

Department of the Treasury  
Department-wide Systems and  
Capital Investments Program

Congressional Budget  
Justification and Annual  
Performance Plan and Report

FY 2024

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## Section I – Budget Request

### A – Mission Statement

Improve infrastructure, modernize business processes, and increase efficiency through technology and capital investments that support the missions of Treasury bureaus and programs.

### B – Summary of the Request

An icon of American architecture, the Main Treasury building is the third oldest in use Federal building in Washington, after the Capitol and White House. Unlike the Capitol or the White House, the Main Treasury Building is not under the jurisdiction of the Architect of the Capitol or General Services Administration (GSA), respectively, but rather is the direct responsibility of the Treasury Department. The bulk of funding for its care through capital investments is provided through the Department-wide Systems and Capital Investments Program (DSCIP) account.

The Main Treasury building was built with Congressional appropriations from 1836 to 1869. From 1909 to 1910, the building received a special appropriation to modernize its infrastructure, which helped to bring the building into the 20<sup>th</sup> century. A major fire in 1996 resulted in a series of Congressional appropriations that ushered the Treasury building into the 21<sup>st</sup> century. Now, 25 years later, the building faces a multitude of issues that need to be addressed, some of which pose life safety concerns, including issues related to Treasury and the Freedman’s Bank Buildings’ external and internal infrastructure and security posture.

The President’s FY 2024 budget request reflects a limited subset of those previously identified needs, which the Department plans to continue to work to address over time. The FY 2024 request builds on prior year efforts (which included requests in FY 2021, FY 2022, and FY 2023) to repair the outer envelope of the Main Treasury building and includes funding to address major repairs within the interior of the Main Treasury building. This request reflects Treasury’s three-step long-term strategy to continue to maintain and modernize its owned spaces: (1) secure the building’s outer envelope; (2) conduct a condition assessment to identify additional needs associated with the buildings’ continual aging and deferred maintenance; and (3) based on this assessment, conduct a holistic modernization of the building’s systems and infrastructure.

The FY 2024 request also includes funding for moving and relocation costs for government leased space in preparation for the expiration of leases in August 2025. Finally, the FY 2024 funding request provides approximately \$1.6 million reimbursement for agency contributions to the GSA in support of the Federal Risk and Authorization Management Program (FedRAMP).

### 1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2022		FY 2023		FY 2024		FY 2023 to FY 2024	
	Operating Plan		Operating Plan		Request		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Department-Wide Systems and Capital Investments Program	0	\$6,118	0	\$11,118	0	\$30,881	NA	177.8%
<b>Subtotal New Appropriated Resources</b>	<b>0</b>	<b>\$6,118</b>	<b>0</b>	<b>\$11,118</b>	<b>0</b>	<b>\$30,881</b>	<b>NA</b>	<b>177.8%</b>
<b>Total Budgetary Resources</b>	<b>0</b>	<b>\$6,118</b>	<b>0</b>	<b>\$11,118</b>	<b>0</b>	<b>\$30,881</b>	<b>NA</b>	<b>177.8%</b>

## 1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
<b>FY 2023 Operating Plan</b>	<b>0</b>	<b>\$11,118</b>
<b>Changes to Base:</b>		
Maintaining Current Levels (MCLs):	0	\$0
Non-Recurring Costs	0	(\$11,118)
Main Treasury and Freedman's Bank Interior Repairs	0	(\$2,518)
Main Treasury Exterior Repairs	0	(\$5,600)
Outbound Investment - IT System	0	(\$3,000)
<b>Subtotal Changes to Base</b>	<b>0</b>	<b>(\$11,118)</b>
<b>FY 2024 Current Services</b>	<b>0</b>	<b>\$0</b>
<b>Program Changes:</b>		
Program Increases:	0	\$30,881
Construction Consolidation: Move and Replication for government leased space	0	\$17,200
MT Exterior Repair and Restoration Masonry & Windows	0	\$6,000
Electric Vehicles	0	\$5,000
FedRAMP Reimbursement	0	\$1,581
Architectural and Engineering Design, Inspection, and Consultation	0	\$600
MT Carpet, Plaster and Paint	0	\$500
<b>Subtotal Program Changes</b>	<b>0</b>	<b>\$30,881</b>
<b>FY 2024 President's Budget Request</b>	<b>0</b>	<b>\$30,881</b>

## C – Budget Increases and Decreases Description

**Non-Recurring Costs** .....-\$11,118,000 / - 0 FTE

This amount represents the non-recur of investments funded within the FY 2023 Enacted.

