

**WORKING CAPITAL FUND
2013 Summary Statement and Initiatives
(Dollars in Thousands)**

WORKING CAPITAL FUND	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2011 Appropriation	\$200,000	\$136,802 ^a	-\$400	\$336,402	\$273,976	\$318,075
2012 Appropriation/Request	199,035	142,476 ^b	...	341,511	291,000	327,000
2013 Request	<u>170,000</u>	<u>126,411^c</u>	...	<u>296,411</u>	<u>262,000</u>	<u>284,000</u>
Program Improvements/Offsets	-29,035	-16,065	...	-45,100	-29,000	-43,000

- a/ This figure includes \$70.7 million transfer from FHA/MMI, \$3.25 million transfer from expiring salaries and expenses accounts, \$745 thousand in collections, and \$2 million in fiscal year 2011 recaptures.
- b/ This figure includes \$71.5 million transfer from FHA/MMI, \$5 million transfer from the Neighborhood Stabilization Program, \$400 thousand from the Indian Housing Loan Guarantee fund, \$300 thousand in anticipated collections, and \$4 million in anticipated fiscal year 2012 recaptures. The actual fiscal year 2012 carryover amount for the Working Capital Fund differs from the amount reported in the fiscal year 2013 President's Budget due to ongoing accounting adjustments.
- c/ This figure includes \$71.5 million transfer from FHA/MMI, \$400 thousand from the Indian Housing Loan Guarantee fund, and \$4 million in anticipated fiscal year 2013 recaptures.

1. What is this request?

The fiscal year 2013 Working Capital Fund (WCF) Budget requests \$170 million in direct appropriations plus \$71.5 million in transfers from the FHA Mutual Mortgage Insurance account for a total level of \$241.5 million to fund HUD's information technology (IT) systems. This request reflects a reduction of \$29 million from the fiscal year 2012 appropriation due to the on-going progress of the HITS-HUDNET transition, savings and efficiencies from the OCIO contract review process, and savings and efficiencies from the maturing and ongoing Transformation Initiative IT projects.

This 2013 Budget request ensures that HUD can sustain and continue to improve its current IT operations in support of meeting its present business needs, support ongoing transformation initiatives (TI), and respond to emerging requirements. HUD's IT strategy has been evolving to align with the Department's strategic direction by following a well-sequenced transition plan. In addition, the transition plan reflects feedback from external stakeholders, including GAO and OMB in terms of how it is managing its IT investment dollars. The HUD Office of the Chief Information Officer (OCIO) has made efforts to improve the effectiveness and efficiency of IT investments in a number of significant ways, and these efforts are a direct reflection of the Department's commitment to address the identified shortcomings:

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- Unified IT Portfolio: HUD has consolidated the IT investments into a single, unified enterprise portfolio. This provides a critical “10,000 ft. view” for Departmentwide investment decision-making, independent of funding source or program area sponsorship. This aligns and clearly delineates TI development efforts and operational assets.
- Investment Controls and Governance Structures: HUD has established new policies, procedures, standards and guidelines for improved project management and governance. The new Information Technology Management (ITM) Framework provides a standardized, logical and fair structure for governing investment decision-making and control mechanisms for better project management mechanisms. This framework includes a new Project Planning and Management Life Cycle process to improve the business value that HUD obtains from its IT investments.
- IT Contracts Audit: HUD has recently conducted a rigorous internal audit of all IT contracts. This internal audit was being conducted by two independent groups that will now compare and assess the results of their individual findings, with an emphasis on comparing statements of work and on measuring costs against actual vendor results. This will generate a business value assessment for each contract. HUD expects that this audit analysis will result in cost savings by highlighting opportunities to reduce and eliminate unnecessary and duplicative services.
- IT Portfolio Restructure: In addition to consolidating the IT portfolio, HUD has restructured it, aligning like business functions and eliminating unnecessary investments. This new IT portfolio structure is broken down into three principal service areas: Core Mission, Business Services, and Enterprise Services. This restructure will free up IT funds for the highest priority investments, and will provide a deeper level of visibility into the system-level and project-level components of all IT investments, resulting in improved investment planning and budget execution tracking. The newly restructured IT portfolio allows HUD to provide Congress, GAO, and OMB with greater transparency into its IT assets and projects.

