

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

Congressional Budget  
Justification and Annual  
Performance Report and Plan

FY 2025

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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 the White House. Unlike the Capitol or White House, the Main Treasury Building is not under the jurisdiction of the Architect of the Capitol or GSA respectively, but rather is the direct responsibility of the Treasury Department. The bulk of funding for its care through capital investments is provided by the Department-wide Systems and Capital Investments Program (DSCIP).

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 20th century. In 1919, construction was completed to build the Freedman’s Bank Building, which is also owned by the Treasury Department. The building’s upkeep and care are also supported by capital investments from the DSCIP. A major fire in 1996 resulted in a series of Congressional appropriations that ushered the Treasury Building into the 21st century. Now, 28 years later, the building faces several issues that must be addressed, some of which pose life safety concerns, including those related to Treasury and the Freedman’s Bank Building’s external and internal infrastructure and security posture.

The President’s FY 2025 Budget request reflects a limited subset of those previously identified needs, which the Department plans to continue to address over time. The FY 2025 request builds on prior year efforts 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 Budget also includes funding to be used for replacement of chillers and cooling towers, contributions to the U.S. Digital Service, and supports conversion of Treasury vehicle fleet to electric vehicles (EVs).

### 1.1 – Appropriations Detail Table

Dollars in Thousands

| Appropriated Resources                                  | FY 2023        |                 | FY 2024       |                 | FY 2025  |                 | FY 2024 to FY 2025 |            |
|---|----------------|-----------------|---------------|-----------------|----------|-----------------|--------------------|------------|
|   | Operating Plan |                 | Annualized CR |                 | Request  |                 | % Change           |            |
| New Appropriated Resources                              | FTE            | AMOUNT          | FTE           | AMOUNT          | FTE      | AMOUNT          | FTE                | AMOUNT     |
| Department-wide Systems and Capital Investments Program | 0              | \$11,118        | 0             | \$11,118        | 0        | \$14,470        | 0%                 | 30%        |
| <b>Subtotal New Appropriated Resources</b>              | <b>0</b>       | <b>\$11,118</b> | <b>0</b>      | <b>\$11,118</b> | <b>0</b> | <b>\$14,470</b> | <b>0%</b>          | <b>30%</b> |
| <b>Total Budgetary Resources</b>                        | <b>0</b>       | <b>11,118</b>   | <b>0</b>      | <b>\$11,118</b> | <b>0</b> | <b>\$14,470</b> | <b>0%</b>          | <b>30%</b> |

## 1.2 – Budget Adjustments Table

Dollars in Thousands

|  | FTE      | Amount          |
|--|----------|-----------------|
| <b>FY 2024 Annualized CR</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)      |
| Subtotal Changes to Base   | 0        | (\$11,118)      |
| <b>FY 2025 Current Services</b>                                      | <b>0</b> | <b>\$0</b>      |
| <b>Program Changes:</b>  |          |                 |
| Program Increases:   | 0        | \$14,470        |
| MT Exterior Repair/Restoration Masonry & Windows                     | 0        | \$4,000         |
| MT/FBB Mass Notification System/Fire Alarm Upgrade/Replacement Study | 0        | \$1,250         |
| Replace Chillers and Cooling Tower                                   | 0        | \$3,500         |
| MT Carpet, Plaster, Paint, and Flooring Repairs                      | 0        | \$650           |
| Electric Vehicle Leases and Infrastructure                           | 0        | \$1,718         |
| Treasury Contribution to U.S. Digital Service                        | 0        | \$3,352         |
| Subtotal Program Changes   | 0        | 14,470          |
| <b>FY 2025 President's Budget Request</b>                            | <b>0</b> | <b>\$14,470</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 2024 Assumed.

**Program Increases** .....+\$14,470,196 / +0 FTE

*MT Exterior Repair and Restoration Masonry & Windows* +\$4,000,000 / +0 FTE

Treasury's 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 erosion of the building's historic fabric, and repairing key structural components. Without consistent funding the overall project costs will increase and the potential for increased damage is high. In addition to losing momentum on the progress, costs for mobilization and surveys/studies will recur with each new start up.

