

Department of the Treasury
Treasury Capital Investments and
Modernization Fund

Congressional Budget
Justification and Annual
Performance Report and Plan

FY 2021

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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

In this Budget, Treasury is proposing two structural changes to the account currently established as the Department-wide Systems and Capital Investments Program (DSCIP): change the name of the account to Treasury Capital Investments and Modernization Fund (TCIMF) from DSCIP, and include new transfer authority to leverage existing funding and introduce further flexibility that will help Treasury to continuously modernize information technology infrastructure across the Department. These changes will allow for Treasury bureaus to invest in IT projects that advance their mission and align to Departmental Chief Information Office priorities.

Treasury owns and operates two historic office buildings in downtown Washington, D.C. – the Main Treasury Building (MT) and the Freedman’s Bank Building (FBB). In FY 2016, Treasury conducted an internal assessment of both buildings and found a range of needs that include immediate safety/health risks, capital renewal to address systematic and mechanical failure, and building modernization. In FY 2017, an external architectural and engineering firm validated the estimated \$98.7 million in remaining costs from that report. In addition to validating the identified repair needs, the report identified additional repairs and cyclic needs over the next 20 years. The Department plans to continue to work through these accumulated needs over time.

The bulk of the FY 2021 request of \$13.5 million addresses MT and FBB repair and restoration. The TCIMF investments support the Treasury strategic goal/objective 5.2 “Achieve Operational Excellence/Treasury Infrastructure: Better enable mission delivery by improving the reliability, security, and resiliency of Treasury’s infrastructure.”

1.1 – Appropriations Detail Table

Dollars in Thousands

Appropriated Resources	FY 2019		FY 2020		FY 2021		FY 2020 to FY 2021	
	Operating Plan		Enacted		Request		% Change	
New Appropriated Resources	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Treasury Capital Investments and Modernization Fund (TCIMF)	-	\$4,000	-	\$6,118	-	\$13,500	NA	121%
Subtotal New Appropriated Resources	-	\$4,000	-	\$6,118	-	\$13,500	NA	121%
IT Modernization (Transferred Resources)	-	-	-	-	-	TBD	NA	NA
Subtotal Transferred Resources	-	-	-	-	-	TBD	NA	NA
Total Budgetary Resources	-	\$4,000	-	\$6,118	-	\$13,500	NA	121%

1.2 – Budget Adjustments Table

Dollars in Thousands

	FTE	Amount
FY 2020 Enacted	0	\$6,118
Change to Base:		
Non-Recurring Costs	0	(\$6,118)
FBB Domestic Water Line Repair	0	(\$1,500)
FBB Repair and Restoration	0	(\$1,500)
MT Repair and Restoration	0	(\$3,118)
Subtotal Changes to Base	0	(\$6,118)
FY 2021 Current Services	0	\$0
Program Changes:		
Program Increases:	0	\$13,500
Treasury Technology Business Management Tool	0	\$1,534
FBB Restroom Renovation Phase 2	0	\$1,500
FBB/MT Lifecycle Replacement of Building Interior	0	\$4,278
MT Masonry, Windows, and Restroom Renovations	0	\$6,188
FY 2021 President's Budget Request	0	\$13,500

C – Budget Increases and Decreases Description

Treasury Technology Business Management (TBM) Tool +\$1,534,000 / +0 FTE

This proposal provides resources for a Treasury-wide centralized cloud-based TBM tool to include automated data extraction from the individual bureau financial systems, the modeling and allocation of cost elements to IT services and consumption by business units, and reporting through data visualization and benchmarking capabilities. This will enable Treasury to migrate to the TBM reporting structure across the agency and replace the legacy Capital Planning and Investment Control reporting tool and processes. It will also serve as a foundation for future IT budget formulation and execution processes and management of Treasury enterprise services.

