

Department of the Treasury
Franchise Fund

Congressional Budget
Justification and Annual
Performance Plan and Report

FY 2027

Table of Contents

| | |
|---|-----------|
| Section I – Budget Request | 3 |
| A – Mission Statement..... | 3 |
| B – Summary of the Request | 3 |
| 1.1 – Resources Detail Table | 4 |
| 1.2 – Budget Adjustments Table..... | 5 |
| C – Budget Increases and Decreases Description..... | 5 |
| 1.3 – Object Classification (Schedule O) Obligations Table..... | 7 |
| D – Appropriations Language and Explanation of Changes | 7 |
| E – Legislative Proposals..... | 7 |
| Section II – Annual Performance Plan and Report | 8 |
| A – Budget and Performance..... | 8 |
| 2.1.1 – Treasury Common Services Center, Resources and Measures Table..... | 8 |
| Treasury Common Services Center, Budget and Performance | 8 |
| 2.1.2 – Centralized Treasury Administrative Services, Resources and Measures Table..... | 9 |
| Centralized Treasury Administrative Services, Budget and Performance..... | 9 |
| 2.1.3 – Financial Management Shared Services, Resources and Measures Table | 10 |
| Financial Management Shared Services, Budget and Performance | 10 |
| 2.1.4 – Information Technology Services, Resources and Measures Table | 11 |
| 2.3 – Performance Summary..... | 12 |
| 2.3.1 – Treasury Common Services Center, Performance Summary | 12 |
| 2.3.2 – Centralized Treasury Administrative Services, Performance Summary | 12 |
| 2.3.3 – Financial Management Shared Services, Performance Summary | 12 |
| 2.3.4 – Information Technology Services, Performance Summary..... | 13 |
| B – Changes in Performance Measures | 13 |
| Section III – Additional Information | 13 |
| A – Summary of Capital Investments..... | 13 |

Section I – Budget Request

A – Mission Statement

To assist customer agencies in meeting their mission by providing responsive, customer-focused, cost-effective administrative and information technology support services.

B – Summary of the Request

The Treasury Franchise Fund (TFF) supports effective financial management and information technology services through commitment to service, efficient operations, openness to change, and value-based behavior. The TFF achieves cost savings by leveraging economies of scale which promote efficient use of resources by shared service providers.

The TFF providers include Departmental Offices' Treasury Common Services Center (TCSC), Departmental Offices' Centralized Treasury Administrative Services (CTAS), the Bureau of the Fiscal Service's Financial Management Shared Services (FMSS, previously ARC Admin) and the Bureau of the Fiscal Service's (BFS) Information Technology Services (ITS, previously ARC IT). TFF shared service providers offer financial management, procurement, travel, human resources, information technology, and other administrative services to federal customers on a fully cost-recoverable, fee-for-service basis.

The TFF FY 2027 Congressional Budget Justification reflects revised estimates for FY 2026 along with funding estimates for FY 2027. The revised estimates in FY 2026 for CTAS include decreases to reflect reductions in contracts associated with information technology costs, as well as contractual adjustments for IT support and procurement expenses. Additionally, the FY 2026 revised estimate includes offsetting increases and decreases between FMSS/ITS and TCSC for the Department realignment to consolidate the common services that were previously provided by FMSS/ITS. The FY 2026 revised estimate also includes increases to TCSC for the Department realignment for Treasury resources (excluding FMSS/ITS) to continue the effort of consolidating common services.

In FY 2026 Treasury plans to establish new term-appointed engineering positions within the TCSC Technology Services for the Center of Excellence (CoE) for Engineering. These AI Engineers will deliver engineering capability to include Technical Advisory, Solution Development, AI & Data Enablement, Infrastructure Modernization, and Embedded Technical Support as a shared service provider within the Treasury Franchise Fund that can be leveraged across Treasury Bureaus. Through a shared cost model, these services would also provide scalable, customer-funded support for bureaus requiring specialized or surge AI services. This initiative is still in the planning phase, therefore this estimate is not included in the FY 2027 TFF CJ.