More specifically, 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

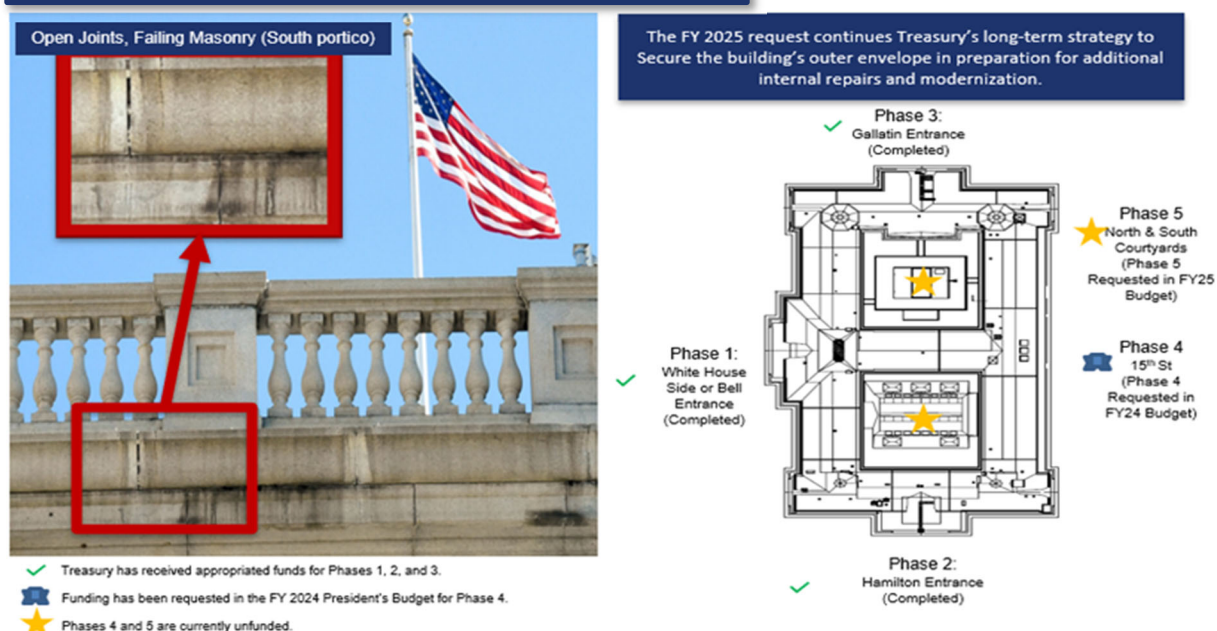
2. Repairing or replacing window frames suffering varying degrees of damages after years of weather exposure (see figure 2 below).



Figure 2: Typical Rotten Windowsill

This request would fund part of phases four and five of the multi-year 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 three was funded in FY 2023. Phase four covers the 15<sup>th</sup> Street side of MT and is expected to commence in FY 2024 (contingent on sufficient funding). Phase five covers the remainder of the North and South Courtyards façade of the MT building and would be commenced in FY 2025 with the requested funding. This funding covers exterior repairs, but it is possible the repairs will uncover additional unanticipated structural issues that could require additional funding requests. See figure 3 below for summary of MT Exterior repairs.

Figure 3: Exterior Repair and Restoration (MT)



MT/FBB Mass Notification System/Fire Alarm Upgrade/Replacement Study +\$1,250,000 / +0 FTE

The Main Treasury's current fire alarm system is 25 years old, and while the existing system meets basic code requirements, the system is limited to its primary function for building evacuations only. The system does not have the mass notification intelligence to accommodate alternate emergency scenarios such as shelter in place. The lack of this feature can lead to confusion during an emergency, increasing the risk for accident or injury during an event. A recent third-party assessment recommended system replacement over enhancement for system reliability.

Replace Chillers and Cooling Tower+\$3,500,000 / +0 FTE

The MT Building houses the entire chilled water plant for the Main Treasury Complex. A five cell cooling tower feeds four water cooled centrifugal chillers providing a total cooling capacity of 2,050 tons. The chillers are located in a mechanical room under the northwest lawn.

The four chillers provide over 98% of the cooling required for the entire Treasury Headquarters complex; therefore, the plant is operated 24/7, 365 days per year. The Freedman's Bank Building (FBB) does not generate chilled water but rather uses chilled water from the main plant distributed by a dedicated secondary chilled water pump which serves most air handling units directly. The Chilled Water System is over 30 years old and has a wide variety of repair needs including bearings, motors, valves, distribution piping, insulation, controls, and other repairs. The system has redundancy for repairs. However, with all of the components aging at the same time the occurrence of repair needs combined with the time to repair diminishes the reliability of the redundant capacity.

It is imperative that these items are repaired/replaced before the available redundancy is lost. A system breakdown would indefinitely shutdown the Treasury Complex's daily operations. This first-year cost of a multi-year project includes design for this effort.

See figure 4 below of chiller and water-cooling tower.

**Figure 4:**



**Central Chilled Water-Cooling System**



**Centrifugal Chiller Plant (1 of 4 chillers pictured above)**

MT Carpet, Plaster, Paint, and Flooring Repairs +\$650,000 / +0 FTE

There is currently a backlog of damaged paint and plaster as well as frayed carpet throughout MT and FBB. Some of the paint and plaster damage is due to water intrusion. These funds will supplement other funding to address the backlog in repairing these problems and implementing a regular schedule of maintenance. The damaged paint and plaster are unsightly and pose potential

health and safety risks, while the frayed carpet is a safety hazard. See figure 5 below of plaster damaged caused by deficiencies in the façade pointing and/or flashing.