**Program Increases** .....+\$30,881,205 / +0 FTE

Construction Consolidation: Move and Replication for government leased space +\$17,200,000 / +0 FTE

The Departmental Offices (DO) request \$17.2 million in funding for anticipated office moves. Prospectus-level leases for two buildings that DO currently occupies expire in August 2025, and the DO must take steps in FY 2024 to secure a new leased space. To accomplish this goal, over the past 20 months, DO has partnered with GSA and used its Program of Requirements model to conduct an in-depth survey with offices to understand their facility needs. The requested \$17.2 million in funding is needed to procure a new lease, construct and equip suitable office space, and relocate to the new space before the current leases expire. DO is committed to efficiently utilizing office space. The lease consolidation effort will yield a 90,000 rentable square foot (RSF) reduction resulting in millions of dollars in cost avoidance over the life of the new lease.

MT Exterior Repair and Restoration Masonry & Windows +\$6,000,000 / +0 FTE

The budget request continues critical renovations and maintenance of the outer shell of the Main Treasury (MT) and Freedman's Bank Building (FBB) facilities, with the primary goals of preventing continued water intrusion and repairing key structural components. Completion of

MT exterior work, including work to repair and restore one of the five phases of the façade but does not include courtyard windows. Work items include:

1. Repairing failed masonry joints to protect from moisture penetration, cleaning the stone surfaces, and repairing damaged stone (see figure 1 below).



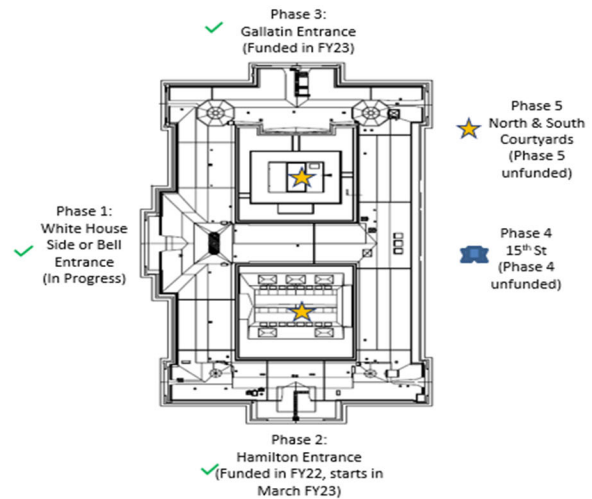
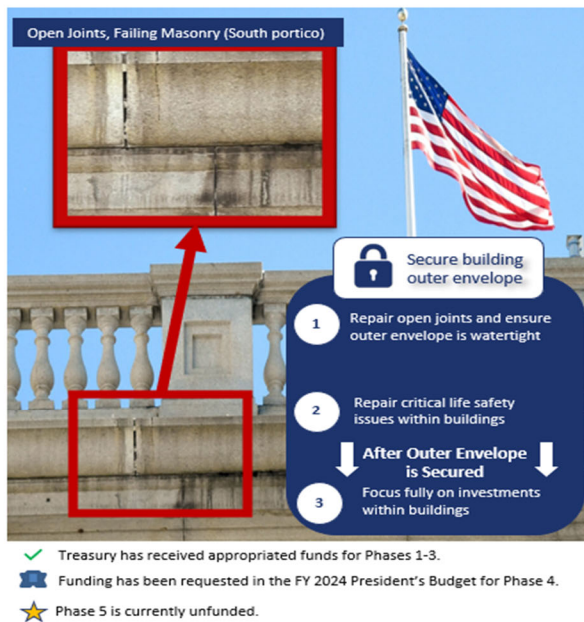
**Figure 1: Open Joints, Failing Masonry**

2. Repairing or replacing window frames suffering varying degrees of damage after years of weather exposure (see figure #2 below).



**Figure 2: Typical Rotten Windowsill**

This will fund phase four of the multiyear effort to maintain the building and to prevent more expensive repair work as deterioration continues, to include weather intrusion that is impacting interior spaces that require remediation and mold control. Phase four covers the remainder of the East/15<sup>th</sup> St. façade of the MT building. This funding covers exterior repairs, but it is possible the repairs will uncover additional unanticipated structural issues that could require additional funding requests.



**Figure 3: Exterior Repair and Restoration (MT)**

### *Electric Vehicle Leases and Infrastructure +\$5,000,000 / +0 FTE*

Following the lead from Executive Order 14008, “Tackling the Climate Crisis at Home and Abroad”, Treasury is committed to supporting the Administration’s goals of combatting the impacts of climate change. The Department of the Treasury is accelerating the conversion of its vehicle fleet to electric vehicles (EVs) as a part of strategic objective 4.4 (Sustainable Treasury Operations). To facilitate this transition, \$5.0 million is being requested by Treasury in FY 2024 in the DSCIP account for leasing of EVs and purchasing associated charging and supply equipment. Funding will be used for:

1. The replacement of traditional internal combustion vehicle leases with zero-emission vehicles (i.e., battery electric and plug-in hybrid electric) across the Department;
2. Electric vehicles will replace traditionally powered leased vehicles; and
3. Additional charging station infrastructure to support fleet electrification. Some existing charging stations will require updates or replacement.