In FY 2027, TCSC will continue to make investments critical to strengthen the cyber posture across the shared services platform and resources to support increased adoption of enterprise IT applications. In alignment with the Administration's initiative to further consolidate shared services, TCSC began providing services at the start of FY 2026. TCSC will complement the ongoing operational effectiveness of the entire TFF portfolio – while also providing cost-effective and enhanced services to the Department in administrative functions related to human

resources, information technology, acquisition and travel. TCSC provides the non-Financial Management functions previously provided by FMSS/ITS with similar capabilities from other Treasury bureaus into one organization dedicated to providing standardized and consistent services across Treasury.

In FY 2027, FMSS will continue to support the marketplace for scalable growth by simplifying the delivery of complex financial management services. FMSS' FY 2027 request includes a balance of continuous improvement, strategic investments in solutions of the future in the FM QSMO marketplace and continuing to increase adoption by federal agencies. FMSS is positioned to meet both active and future EO requirements for shared service adoption or delivery. In accordance with Executive Order 14249, 'Protecting America's Bank Account Against Fraud, Waste, and Abuse', which requires the consolidation of CFO Act agency financial management systems and use of a standard solution available through the Financial Management (FM) Marketplace, FMSS is in the planning phases for the introduction of the OneFM program. This initiative will consolidate Treasury's seven core Financial Management Systems and define requirements for a modern Software as a Service (SaaS) solution that meets current needs while providing scalability for future customer adoption. This estimate is not included in the FY 2027 TFF CJ until more information regarding the breakout of costs is available.

ITS objectives are centered around consistently implementing, optimizing, securing, and scaling technology and services from end-to-end in alignment with federal technology priorities, including Executive Order 14028, 'Improving the Nation's Cybersecurity and subsequent OMB Memoranda'.

1.1 – Resources Detail Table

Dollars in Thousands

| Budgetary Resources | FY 2025 Actual | | FY 2026 Revised Estimate | | FY 2027 Estimate | | FY 2026 to FY 2027 % Change | |
|--|----------------|--------------------|--------------------------|--------------------|------------------|--------------------|-----------------------------|-------------|
| | FTE | AMOUNT | FTE | AMOUNT | FTE | AMOUNT | FTE | AMOUNT |
| Revenue/Offsetting Collections | | | | | | | | |
| Treasury Common Services Center | 0 | \$0 | 0 | \$1,058,426 | 0 | \$1,102,745 | NA | 4.2% |
| Treasury Shared Services Program | 0 | \$1,202,263 | 0 | \$0 | 0 | \$0 | NA | NA |
| Centralized Treasury Administrative Services | 0 | \$171,466 | 0 | \$164,884 | 0 | \$164,884 | NA | 0.0% |
| BFS Financial Management Shared Services | 0 | \$265,371 | 0 | \$145,974 | 0 | \$125,001 | NA | -14.4% |
| BFS Information Technology Services | 0 | \$251,422 | 0 | \$212,093 | 0 | \$204,675 | NA | -3.5% |
| Recoveries from Prior Years | | \$17,631 | | \$20,997 | | \$21,527 | NA | 2.5% |
| Unobligated Balances from Prior Years | | \$306,127 | | \$329,000 | | \$351,000 | NA | 6.7% |
| Total Revenue/Offsetting Collections | 0 | \$2,214,280 | 0 | \$1,931,374 | 0 | \$1,969,832 | NA | 2.0% |
| Obligations | | | | | | | | |
| Treasury Common Services Center | 0 | \$0 | 1,240 | \$1,058,426 | 1,328 | \$1,102,745 | 7.1% | 4.2% |
| Treasury Shared Services Program | 338 | \$1,181,050 | 0 | - | 0 | - | NA | NA |
| Centralized Treasury Administrative Services | 161 | \$171,466 | 178 | \$164,884 | 178 | \$164,884 | 0.0% | 0.0% |
| BFS Financial Management Shared Services | 910 | \$258,246 | 450 | \$145,974 | 450 | \$125,001 | 0.0% | -14.4% |
| BFS Information Technology Services | 357 | \$235,901 | 333 | \$212,093 | 338 | \$204,675 | 1.5% | -3.5% |
| Total Expenses/Obligations | 1,766 | \$1,846,663 | 2,201 | \$1,581,377 | 2,294 | \$1,597,305 | 4.2% | 1.0% |
| Net Results | 1,766 | \$367,617 | 2,201 | \$349,997 | 2,294 | \$372,527 | 4.2% | 6.4% |