HUD proposes to allocate the \$241.5 million request for the WCF, including transfer, into the following portfolio areas:

- Core Mission Area: \$36.4 million
- Business Services Area: \$187.4 million
- Enterprise Services Area: \$16.5 million
- eGovernment Initiatives: \$1.2 million

2. What is this program?

The Working Capital Fund is the source of HUD's IT funding for the Operations and Maintenance of its IT systems. Under HUD's Office of the Chief Information Officer, the WCF supports the IT infrastructure needs of more than 15,000 users, 10 regional offices, 82 field offices, and all of HUD's 131 IT systems.¹ These macro efforts provide IT services, maintenance, and security for all of HUD's users, centered on the approximately 9,000 HUD employees and all HUD stakeholders.

HUD's IT network supports hundreds of billions of dollars in FHA and Ginnie Mae securitization efforts that are a bulwark to the private mortgage financing market. This investment is imperative for the well-functioning accuracy and payment for approximately 5 million rental subsidies, involving approximately \$34 billion of annual Federal investment; and for billions of dollars in formula and competition grants, enrolling thousands of grantees and contractors for community development and other high priority HUD programs. The entirety of HUD's portfolio of property, grants, and all other activities funded by this fiscal year 2013 gross discretionary request of \$44.8 billion is supported by the IT services provided by the WCF, and its budget request of \$241 million – a figure that represents approximately 0.5 percent of the total HUD budget.

HUD has constructed a single IT investment portfolio, consisting of both projects funded by the Working Capital Fund and all of the Transformation Initiative IT projects. This IT investment portfolio is planned and managed through the Federal budget process and captured as Major Investments in HUD's Exhibit 300As (budget justification) and Exhibit 300Bs (Federal IT dashboard).

Leveraging the fiscal year 2010 IT Assessment Report, HUD is holding work sessions between program offices and OCIO from late January through March to identify the specific projects that will modernize the technical environment and define a more efficient and cost effective overall department IT architecture. These efforts will also lead to identifying cost savings and cost avoidance in the WCF, and establish a single HUD 5-year IT Plan for the entire portfolio. The implementation of this 5-year IT planning will enable HUD to be prepared to take advantage any IT funding, regardless of source or amount, as if it was from a single budget formulation and execution process.

¹ HUD is taking steps to reduce the number of IT systems in the inventory in fiscal year 2013 by consolidating common services, reusing data sets, and retiring legacy applications that are costly to maintain. Our goal is to reduce to approximately 131 systems.

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Staffing

FTE	2011 Actual	2012 Estimate	2013 Estimate
Headquarters	240	233	208
Field	69	72	72
Total	309	305	280

Additional details on the staffing requirements for the Office of the Chief Information Officer are provided in the office's salaries and expenses justification.

3. Why is this program necessary and what will we get for the funds?

As a result of the new IT portfolio structure, HUD's 2013 IT request is presented along the lines of the primary business functions that the investments support, as opposed to the former Lines of Business programmatic structure. This new structure for the funding request reflects the new primary functional areas supported (Core Mission, Business Services, and Enterprise Services), in addition to the eGovernment Initiatives, and is broken down as follows:

CORE MISSION AREA: This portion of HUD's IT portfolio includes systems and projects that support the following three core mission segments:

1. Homeownership: the promotion of sustainable homeownership, including assisting homeowners at risk of losing their homes, stabilization of the housing market, and educating the public on the benefits of homeownership;
2. Housing Assistance: providing housing assistance for rentals of single family and multifamily properties and the management of Federally supported housing properties; and
3. Community and Regional Development: efforts that support states, local communities, and other HUD partners in building and rehabilitating homes, community structures and infrastructure, and other community revitalization and job creation efforts.

HUD is requesting funding through the Working Capital Fund for its Core Mission Area in the amount of \$36.4 million.

Fiscal year 2013 funds for the Core Mission Area will include the necessary operations and maintenance (O&M) funding for the IT systems that directly support the U.S. Citizen in the areas of housing, rental assistance, and grants. HUD's plans for these funds include:

- Homeownership (\$23.4 million) includes systems that directly support FHA's mortgage insurance programs, asset management, and housing-related automated financial systems. FHA's mortgage insurance systems collectively back a mortgage insurance portfolio that supports more than 19,000 multifamily projects servicing 1.4 million units with mortgage

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insurance in-force valued in excess of \$64 billion. This request covers the operating costs and maintenance of the systems that support all of FHA's insurance programs – Single Family Housing, Multifamily Housing, and the Insured Health Care portfolio. These systems enable FHA to deliver and oversee mortgage insurance to private lenders on loans for the development/purchase/refinancing of new or existing homes; financing of needed housing rehabilitations; reverse equity mortgages to seniors; and mortgage claims. These systems collectively support a growing mortgage insurance portfolio that currently serves more than 6.3 million homeowners with mortgage insurance in-force valued in excess of \$838 billion. This segment also includes systems used to address risk and fraud on the front-end of the underwriting process; lender monitoring, processing of loan applications; billing and collecting premiums; and claims payment cycles.