FBB Restroom Renovation Phase 2 +\$1,500,000 / +0 FTE

Phase 1 funding is being used to make the restrooms on the second through fourth floors code compliant. The requested Phase 2 funding will address the basement level restrooms along with the first and sixth floors. Additional future funding will be needed to address the fifth floor and complete all of the FBB restrooms. At the completion of this effort, all restrooms will be code compliant and meet the requirements of the Americans with Disabilities Act.

FBB/MT Lifecycle Replacement of Building Interior \$4,278,000 / +0 FTE

The MT is past due for cyclic carpeting, painting, and plaster repair in public corridors and interior office space, and the FBB is past due for cyclic carpeting and painting in public corridors and interior office space. Sections of the MT will be repainted, re-carpeted, and plaster repaired starting with the oldest, most damaged sections and/or concurrent with planned renovations. Sections of the FBB will be repainted and re-carpeted on an ongoing basis or concurrent with planned renovations. The last comprehensive refresh for the buildings' interiors was completed between 2001 and 2006, which outpaces a typical refresh cycle of three to seven years for paint and seven to ten years for carpet. Plaster damage occurs as a result of natural settling and

vibrations, water intrusion from rain or damaged piping. These funds will allow Treasury to begin a scheduled, reoccurring cycle of renewal and repair.

MT Masonry, Windows, and Restroom Renovations +\$6,188,000 / +0 FTE

The funding will provide for the second phase of the MT exterior renovation. Work items include: 1) repairing failed masonry joints to protect from moisture penetration, cleaning the stone surfaces, and repairing damaged stone; and 2) repairing or replacing window frames suffering varying degrees of damage after years of weather exposure. Failure to complete this work will result in the current staining becoming more difficult to remove, requiring a higher level of cleaning, and an increase in joint failures and window frames that will expose more of the interior to moisture infiltration. Each of these is continuation from earlier work. Phase one of the masonry repair is in the FY 2020 President's Budget (\$3.118 million) and phase one of the windows was funded in FY 2015 (\$1.225 million).

1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2019 Actual Obligations	FY 2020 Estimated Obligations	FY 2021 Estimated Obligations
25.1 - Advisory and assistance services	419	0	0
25.4 - Operation and maintenance of facilities	0	4,204	0
31.0 - Equipment	0	0	1,534
32.0 - Land and structures	3,142	3,118	8,800
Total Non-Personnel	\$3,561	\$7,322	\$10,334
Total Obligations	\$3,561	\$7,322	\$10,334
Full-time Equivalents (FTE)	0	0	0

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 style="text-align: center;">DEPARTMENT OF THE TREASURY [Department-wide Systems and Capital Investments Program] <i>Treasury Capital Investments and Modernization Fund</i></p> <p>For development and acquisition of [automatic data processing] <i>information technology</i> equipment, software, and services and for repairs and renovations to buildings owned by the Department of the Treasury, [\$6,118,000]<i>\$13,500,000</i>, to remain available until September 30, [2022]<i>2025</i>: Provided, That [these funds shall] <i>any funds available under this heading may</i> 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] <i>all</i> transfer authority <i>under this heading</i> shall be in addition to any other transfer authority provided in this Act.[: <i>Provided further</i>, 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, 2020.</i>)</p>	<p>Treasury is proposing to change the name of the account to the Treasury Capital Investments and Modernization Fund (TCIMF) and include new transfer authority to leverage existing funding and introduce further flexibility that will allow Treasury to continuously modernize information technology infrastructure across the Department. See the Treasury administrative provisions section 125 for the proposed transfer authority.</p>

E – Legislative Proposals

The budget proposes transfer authority for this account (see section 125 in the Treasury administrative provisions).

Section II – Annual Performance Plan and Report

A – Strategic Alignment

The TCIMF account provides a mechanism for Treasury to fund capital investments that have complex contracts with projects that span several fiscal years. Through the TCIMF, and its predecessor the DSCIP account, the 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 FBB.

TCIMF projects support the following strategic objective for Strategic Goal 5, to achieve operational excellence:

Objective 5.2 – Treasury Infrastructure: Better enable mission delivery by improving the reliability, security, and resiliency of Treasury’s infrastructure.