1.2 – Budget Adjustments Table

Dollars in Thousands

| | FTE | Amount |
|---|--------------|--------------------|
| FY 2026 Estimate | 1,843 | \$1,499,223 |
| Program Changes: | | |
| Program Decreases | (455) | (\$133,999) |
| CTAS Reduction in Customer Scope | 0 | (\$10,530) |
| BFS FMSS/ITS Realignment to TCSC (excludes Financial Management) | (455) | (\$123,469) |
| Program Increases: | 813 | \$216,153 |
| TCSC Realignment from BFS FMSS/ITS(excludes Financial Management) | 455 | \$123,469 |
| Treasury Bureau Realignments to TCSC (BEP, MINT, Fiscal Service & FINCEN) | 358 | \$92,684 |
| FY 2026 Revised Estimate | 2,201 | \$1,581,377 |
| Changes to Base: | | |
| Maintaining Current Levels (MCLs): | 0 | \$2,140 |
| Pay Annualization (FY 2026 1.0% average pay raise) | 0 | \$2,140 |
| Subtotal Changes to Base | 0 | \$2,140 |
| FY 2027 Current Services | 2,201 | \$1,583,517 |
| Program Changes: | | |
| Program Efficiencies | 0 | (\$2,140) |
| General Efficiency Improvements | 0 | (\$2,140) |
| Program Increases: | 93 | \$15,928 |
| BFS ITS Realignment to TCSC (Information Technology) | 93 | \$15,928 |
| FY 2027 Estimate | 2,294 | \$1,597,305 |

C – Budget Increases and Decreases Description

Adjustments to FY 2026 Original Estimate +\$82,154,000/ +358 FTE

Program Decreases-\$133,999,000 / -455 FTE

CTAS Reduction in Customer Scope -\$10,530,000 / -0 FTE

The revised estimate reflects reductions in contracts associated with information technology costs, as well as contractual adjustments for IT support and procurement expenses.

BFS FMSS Realignment to TCSC -\$123,469,000 / -455 FTE

The revised estimate includes program reductions and resource realignments to TCSC for human resources, acquisitions, information technology and travel.

Program Increases+\$216,153,000 / +813 FTE

TCSC Realignment from BFS FMSS +\$123,469,000/ +455 FTE

The revised estimate incorporates the consolidation of common services – human resources, acquisitions, information technology and travel – and the corresponding realignment of BFS FMSS/ITS resources that support these common services.

Treasury Bureau Realignments to TCSC +\$92,684,000/ +358 FTE

The Department continues realignments to centralize common administrative functions into the TCSC from the Bureau of Engraving and Printing, US Mint, Bureau of the Fiscal Service and Financial Crimes Enforcement Network.

Maintaining Current Levels (MCLs) +\$2,140,000 / +0 FTE

Pay Annualization (1% in FY 2026) +\$2,140,000 / +0 FTE:

Funds are required for annualization of the January 2026 1.0% average pay raise.

FY 2027 Program Changes +\$13,788,000/ +93 FTE

Program Efficiencies-\$2,140,000 / -0 FTE

General Efficiency Improvements -\$2,140,000 / -0 FTE

TCSC, CTAS, FMSS and ITS will absorb the MCLs.