- Housing Assistance (\$6.6 million) includes systems that provide housing vouchers and project-based and tenant-based rental assistance programs valued in excess of \$8 billion. These systems support core mission programs that include the Section 8 Tenant-Based Housing Choice Voucher program, the Public Housing Operating Fund, and the Public Housing Capital Fund. These programs support the operation of 27.5 thousand multifamily projects with 1.6 million units for low-income, elderly and disabled renters. This segment also includes the Voucher Management IT investment, with systems to manage the voucher management processes in rental housing assistance that supports three program areas: Public and Indian Housing, Multifamily Housing, and Community Planning and Development. The voucher management program supports the expansion and preservation of the supply of affordable rental homes where most needed with timely and accurate voucher payments.
- Community & Regional Development (\$6.4 million) includes the IT systems that help operate all HUD's grants management systems and services. The grants management systems support 54 formula, competitive and discretionary grant programs across six major program areas. These IT systems automate the end-to-end \$45 million grants management portfolio. This segment also includes funding to operate and maintain the new system, Recovery Act Management and Performance System (RAMPS); funds for the essential grantee help desk that fields more than 11,000 annual requests for technical assistance from users who need assistance with funds drawdown or performance reporting in the eGrants systems; and funds for the steady-state operation of the newly modernized HEARTH Act systems.

BUSINESS SERVICES: This portion of HUD's IT portfolio includes the systems and projects that support HUD's back-office functions, such as HR, Financial Management, Administrative Management, and support for the IT infrastructure.

HUD is requesting funding through the Working Capital Fund for the Business Services Area IT in the amount of \$187.4 million.

Fiscal year 2013 funds for Business Services will include the necessary O&M funding to support the IT infrastructure and other automated services that provide the back-bone of the IT infrastructure support for the Department. The segments in this area support HUD's back-office functions, including:

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- Financial Management (\$15.2 million) includes the mission-critical core financial systems of the Department. These systems provide critical information for financial management. The Core Financial Service Investment supports the management of HUD's financial control activities and the flow of financial info across information systems. It manages activities such as accounting, funds control, payments, collections & receivables, reporting & information, and cost accounting/performance measurement. The FHA Subsidiary Ledger is FHA's general ledger and financial reporting system, which captures and reports FHAs financial transactions in a manner consistent with Federal rules and regulations. FHASL performs the following central accounting functions of the FHA Comptroller's office: general ledger operations and cash management; certification of Treasury payments and cash reconciliation of payments and collections; accounting and funds control for certain FHA contracts and grants; funds control for all FHA disbursements on a daily basis; credit subsidy accounting; tracking total liability for new insurance against annual limits.
- Acquisition Management (\$2.4 million) includes the systems that are used to automate HUD's procurement process. This is a cross-cutting support function that all program areas rely on to achieve program objectives and support the agency mission.
- HR Management (\$3.2 million) includes the systems that automate HUD's HR functions, such as recruitment and on-boarding processes. The HR Automated Services investment includes the HUD Integrated Human Resources and Training System (HIHRTS) that serves as the Department's Enterprise HR Human Capital Management Platform. HIHRTS is centered on the Treasury Department's HR Connect system, one of the OPM-certified HR Line of Businesses supporting HUD's core HR mission. The segment also includes HR Connect, which is connected to HUD's payroll provider, the National Finance Center, and includes the automated recruitment tool, USA Staffing.
- Administrative Management (\$1.7 million) includes the operations and maintenance of systems that support facilities management, space management, physical security, and automated scheduling. It includes operations and maintenance funding for the Facilities Integrated Resource Management System (FIRMS), which is used by HUD nationwide for facilities resource management. It provides support for personal property inventory management, purchase cost tracking, quarterly depreciation reports for the CFO, and annual personal property reports for OIG and GSA.
- Regulatory, Legislative, and Enforcement (\$4.0 million) includes funding for investments such as Fair Housing IT Support, which provides direct support for the Office of Fair Housing and Equal Opportunity and its direct enforcement of Federal fair housing laws. This is accomplished through HUD's discrimination complaint tracking and investigation system, TEAPOTS. This Segment also includes the Healthy Homes Active Business System, which focuses on improving regulatory enforcement and grant and contract management, by identifying and filling gaps in grants management and monitoring processes, and aligning the Departmentwide Lead Disclosure Rule and Lead Safe Housing Rule compliance monitoring activities with established business processes.