B – Budget and Performance by Budget Activity

2.1 – TCIMF Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	\$2,725	\$5,000	\$3,000	\$4,426	\$4,000	\$6,118	\$13,500
IT Modernization (Transferred Resources)	0	0	0	0	0	0	TBD
Budget Activity Total	\$2,725	\$5,000	\$3,000	\$4,426	\$4,000	\$6,118	\$13,500
Full-time Equivalents (FTE)	0	0	0	0	0	0	0

Treasury Capital Investments and Modernization Fund Budget and Performance

(\$13,500,000 from direct appropriations):

TCIMF enables the Department to make investments in capital improvements that support the missions of Treasury bureaus and programs.

Treasury Building - Repairs and Renovations

MT and the FBB are owned by the Department and are Departmental Offices’ capital investments. MT is the oldest departmental building and the third oldest federally occupied building in Washington, preceded only by the Capitol and the White House. The age and historical significance of the buildings, considered by some to be national treasures, create special conditions that do not exist in many other Federal office facilities. Continual upkeep, with close attention to historic preservation, is necessary in order to continue occupying these buildings. The FY 2021 request addresses MT and FBB repair and restoration.

Over the past decade, Treasury has made a concerted effort to improve the MT and FBB building envelope, including its moisture, air and thermal control functions. These are the features that provide for an energy efficient, comfortable, and sustainable building. A lack of these controls can result in a myriad of issues that include progressive degradation of the indoor air quality environment, extensive interior damage, waste associated with costly repairs, decreased energy efficiency, unhappy customers, and decreased worker productivity. Treasury Operations has

strategically focused on restoring the health of the building envelope (shell), in an effort to correct the deteriorating building structure and infrastructure through the TCIMF fund. Components of the Main Treasury building that have been repaired, replaced, or funded/planned include new roofs (FY 2019/2021), repair and cleaning of exterior masonry (FY 2020/2022), and repairs to 40% 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), repair and cleaning of exterior masonry (FY 2019/2021 & FY 2020/2022), and replacement of all windows (FY 2009/2011). Funding and completion of these items represent significant progress towards the preservation of the two buildings, maintaining a safe and healthy workplace, and reducing the need for making interior repairs. The funding requested in the FY 2021 TCIMF account would make have a substantial beneficial impact on the continuing effort to harden Treasury's outer shell by finishing the repair and cleaning of the exterior masonry of the two buildings.

Treasury IT Infrastructure Modernization

In addition to the building and repairs, the proposed TCIMF fund transfer authority provides a backstop for Treasury to continue to modernize its IT Infrastructure while making the most efficient use of limited resources available to Treasury (see Treasury administrative provisions section 125 for the proposed transfer authority). The fund would help unify bureaus, including IRS, around a centralized Department vision, with each individual bureau aligning its modernization plan to the Department-wide plan. The added flexibility of the TCIMF transfer authority allows Treasury to pursue long-term, proactive investments that optimize efficiency and benefits to taxpayers. In addition to persistent major focus areas such as mandatory software and hardware upgrades, Treasury plans to use the TCIMF to become compliant with other important recent pieces of legislation. One Department-wide example would be centered around modernization efforts associated with the 21st Century IDEA Act (Public Law 115-336) passed in 2018. Treasury has developed an inventory of 77 websites, services and forms that require modernization in order to comply with Act requirements which included several bureau home pages in addition to a variety of important bureau websites. Treasury plans to utilize the TCIMF authority to prioritize key investments across the enterprise associated with the 21st Century IDEA Act, allowing the Department to take a unified approach to modernizing its digital service footprint and improving the public's digital experience. This plan aligns with Treasury's Strategic Objectives to enable mission delivery by improving the reliability, security, and resiliency of Treasury's infrastructure (Objective 5.2) as well as enhance the experience of interacting with Treasury by delivering high quality products and services (Objective 5.3).

Section III – Additional Information

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>

This website also contains a digital copy of this document.