD opportunities for identifying additional opportunities for further IT infrastructure consolidation and optimization, and developing governmentwide solutions. This LoB will define specific common performance measures for service levels and costs, as well as facilitate the identification and sharing of best practices.

Working Capital Fund

	<u>FY 2006 Budget</u>	<u>FY 2006 Obligation</u>	<u>FY 2007 Estimate</u>	<u>FY 2008 Request</u>
9. Salaries & Indirect				
Activity				
Development	...	...	...	...
Maintenance	\$35,031	\$33,190	\$40,475	\$37,500
ACTIVITY TOTAL:	35,031	33,190	40,475	37,500
Funding				
Appropriated	35,031	33,190	40,475	37,500
Program Transfer	...	...	...	...
Carryover	5,127	4,880		...
Recoveries & Transfers				
SALARIES & INDIRECT FUNDING TOTAL:	40,158	38,070	40,475	37,500
Description: This is the funding for personal services, including salaries, travel, supplies, training, printing and other related costs. The funding listed above enables the Department to maintain staffing levels as listed in the Summary of Positions by Grade chart for all IT-related matters in the Office of Chief Information Officer (OCIO), the Office of the Chief Financial Officer (OCFO) and the Office of the Chief Procurement Officer (OCPO).				

Working Capital Fund

**WORKING CAPITAL FUND
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	
		2006 Plan	2006 Actual	2007 Plan	2008 Plan
HUD will complete the required elements of the Enterprise Architecture by the end of fiscal year 2008.	Program Area and CIO Agreement	Complete target enterprise architectures for eight core business functions.	Completed target enterprise architectures for eight core business functions.	Complete annual 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.

Performance Indicators	Data Sources	Performance Report		Performance Plan	
<p>HUD will meet information security requirements in FISMA, Government-wide policy, OMB Memo 06-16, and the President's Management Agenda.</p>	<p>President's Management Agenda Scorecard, Annual FISMA report to Congress, Quarterly FISMA reports to OMB</p>	<p>Ensure that all individuals with access to HUD information and information systems have appropriate training and clearances.</p>	<p>100 percent of major applications and general support systems documented in HUD's inventory of automated systems (IAS) have been certified and accredited and 100 percent of HUD employees and contractors completed appropriate IT security awareness training and applicable specialized security training</p>	<p>HUD will meet IT related security requirements as follows: HUD's C&A methodology will be fully integrated into the system development lifecycle and 100 percent of major applications and general support systems documented in HUD's inventory of automated systems (IAS) will be certified and accredited; prioritize and remedy all high and moderate priority weaknesses and identify and implement controls to protect remote data; and ensure that 100 percent of HUD employees and contractors will have completed appropriate IT security awareness training and specialized security training as applicable.</p>	<p>HUD will meet IT related security requirements as follows: 100 percent of major applications and general support systems documented in HUD's inventory of automated systems (IAS) will be certified and accredited; prioritize and remedy all weaknesses and identify and implement controls to protect remote data and data at rest; and ensure that 100 percent of HUD employees and contractors will have completed appropriate IT security awareness training, and applicable specialized security training.</p>

Working Capital Fund

<p>Use the structure established by Vision 2010 to modernize HUD's information technology systems, maintain well-managed information technology investments, and promote collaboration between business functions.</p>	<p>HUD IT Strategic Plan 2007-2012 HUD Implementation Action Plan</p>			<p>Continue progress in business system modernization in the areas of single family housing, multifamily housing, rental housing assistance, financial management, and grants management; coordinate 80 percent of development, modernization, and enhancement spending through segment architectures and core IT services; review 100 percent of major information technology development investments; and evaluate 100 percent of information technology investments against HUD's investment performance indicators.</p>	<p>Continue progress in business system modernization in the areas of single family housing, multifamily housing, rental housing assistance, financial management, and grants management; coordinate 80 percent of development, modernization, and enhancement spending through segment architectures and core IT services; review 100 percent of major information technology development investments; and evaluate 100 percent of information technology investments against HUD's investment performance indicators.</p>
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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 five 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.