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- Planning and Budgeting (\$3.0 million) involves the activities of determining strategic direction, identifying, and establishing programs and processes, and allocating resources (capital and labor). It includes budget formulation, capital planning, enterprise architecture, strategic planning, budget execution, workforce planning, management improvement, budget and performance integration, and tax and fiscal policy.
- Controls and Oversight (\$5.9 million) ensures that the operations and programs of the Federal Government and its external business partners comply with applicable laws and regulations and prevent waste, fraud, and abuse. The segment includes corrective action, program evaluation, and program monitoring.
- Disaster Management (\$1.2 million) involves the activities required to prepare for, mitigate, respond to, and repair the effects of disasters, whether natural or man-made. The segment includes disaster monitoring and prediction, disaster preparedness and planning, disaster repayments, restoration, and emergency response.
- Public Affairs (\$3.1 million) involves the exchange on information and communication between the Federal Government, citizens, and stakeholders in direct support of citizen services, public policy, official information dissemination, product outreach, and rule publication.
- Information Technology (\$147.6 million) includes the operations and maintenance of programs and systems maintained by the Office of the Chief Information Officer, including: IT infrastructure, IT security, solutions engineering, and IT planning and budgeting. The departmental infrastructure investment directly supports HUD's mission by providing the underlying infrastructure and support for all of HUD's operational systems and applications, desktops and peripherals, and telecommunications nationwide. This includes support for HUD headquarters and 83 field offices, supporting more than 15,000 end-users and approximately 242 business applications and systems. HUD's IT infrastructure is currently supported by the HITS contract. HITS provides a performance-based solution for enterprisewide infrastructure service delivery. HITS ensures that HUD's infrastructure continues to meet HUD's mission and business needs by updating HUD's IT infrastructure hardware on a predefined cycle. The HUD Information Technology Services (HITS) contract has more than 29 service level agreements with more than 119 metrics that are evaluated by an independent verification and validation (IV&V) contractor on a monthly, quarterly, semi-annual and annual basis. The HITS contractors comply with all regulatory requirements and promote "green" IT initiatives, such as the Federal Data Center Consolidation Initiative. Funds for the Information Technology Segment provide for data center services, application management services, facilities management, adjunct services (e.g., office relocations), end-user support services, network and telecommunication services, IV&V, and accommodation for persons with disabilities.

The transition from the current HITS contract to a new oversight and network services contract is targeted for fiscal year 2013, with the transition of the remaining services occurring in fiscal year 2014. The cost of the transition is driven by its large and complex

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scope, requiring substantial testing and parallel operations to ensure that the systems supporting HUD's delivery of services remain fully operational and that all staff support functions are seamlessly transferred to the new system. The scope of the work includes:

- transfer of hosting of all systems;
- transfer of all telecommunications, both internally and with the Internet;
- transfer of all desktop support of PCs and software for staff; and,
- transfer of all database and other data center support functions.

The new service providers will have significant one-time costs to transfer each system and validate its successful operations. This entails having a duplicate infrastructure in place for a period of this time, with duplicate software and staff to ensure handoffs occur smoothly.

HUD plans to reduce its infrastructure costs in successive years under the new IT infrastructure contract, through negotiating more favorable terms for the Department. In addition to moving to a more cost-effective support contract, HUD plans to put in place a system with fully vetted requirements that are focused on the most critically needed services, and more control for the Department in managing the overall contract.

ENTERPRISE SERVICES: This portion of HUD's IT portfolio includes the systems and projects that provide shared, cross-cutting and cost-saving solutions for the Department. By grouping systems and projects by like business function, enterprise services enables HUD to find opportunities to share cross-cutting services among the program areas, to reduce the number of duplicative systems, and to leverage economies of scale. This area features cross-cutting systems focusing on:

- customer relationship management solutions;
- process automation services (such as mission-critical compliance tracking);
- digital asset services;
- business analytical services; and
- data management services.