**Figure 5: Wall and Finish Deterioration; Interior Ceiling**

In addition, water intrusion has caused a section of flooring in MT to become structurally unsound. Without near-term action, continued deterioration will create significant safety risks. Closure of the location could be necessary to avoid the potential for serious injury to Treasury employees and visitors. Funding is needed to rebuild the floor, and this will result in a far safer space.

*Electric Vehicle Leases and Infrastructure +\$1,718,000 / +0 FTE*

Consistent with the Administration's priorities (see E.O. 14008), Treasury is committed to supporting the Administration's goals of combatting the impacts of climate change. Treasury hopes to accelerate 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, \$1.718 million is being requested to lease EVs and purchase the associated charging and supply equipment at Treasury facilities. Funding will be used to:

- Replace traditional internal combustion vehicle leases with electric vehicles.
- Additional charging station infrastructure at Treasury facilities to support fleet electrification. Some existing charging stations will require updates or replacement.

*Treasury Contribution to U.S. Digital Service +\$3,352,196 / +0 FTE*

Treasury requests \$3.352 million for the agency-wide contribution to the U.S. Digital Service for digital service expertise and assistance attracting and hiring technical talent to de-risk large-scale or high-priority technical implementations and launches, respond in urgent situations, and/or provide technology strategy and planning support.

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

Dollars in Thousands

| Object Classification                                       | FY 2023            | FY 2024               | FY 2025               |
|---|--------------------|-----------------------|-----------------------|
|   | Actual Obligations | Estimated Obligations | Estimated Obligations |
| 23.1 – Rental payments to GSA                               | 0                  | 9,351                 | 0                     |
| 23.3 – Communications, utilities, and miscellaneous charges | 0                  | 0                     | 1,718                 |
| 25.1 – Advisory and assistance services                     | 429                | 3,000                 | 0                     |
| 25.3 – Other goods and services from Federal sources        | 14                 | 0                     | 3,352                 |
| 25.7 – Operation and maintenance of equipment               | 21                 | 0                     | 0                     |
| 31.0 – Equipment  | 491                | 0                     | 0                     |
| 32.0 – Land and structures                                  | 9,788              | 3,552                 | 5,550                 |
| <b>Total Non-Personnel</b>                                  | <b>\$10,743</b>    | <b>\$15,903</b>       | <b>\$10,620</b>       |
| <b>Total Obligations</b>                                    | <b>\$10,743</b>    | <b>\$15,903</b>       | <b>\$10,620</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><b>DEPARTMENT OF THE TREASURY</b></p> <p>Department-wide Systems and Capital Investments Program</p> <p><i>For development and acquisition of automatic data processing equipment, software, and services; 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; and for repairs and renovations to buildings owned by the Department of the Treasury, \$14,470,196, to remain available until September 30, 2027: 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.</i></p> <p>Note.—A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.</p> | <p>The requested change (deleting the restriction on supporting or supplementing certain accounts) is due to the requested Digital Service program increase. This requested funding is the agency-wide cost and would include the IRS.</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, Treasury has been able to develop a Treasury-wide human resources information technology solution as well as fund the continual repair and restoration of the Main Treasury Building and the Freedman’s Bank Building. DSCIP’s work aligns with the following new objectives in the Treasury FY 2022 – 2026 Strategic Plan:

Strategic Goal 4, to Combat Climate Change:

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

Strategic Goal 5, to 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

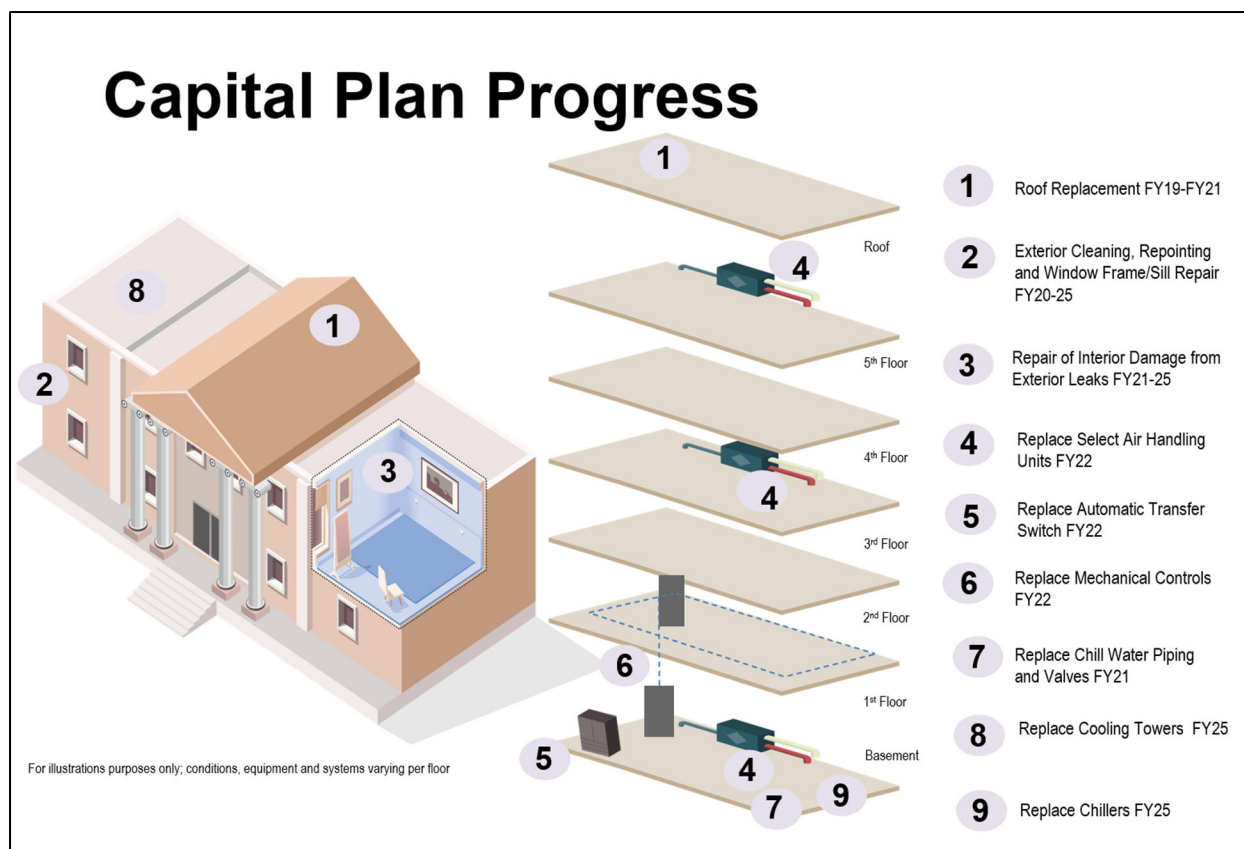
| Resource Level                     | FY 2019<br>Actuals | FY 2020<br>Actuals | FY 2021<br>Actuals | FY 2022<br>Actuals | FY 2023<br>Actuals | FY 2024<br>Annualized<br>CR | FY 2025<br>Request |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------------|--------------------|
| Appropriated Resources             | \$4,000            | \$6,118            | \$6,118            | \$6,118            | \$11,118           | \$11,118                    | \$14,470           |
| <b>Budget Activity Total</b>       | <b>\$4,000</b>     | <b>\$6,118</b>     | <b>\$6,118</b>     | <b>\$6,118</b>     | <b>\$11,118</b>    | <b>\$11,118</b>             | <b>\$14,470</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: Appropriated Resources in the 2.1 table reflect appropriated levels.

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

(\$14,470,196 from direct appropriations):

*Treasury Owned Buildings - Repairs and Renovations* - Treasury Operations has continued to strategically focus on restoring the health of the building envelope (shell), to correct the deteriorating building structure and infrastructure. Components of the Main Treasury building that have been repaired, replaced, or funded include new roofs (FY 2019/2021) and repairs to 40 percent of the windows (FY 2015/2017). The Freedman’s Bank Building components that have been repaired, replaced, or funded/planned include new roofs (FY 2017/2019), domestic water line (FY 2020/2022), and replacement of all windows (FY 2009/2011). Funding and completion of these exterior items represent significant progress towards the preservation of 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 Main Treasury exterior restoration project was awarded late in FY 2021 and completed during FY 2022. Exterior restoration work continued through 2023 with the completion of phase 2 (south) and phase 3 (north) north façades. In FY 2024, assuming adequate funding, Phase 4 work will commence and, in FY 2025, with this requested funding, work on Phase 5 will commence. The following graphic shows recent progress.



Treasury Operations completed an expanded Facility Condition Assessment (FCA) in FY 2023 for the Main Treasury and Freedman’s Bank buildings. 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 continues to work 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, etc.) 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 accessible environment for Treasury staff, consistent with strategic objective 5.4.

Concurrent with repairs to Treasury’s owned portfolio, Treasury has four leases expiring in August of 2025 in downtown Washington, DC. The combined total square footage of these four leases is 195,017 rentable square feet (RSF). In FY 2022, Treasury undertook a progressive approach to space utilization and developed a plan to consolidate leased spaces, reducing to an estimated 67,000 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. These efforts will only be accomplished with sufficient funding.

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://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>

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