Working Capital Fund

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. In the past year, HUD has completed a Segment Architecture Framework. EA spearheads the Configuration Change Management Board (CCMB), and the Data Control Board. HUD has also updated the Performance Architecture, Enterprise Architecture, Data Architecture, and EA Governance. HUD has continued to build out several segment architectures including the Grants, Financial Management, Single Family, and Multifamily. The Department has also completed an IT Lifecycle Framework for service discovery and reuse, a Draft Security Architecture, and a Federal Transition Framework, which documents HUD's compliance to and status of cross-agency initiatives. EA has also performed a Strategic Portfolio Review of all HUD's major initiatives, giving an assessment and feedback to the business owners of the initiatives. In addition HUD has updated its transition plan and completed its Technical Reference Model, which outlines the taxonomies, categories and the hardware and software within its environment. This information will be used to target future technologies, monitor change in regard to technology and successfully transition from obsolete technologies. EA also oversees the assessment of Data Quality Reviews for selected Program Areas, completing four assessments within the past year.

HUD's EA practice was rated among the highest of cabinet agencies in fiscal year 2006 by OMB. It is an on-going process which is given support as needed and as directed by HUD's management and OMB directives in order to the optimize HUD's business processes.

Working Capital Fund

WORKING CAPITAL FUND
 Summary of Positions by Grade
 Salaries and Expenses

	<u>Positions</u>		
	<u>2006</u>	<u>2007</u>	<u>2008</u>
	<u>Estimate</u>	<u>Estimate</u>	<u>Request</u>
Grade:			
Executive Service	3	3	3
GS-15	54	52	50
GS-14	50	48	45
GS-13	98	92	72
GS-12	80	56	48
GS-11	9	11	11
GS-10	3	3	3
GS-9	21	20	19
GS-8	10	10	10
GS-7	12	12	12
GS-6	0	0	0
GS-5	4	4	4
GS-4	2	2	2
GS-3	1	1	1
GS-2	0	0	0
GS-1	<u>0</u>	<u>0</u>	<u>0</u>
Total Positions	347	314	280
Weighted Average GS/GM Grade	12.4	12.5	12.5

Overall Summary of Working Capital Fund Staff Requirements

	Actual	2006	Estimate 2007	Request 2008	Increase + Decrease - 2008 vs 2007
Headquarters.....		308.0	314.0	280.0	-34.0
Field		0.0	0.0	0.0	0.0
Total		308.0	314.0	280.0	-34.0

Summary of Working Capital Fund Staff Requirements

	Actual	2006	Estimate 2007	Request 2008	Increase + Decrease - 2008 vs 2007
Headquarters Employment					
Chief Information Officer					
Office of the Chief Information Officer		14.7	14.7	14.1	-0.6
Chief Information Security Officer		15.0	14.0	16.1	+2.1
Administrative Services		10.0	8.0	8.5	+0.5
Strategic Planning		1.0	1.0	1.0	0.0
Office of Enterprise Architecture		9.2	9.0	9.0	0.0
Office of System Integration and Efficiency		82.3	94.7	70.7	-24.0
Investment Strategies Policy & Mgmt		16.1	16.0	8.0	-8.0
Office of IT Reform		9.0	9.2	6.2	-3.0
Office of Information Technology		133.0	122.4	121.4	-1.0
Subtotal		290.3	289.0	255.0	-34.0
Office of Administration					
DAS for Operations Immediate Office	
Chief Procurement Officer		7.7	15.0	15.0	0.0
Subtotal		7.7	15.0	15.0	0.0
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		308.0	314.0	280.0	-34.0

Detail of Working Capital Fund Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----					
		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		14.7			14.7				14.1		
	Subtotal			14.7			14.7				14.1		
Chief Information Security Officer													
	Provide IT Security Program and Policy Support	NA		10.0			9.0				9.0		
	Provide IT Security services	NA		5.0			5.0				7.1		
	Subtotal			15.0			14.0				16.1		
Administrative Services													
	Provide Administrative Services to the OCIO	NA		10.0			8.0				8.5		
	Subtotal			10.0			8.0				8.5		
Strategic Planning													
	Provide Strategic Planning for the OCIO	NA		1.0			1.0				1.0		
	Subtotal			1.0			1.0				1.0		
Office of Enterprise Architecture													
	Provide Enterprise Architecture Program and Policy Support	NA		9.2			9.0				9.0		
	Subtotal			9.2			9.0				9.0		
Office of System Integration and Efficiency													
	Provide OSIE Security Program and Policy Support	NA		8.8			8.7				1.2		
	Develop and manage BPR and systems integration	NA		0.9			1.9				1.9		
	Maintain FHA/Housing systems	# of FHA/Housing systems	47	685.00	15.5		47	825.78	18.7		47	825.78	18.5
	Maintain CPD systems	# of CPD systems	11	1,550.00	8.2		11	1,550.00	8.2		11	1,281.35	6.7
	Maintain FHEO systems	# of FHEO systems	5	625.00	1.5		5	625.00	1.5		5	437.23	1.0