HUD is requesting funding through the Working Capital Fund for its Enterprise Services Area in the amount of \$16.5 million.

The Enterprise Services Area includes the following segments:

- Business Analytical Services (\$4.8 million) includes investments that are critical for monitoring and evaluating HUD programs. For example, the Geocode Service Center (GSC) identifies the exact location of where HUD-provided funds are used, which provides strategic information that improves program outcomes. In fiscal year 2013, the WCF will begin initial O&M for the new HUDStat system. HUDStat directly supports every element of the agency strategic plan, because it allows HUD to

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measure progress toward each goal, and subgoal, and enables HUD to measure programmatic and geographic details up to the most granular levels possible.

- Data Management Services (\$2.6 million) includes the Single Family Electronic Data Warehouse, which is the key single source of data for FHA single family automated systems. Its queries and reporting tools provide oversight over FHA single family activities. These functions capture and store due diligence, procedure, and other legal materials needed to for FHA to sell its assets, recover millions of dollars for the Department's funds.
- Customer Relationship Management Services (\$5.8 million) involves planning, scheduling and controlling the activities between the HUD's customers and its IT products and services, both before and after a product or service is offered. The segment includes call center management, customer analytics, sales and marketing, product management, brand management, customer/account management, contact and profile management, partner relationship management, customer feedback, and surveys.
- Digital Asset Services (\$2.1 million) defines the set of capabilities to support the generation, management, and distribution of intellectual capital and electronic media across the Department. The segment includes content management, document management, knowledge management, and records management.
- Process Automation Services (\$1.1 million) defines the set of capabilities supporting the automation of process and management activities to assist in effectively managing the business. It represents those services and capabilities serving to automate and facilitate the processes associated with tracking, monitoring, and maintaining liaisons throughout the business cycle of an organization. The Process Automation Services segment includes process tracking and workflow, case management, and conflict resolution.

eGOVERNMENT INITIATIVES: HUD funds its contributions to the Federal eGovernment Initiatives through the Working Capital Fund. This portion of the WCF budget enables HUD to make its financial contributions to these critical cross-agency initiatives:

- GovBenefits.gov (\$338,866);
- Disaster Assistance Improvement Plan (\$126,326);
- E-Rulemaking (\$185,691);
- Grants.gov (\$299,068);
- The Integrated Acquisition Environment (\$57,346); and
- Performance Management (\$185,000).

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HUD is requesting funding through the Working Capital Fund for eGovernment Initiatives in the amount of \$1.2 million. Additional funds for eGovernment Initiatives are provided through HUD's Administration, Operations, and Management account.

HUD continues to provide support for innovative solutions that meet the Department's priorities, promote transparency and accountability, and encourage participation in government. Through the framework established by the E-Government Act of 2002 and the on-going collaborative efforts with other Federal agencies, HUD is providing simple, easy-to-use governmental services and information that are accessible, effective, and less burdensome for our customers.

4. How do we know that this program works?

The Working Capital Fund supports the operations and maintenance of HUD's IT systems for the entire Department. This includes hundreds of billions in commitment authority through FHA and Ginnie Mae, and tens of thousands of rental and community development contracts and grants. With a Departmentwide gross discretionary budget request of \$44.8 billion, the Working Capital Fund represents 0.5 percent of the total Department budget request – each WCF dollar supports more than \$180 of HUD discretionary programs.

While serving all of the functional IT needs of this elaborate, complex, and programmatically diverse Department, the WCF has continued to ensure protecting the privacy of its customers and employees. Because of the nature of its services and operations, HUD handles an unusually large amount of personally identifiable information. Acting through the WCF, HUD has implemented practices that have effectively safeguarded this information, ensuring the privacy of HUD's employees and customers.

HUD has also maintained largely clean findings from GAO audits and recommendations. In addition to its services as the Department's IT backbone, the WCF actively tracks and works to mitigate all GAO Audit findings. The HUD's Chief Information Officer is particularly dedicated to ensuring clean audit findings, and requires that any adverse findings have plans for mitigation.

To gain efficiencies, effectiveness and cost savings within the WCF, HUD has begun implementing a WCF Strategic Sourcing Plan. This plan has resulted in a two-tiered approach, including a contracts perspective and an enterprise services perspective.