Electrifying the Treasury fleet will support environmental and energy sustainability and will make Treasury more adaptive and resilient to the impacts of climate change.

### *FedRAMP Reimbursement +\$1,581,205 / +0 FTE*

To date, the FedRAMP program has been funded via appropriations directly to the GSA. Section 753 of Division E of the Consolidated Appropriations Act, 2023 (P.L. 117-328) authorized the transfer of funds to GSA to finance an appropriate share of various information technology projects among Government-wide boards and councils. Starting in FY 2024, this program will convert into a government-wide reimbursable program. This funding request provides \$1.581 million for agency contributions to the GSA in support of the Federal Risk and Authorization Management Program (FedRAMP). FedRAMP is a government-wide Technology Transformation Services program that provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services. FedRAMP empowers

agencies to use modern cloud technologies, with emphasis on security and protection of federal information, and helps accelerate the adoption of secure cloud solutions. The FedRAMP Program Management Office resides within GSA and supports agencies and cloud service providers through the FedRAMP authorization process and maintains a secure repository of FedRAMP authorizations to enable reuse of security packages.

*Architectural and Engineering Design, Inspection, and Consultation +\$600,000 / +0 FTE*

These funds will pay for design studies, project planning, cost estimating, schedule, and inspections that DO no longer has in-house capabilities to do due to previous funding cuts. This will provide project specific technical guidance, building code review and consultation, and third-party inspections where necessary. Some work, such as third-party inspections, are required to be performed by outside sources. This funding sets the groundwork for step three of Treasury's three-part long-term owned spaces strategy, as it will kickstart engineering work needed to begin a holistic approach to system modernization.

*MT Carpet, Plaster and Paint +\$500,000 / +0 FTE*

Much of the carpet within MT and FBB is close to 20 years old, while projected life expectancy is typically 7-10 years. In many places carpet has become significantly worn, which creates the potential for safety hazards and an unprofessional impression of the Treasury Department. These funds will be used to purchase carpet stock, allowing for regular lifecycle replacement. Also, buildings the size of MT and FBB require constant spot replastering and painting, as well as scheduled repainting in their entirety (by sections) over time.

Likewise, damage from water intrusion and pipe leaks has resulted in damage to plaster and paint throughout the MT building. While waterproofing to the exterior of the building is ongoing, it is equally important for staff health and safety to remediate water damage and prevent/eliminate mold and mildew where identified.

See figures below of plaster damage caused by deficiencies in the façade pointing and/or flashing.



**Figure 4: Interior Wall  
Damage (MT)**



**Figure 5: Plaster/Paint  
Bulging (MT)**

### 1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2022 Actual Obligations	FY 2023 Estimated Obligations	FY 2024 Estimated Obligations
<b>Total Personnel and Compensation Benefits</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
23.1 - Rental payments to GSA	0	0	13,000
25.1 - Advisory and assistance services	139	941	0
25.3 - Other goods and services from Federal sources	0	0	2,581
25.7 - Operation and maintenance of equipment	136	0	0
31.0 - Equipment	135	0	0
32.0 - Land and structures	4,878	8,374	10,050
<b>Total Non-Personnel</b>	<b>\$5,288</b>	<b>\$9,315</b>	<b>\$25,631</b>
<b>Total Obligations</b>	<b>\$5,288</b>	<b>\$9,315</b>	<b>\$25,631</b>
<b>Full-time Equivalents (FTE)</b>	<b>0</b>	<b>0</b>	<b>0</b>

Amounts reflect obligations of annually appropriated resources, carryover balances, reimbursables, and transfers.

### D – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
<p>DEPARTMENT OF THE TREASURY</p> <p>Department-wide Systems and Capital Investments Program</p> <p>For development and acquisition of automatic data processing equipment, software, and services; <i>for the hire of zero emission passenger motor vehicles and for supporting charging or fueling infrastructure; for expenses related to realignment of leased office space within the District of Columbia;</i> and for repairs and renovations to buildings owned by the Department of the Treasury, [\$11,118,000] \$30,881,205, to remain available until September 30, [2025] 2026: Provided, That these funds shall be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations: Provided further, That this transfer authority shall be in addition to any other transfer authority provided in this Act: Provided further, That none of the funds appropriated under this heading shall be used to support or supplement "Internal Revenue Service, Operations Support" or "Internal Revenue Service, Business Systems Modernization". (<i>Department of the Treasury Appropriations Act, 2023.</i>)</p>	<p>Provides authority to DSCIP to spend funding on electric vehicles and associated charging infrastructure.</p>

### E – Legislative Proposals

DSCIP has no legislative proposals.



