

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATIVE SUPPORT OFFICES
OFFICE OF CHIEF INFORMATION OFFICER**

(\$ in Thousands)

	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
Personnel Services	\$35,030	\$35,873	\$36,496
Non-Personnel Services			
Travel	164	150	150
Printing	2	2	2
Other services/Contracts	8,480	8,931	8,308
Training	214	209	207
Supplies	44	25	27
Claims and Indemnities	-	10	10
Attorney's Fees	-	-	-
Working Capital Fund	-	-	948
Non-Personnel Services Subtotal	\$8,904	\$9,327	\$9,652
Grand Total	\$43,934	\$45,200	\$46,148
Associated FTE	231.6	236.0	236.0

Program Area Overview:

The CIO advises the Secretary/Deputy Secretary and other HUD senior managers on the strategic use of Information Technology (IT) to support core business processes, and to achieve mission critical goals. The CIO is responsible for providing modern information technology that is secure, accessible and cost effective while meeting customer needs and exceeding their expectations while ensuring compliance with applicable regulatory requirements.

Additionally, the Federal Information Technology Acquisition Reform Act (FITARA), enacted on December 19, 2014, outlined specific requirements related to: Agency (CIO) Authority Enhancements; Enhanced Transparency and Improved Risk Management in IT

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Investments; Portfolio Review; Federal Data Center Consolidation Initiative; Expansion of Training and Use of IT Cadres; Maximizing the Benefit of the Federal Strategic Sourcing Initiative and Government wide Software Purchasing Program. HUD's OCIO will be facilitating the implementation of these requirements.

HUD is continually transforming the agency by changing the way HUD does business and increasing effectiveness of the Department's programs. To support this effort, HUD's OCIO is also transforming the way business is done within the OCIO organization. A key component enabling HUD's OCIO to achieve its transformational goals has been the enhancement of its IT service delivery model. Opportunities exist to optimize the current service delivery model through enhancements to the OCIO's structure, people, workforce environment and technology delivery. OCIO will continue the focus on improving the OCIO's alignment to customers, and on agile development in support of continual deployment of IT capabilities to HUD in support of HUD's mission. These efforts will enable OCIO to effectively deliver services to customers, improve customer satisfaction, and position OCIO as a strategic business partner to the Department's Program Offices, among other key benefits. The OCIO will align all salaries and expenses resources represented in this justification in support of this transformational effort.

Requested Level and Justification

OCIO is requesting \$46,148K in fiscal year 2017, which reflects an increase of \$948K as compared to fiscal year 2016.

- Personnel Services: OCIO request includes \$36,496K for personnel services to support 236.0 FTE. The slight increase maintains staffing from fiscal year 2016, and supports the pay raise, promotions and with-in grade increases.
- Non-Personnel Services: OCIO requests \$9,652K to support funding requirements for Travel, Contracts, Training, and Supplies. Savings will be achieved in Other Services/Contracts to accommodate the increase in Personnel Services costs. The request includes \$948K to pay working capital fund fees for shared services, and other investments determined by the Secretary.

Full-time Equivalents

Staffing	FY 2015 FTE	FY 2016 FTE (Est)	FY 2017 FTE (Est)
Office of the Chief Information Officer (Immediate Office)	3	3	3
Chief Information Security Officer Staff	10	9	8
Chief Technology Officer Staff	17	25	28
Office of Customer Relationship and Performance Management	62	68	73
Business and IT Resource Management Office	43	43	41
Infrastructure and Operations Office	96.6	88	83
Total	231.6	236	236

Key Operational Initiatives

OCIO is submitting a fiscal year 2017 budget that supports our specific goals to:

- Deliver world class commodity IT and services.
- Understand the business and mission of the programs and improve program skills / business knowledge of OCIO staff.
- Implement initiatives to improve operations, reduce cost, improve budget management, and expand services capabilities.
- Leverage technology strategically to innovate, add value, and improve on user experiences.

OCIO has embraced an Enterprise IT approach to support the realization of efficiencies within IT and improved operational improvements. OCIO has begun a multiyear workforce transformation with the objectives and rationale:

- To better position OCIO as a business partner to better deliver Mission IT, thus allowing HUD program offices to focus on delivering HUD services.

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- To achieve OCIO target state of a high-performing organization that effectively supports a flexible service delivery model providing services to both channels (Business to Consumer - Digital Services, Business to Business – Enterprise IT) of OCIO customers.
- To optimize OCIO's current service delivery model by focusing on three critical strategy groups: organizational alignment, organizational roles and responsibilities, workforce competency requirements and staff alignments.

To implement this realignment, OCIO is considering requesting Voluntary Early Retirement Authority and Voluntary Separation Incentive Payment (VERA/VSIP) in 2016. This will also support the larger HUD efforts to consider realigning and centralizing core enterprise functions in the appropriate Administrative Support Office. In addition, OCIO is working with the Office of Deputy Secretary to thoroughly scrub both NPS contracts and IT contracts to maximize efficiency, reduce redundancy, and federalize functions, as appropriate.

An outcome of this effort will have HUD program offices focusing on developing and defining business requirements needed to support their mission. OCIO will then focus on IT service and capability delivery. This effort will benefit HUD with:

- Improved Customer Experience across all channels anytime, anywhere, any device
- Increased Mission Agility – fully enabled workforce focused on critical mission activities, improved stakeholder relationships
- Innovations with Purpose – improved technical solutions for the business (e.g., Congress, lenders, PHAs, COC providers, etc.)
- Efficient OCIO O&M Management - Reduced O&M costs, Improved Security posture – investing in mission enhancements
- Easier and Quicker Access to Data
- Reduced Data Management Costs
- Improved Business Analytics
- Relevant, Timely, and Actionable Mission Insights
- Agile DevOPS
- Better delivery of Mission IT – greater efficiency, with less fragmentation and duplication

To accomplish this, OCIO is considering a phased approach to realize this workforce transformation. The phases may include:

- Details to lead change and fill competency gaps
- Federalizing functions within OCIO that have been traditionally outsourced
- Requesting VERA and VSIP
- Restructuring to support OCIO's IT Service Delivery Model and conceptual functional alignment of IT services

Our S&E budget request works to ensure that key organizational transformation initiatives begun in fiscal years 2015 and 2016 achieve their intended strategic outcomes. OCIO S&E funding supports the services provided in the IT Segment of the IT Fund, and has a direct impact on the quality of services provided through funding in the IT Segment.

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The funding for the IT Segment is critical to all HUD business functions that are enabled through the use of information technology hardware, software and services and provides the automated tools required to meet employee performance requirements. The applications developed and supported throughout HUD would be unable to function without this investment in the IT segment. Additionally, funding utilized in this segment enhances HUD's ability to manage the identity of users accessing HUD's systems, which strengthens authentication to HUD systems, thereby reducing potential for unauthorized user access and strengthens authentication of privileged user access to HUD systems.