The contracts perspective is based on a complete review of all WCF IT contracts to identify opportunities for leveraging requirements into savings and efficiencies. This includes:

- identifying mechanisms to strengthen contract management and oversight;
- identifying opportunities for realizing cost saving efficiencies; and
- integrating IT specific guidance into the acquisitions process.

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The enterprise services aspect focuses on the expansion of existing enterprise services contracts that can be leveraged across HUD to gain efficiencies. To further improve the operations of the WCF, HUD is planning to analyze the O&M activities currently being funded in an effort to identify areas where IT modernization efforts can be reduce the O&M costs. The vast majority of WCF funding is currently applied to O&M. The anticipated outcome of this effort is to identify opportunities development, modernization, and enhancement funds can be applied to reduce HUD's O&M budgetary footprint.

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Summary of Resources by Program**

<u>Budget Activity</u>	<u>2011 Budget Authority</u>	<u>2010 Carryover Into 2011</u>	<u>2011 Total Resources</u>	<u>2011 Obligations</u>	<u>2012 Budget Authority/ Request</u>	<u>2011 Carryover Into 2012</u>	<u>2012 Total Resources</u>	<u>2013 Request</u>
Working Capital Fund ..	\$199,600	\$136,802	\$336,402	\$273,976	\$199,035	\$142,476	\$341,511	\$170,000
Salaries and Expenses .	[40,493]	...	[40,493]
Total	199,600	136,802	336,402	273,976	199,035	142,476	341,511	170,000

NOTES

1. Figures in the above chart may differ from the fiscal year 2012 WCF Operating Plan, as this document also reflects carryover, obligations, and outlays from the remaining Recovery Act funds in the WCF.
2. Working Capital Fund 2010 Carryover Into 2011 includes \$70.7 million transfer from FHA/MMI, \$3.25 million transfer from expiring salaries and expenses accounts, \$745 thousand in collections, and \$2.4 million in fiscal year 2011 recaptures.
3. Working Capital Fund 2011 Carryover Into 2012 includes \$71.5 million transfer from FHA/MMI, \$5 million transfer from the Neighborhood Stabilization Program, \$400 thousand from the Indian Housing Loan Guarantee fund, \$300 thousand in anticipated collections, and \$4 million in anticipated fiscal year 2012 recaptures.
4. Prior to 2012, funding for the salaries and expenses of the Office of the Chief Information Officer (OCIO) was provided within the Working Capital Fund. Consistent with the account structure changes enacted in 2012, funding for the OCIO continues to be requested within the Administration, Operations, and Management account.

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WORKING CAPITAL FUND Appropriations Language

The fiscal year 2013 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For additional capital for the Working Capital Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Department-wide and program-specific information technology systems, for the continuing operation and maintenance of both Department-wide and program-specific information systems, and for program-related maintenance activities, [~~\$199,035,000~~ *\$170,000,000*, to remain available until September 30, [2013] *2014*. 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 may be used for the purposes specified under this Fund, in addition to any other information technology the purposes for which such amounts were appropriated[: Provided further, That not more than 25 percent of the funds made available under this heading for Development, Modernization and Enhancement, including development and deployment of a Next Generation of Voucher Management System and development and deployment of modernized Federal Housing Administration systems may be obligated until the Secretary submits to the Committees on Appropriations a plan for expenditure that_(A) identifies for each modernization project: (i) the functional and performance capabilities to be delivered and the mission benefits to be realized, (ii) the estimated life-cycle cost, and (iii) key milestones to be met; (B) demonstrates that each modernization project is: (i) compliant with the department's enterprise architecture, (ii) being managed in accordance with applicable life-cycle management policies and guidance, (iii) subject to the department's capital planning and investment control requirements, and (iv) supported by an adequately staffed project office; and (C) has been reviewed by the Government Accountability Office].

Changes from 2012 Appropriations

HUD proposes to eliminate the requirement that it submit an expenditure plan for all Development, Modernization, and Enhancement (DME) spending to take place from the WCF. In fiscal year 2013, HUD is proposing to resume funding of IT DME projects from the Transformation Initiative; HUD expects fiscal year 2013 DME spending from the Working Capital Fund will be minimal and focused on small tasks. Moreover, similar information on development activities is publicly provided on the Federal IT Dashboard and in the Department's Exhibit 300s.