## Section II – Annual Performance Plan and Report

### A – Strategic Alignment

The DSCIP account provides a mechanism for Treasury to fund capital investments that have complex contracts with projects that span several fiscal years. Through the DSCIP account, the Treasury has been able to develop a Treasury-wide human resources information technology solution while funding the continued repair and restoration of the Main Treasury and Freedman’s Bank Building. DSCIP’s work aligns with the following new objectives in Treasury’s FY 2022 – FY 2026 Strategic Plan:

#### Strategic Goal 4: Combat Climate Change

- Objective 4.4: Sustainable Treasury Operations. Improve Treasury’s overall environmental and energy sustainability and invest in Treasury Bureaus’ adaptation and resiliency efforts to address climate change impacts on operations and services.

#### Strategic Goal 5: Modernize Treasury Operations

- Objective 5.4: Customer Experience Practices. Mature and embed strong customer experience practices across the Department, establishing Treasury’s reputation for consistently positive experiences.

### B – Budget and Performance by Budget Activity

#### 2.1 – DSCIP Resources and Measures

Dollars in Thousands

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Resource Level	Actual	Actual	Actual	Actual	Actual	Operating Plan	Request
Appropriated Resources	\$4,426	\$4,000	\$6,118	\$6,118	\$6,118	\$11,118	\$30,881
<b>Budget Activity Total</b>	<b>\$4,426</b>	<b>\$4,000</b>	<b>\$6,118</b>	<b>\$6,118</b>	<b>\$6,118</b>	<b>\$11,118</b>	<b>\$30,881</b>
<b>Full-time Equivalents (FTE)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: The FY 2018 - FY2022 appropriated resources level represents the approved operating plans.

### Department-wide Systems and Capital Investments Program Fund Budget and Performance

*(\$30,881,205 from direct appropriations):*

*Treasury Owned Buildings - Repairs and Renovations*

Treasury Operations continues to strategically focus on restoring the health of the building envelope (shell) and to correct the deteriorating building structure and infrastructure.

Components of the MT building that have been repaired, replaced, or funded include new roofs (2019/2021 account) and repairs to 40 percent of the windows (2015/2017 account). The FBB components that have been repaired, replaced, or funded/planned include new roofs (2017/2019 account), domestic water line (2020/2022 account), and replacement of all windows (2009/2011 account). Funding and completion of these exterior items represent significant progress towards preserving the two buildings, maintaining a safe and healthy workplace, and reducing damage to the interior plaster and paint. The contract for the first phase (west façade) of the MT exterior

restoration project was awarded late in FY 2021 and completed during FY 2022. Exterior work will continue in the spring of 2023 on the south façade which was awarded in FY 2022.

The FY 2021 contract award of the expanded Facility Condition Assessment (FCA) provided an update to and validation of the immediate repair needs of the MT and FBB. Work on the expanded FCA began in December 2021 and is now complete. This assessment was conducted to identify long-term capital expenses based on the expected useful life of building systems and components. The FCA also provides data to and assists in the modernization of Treasury facilities to improve energy efficiency and environmental sustainability. Treasury Operations has enlisted non-reimbursable staffing resources on developmental details to identify ways to improve Treasury's sustainability and decrease Treasury's carbon footprint, and the FCA will be invaluable in establishing a baseline from which Treasury can identify areas where sustainability or energy efficiency can be improved (e.g., legacy mechanical systems, more efficient building envelope) consistent with strategic objective 4.4.

In addition to immediate repairs and long-term needs, the expanded FCA provided feedback on the building code as well as compliance with the Americans with Disabilities Act. In doing so, it allows Treasury to provide a safer, more inclusive, and more comfortable environment for Treasury staff, which should contribute to the productivity and morale of employees within these buildings consistent with strategic objective 5.4.

Concurrent with repairs to Treasury's owned portfolio, Treasury has leases expiring in August of 2025 in downtown Washington DC. The combined total square footage of these leases is 195,017 RSF. In FY 2022, Treasury undertook a progressive approach to space utilization and developed a plan to consolidate leased spaces by 47 percent to an estimated 103,000 RSF. This effort aligns Treasury's long-term future of work plan and the federal footprint reduction plan and is consistent with strategic objective 5.2

The consolidation is expected to improve operational efficiency and allow for future growth while providing an efficient work environment that supports each offices' mission. This funding request will support the construction and office moves for the new facility and decommissioning of expired leases.

## **Section III – Additional Information**

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### **A – Summary of Capital Investments**

A summary of capital investment resources, including major information technology and non-technology investments, can be found at:

<https://home.treasury.gov/about/budget-financial-reporting-planning-and-performance/budget-requestannual-performance-plan-and-reports/summary-of-capital-investments>