Workload Guideline	Workload Indicator	Fiscal Year 2006			Fiscal Year 2007			Fiscal Year 2008				
		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 Administration systems	# of Admin systems	7	4,950.00	16.7		7	5,027.61	16.9		7	5,027.61	16.8
Maintain OGC/DEC systems	# of OGC/DEC systems	3	1,140.00	1.6		3	1,140.00	1.6		3	269.77	0.4
Maintain PIH/REAC systems	# of PIH/REAC systems	...	...	...		14	324.55	2.2		14	324.55	2.2
Maintain GNMA systems	# of GNMA systems	...	...	...		...	...	...		...	...	...
Maintain OIG systems	# of OIG systems	...	...	...		...	...	...		...	...	...
Maintain CFO systems	# of CFO systems	21	1,175.00	11.9		21	1,381.28	13.9		21	1,381.28	13.8
Provide OSIE WCF Prog. Policy and Guid	NA	...	...	2.4				2.6				2.6
Provide other WCF Admin. Support and coord.	NA	...	...	4.3		...	...	8.0		31	376.87	5.6
Provide WCF contract/procurement oversight	NA			10.5				10.5				...
Subtotal				82.3				94.7				70.7
Investment Strategies Policy & Mgmt												
Provide Office of Policy and E-Gov't program and policy guidance	NA			3.5				4.7				4.7
Oversee IT/IRM policy program oversight and E-Gov't functions	NA			12.6				11.3				3.3
Subtotal				16.1				16.0				8.0
Office of IT Reform												
Provide Investment Management program and policy guidance	NA			5.9				5.3				2.3
Provide Investment Portfolio program and policy guidance	# of systems in portfolio	147	55.63	3.1		147	55.63	3.9		147	55.63	3.9
Subtotal				9.0				9.2				6.2
Office of Information Technology												
Provide IT Operations program and policy guidance	NA			2.2				5.8				5.8
Provide customer service to IT users	# of IT users supported	12,150	3.60	21.0		12,150	3.16	18.5		12,150	3.16	18.3
Manage LAN/WAN, Internet and Intranet services	# of servers maintained	651	24.68	7.7		651	24.68	7.7		651	24.68	7.7
Manage communications systems and infrastructure	NA			3.2				4.9				4.9
Manage production systems environment	NA			4.2				4.1				4.1

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		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
Provide systems development guidance and standards	NA			5.8			5.8				5.8	
Operate Test Center	NA			3.9			4.8				4.8	
Provide day-to-day IT security operations	NA			2.9			2.7				2.7	
Provide automated Change Control Management	NA			1.6			1.5				2.4	
Provide Management and Oversight of Field IT program policy and guidance	NA			12.4			5.9				9.6	
Provide Management and Oversight of Field hardware/software installation and problem resolution	# of employees served	6,299	14.20	43.0		6,299	14.20	43.0		6,299	14.20	42.7
Provide Management and Oversight of Field WAN/LAN support	# of STARS tickets resolved	2,135	7.00	7.2		2,135	7.00	7.2		2,135	4.37	4.5
Perform Field IT infrastructure maintenance	# of Offices supported	84	232.00	9.4		84	201.98	8.2		84	201.98	8.1
Provide Field IT program policy and guidance	NA			8.5			2.3				...	
Subtotal				133.0			122.4				121.4	

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----					
		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	
Office of Administration													
DAS for Operations													
Immediate Office													
	Provide DAS/Ops WCF program policy and guidance program and policy guidance	NA		...			...				...
	Subtotal			...			...				...
Office of the Chief Procurement Officer													
Administration Support Division													
	Perform Contract Placement Activities - ASD WCF			4.0			6.0				6.0		
	Perform Contract Administration Activities - ASD WCF			1.9			5.7				5.7		
	Provide Procurement Management Support - ASD WCF			1.8			3.3				3.3		
	Subtotal			7.7			15.0				15.0		
Chief Financial Officer													
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	9.6
	Perform Special Projects and Qual/Control / Audit Supt	NA			0.3				0.3				0.4
	Subtotal				10.0				10.0				10.0
				308.0			314.0						280.0

Working Capital Fund

EMPLOYMENT

EXPLANATION OF CHANGES FROM 2007 BUDGET ESTIMATE TO 2008 ESTIMATE

The Working Capital Fund (WCF) Division's FTE level of 314 FTE for fiscal year 2007 shows a 6 FTE increase from fiscal year 2006 FTE level; 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. There is a further reduction of 34 FTEs for fiscal year 2008.

These reductions were mandated by HUD's appropriators.