Program Increases+\$15,928,000 / +93 FTE

BFS ITS Realignment to TCSC (Information Technology) +\$15,928,000/ +93 FTE

The Department continues realignments to centralize common administrative functions into the TCSC from the Bureau of the Fiscal Service, ITS.

1.3 – Object Classification (Schedule O) Obligations Table

Dollars in Thousands

| Object Classification | FY 2025 Actual Obligations | FY 2026 Estimated Obligations | FY 2027 Estimated Obligations |
|---|----------------------------------|-------------------------------------|-------------------------------------|
| 11.1 - Full-time permanent | 229,090 | 279,515 | 287,272 |
| 11.3 - Other than full-time permanent | 825 | 408 | 415 |
| 11.5 - Other personnel compensation | 6,188 | 4,018 | 2,803 |
| 11.5 - Overtime | 1,473 | 1,355 | 1,993 |
| 11.8 - Special personal services payments | 70 | 83 | 83 |
| 11.9 - Personnel Compensation (Total) | 237,646 | 285,379 | 292,566 |
| 12.0 - Personnel benefits | 92,373 | 110,105 | 119,134 |
| 13.0 - Benefits for former personnel | 188 | 177 | 178 |
| Total Personnel and Compensation Benefits | \$330,207 | \$395,661 | \$411,878 |
| 21.0 - Travel and transportation of persons | 642 | 534 | 405 |
| 22.0 - Transportation of things | 3 | 3 | 2 |
| 23.1 - Rental payments to GSA | 32,371 | 29,324 | 29,324 |
| 23.2 - Rental payments to others | 48 | 43 | 43 |
| 23.3 - Communications, utilities, and miscellaneous charges | 105,733 | 105,734 | 105,873 |
| 24.0 - Printing and reproduction | 212 | 171 | 171 |
| 25.1 - Advisory and assistance services | 477,565 | 155,153 | 172,697 |
| 25.2 - Other services from non-Federal sources | 58,232 | 57,627 | 48,071 |
| 25.3 - Other goods and services from Federal sources | 231,537 | 247,322 | 250,720 |
| 25.4 - Operation and maintenance of facilities | 59 | 56 | 56 |
| 25.7 - Operation and maintenance of equipment | 74,377 | 69,090 | 51,730 |
| 26.0 - Supplies and materials | 3,035 | 2,831 | 2,660 |
| 31.0 - Equipment | 526,350 | 512,554 | 518,401 |
| 32.0 - Land and structures | 5,887 | 5,242 | 5,242 |
| 42.0 - Insurance claims and indemnities | 35 | 32 | 32 |
| 44.0 - Refunds | 370 | 0 | 0 |
| Total Non-Personnel | \$1,516,456 | \$1,185,716 | \$1,185,427 |
| Total Obligations | \$1,846,663 | \$1,581,377 | \$1,597,305 |
| Full-time Equivalents (FTE) | 1,766 | 2,201 | 2,294 |

Amounts reflect obligations of carryover balances, reimbursables, and transfers.

D – Appropriations Language and Explanation of Changes

The TFF has no appropriated resources.

E – Legislative Proposals

The TFF has no legislative proposals.

Section II – Annual Performance Plan and Report

A – Budget and Performance

Treasury carries a great responsibility for fostering prosperity and security for the American people. We play a critical role both in the U.S. economy and globally to meet the needs of the nation. The [Treasury Strategic Plan 2026–2030](#) charts a course to guide meeting the responsibilities to the public. As the Bureau Strategic Plans are finalized, more information on measures such as validation and verification of data and explanations of results will be developed.

2.1.1 – Treasury Common Services Center, Resources and Measures Table

Dollars in Thousands

| Resource Level | FY 2021 Actual | FY 2022 Actual | FY 2023 Actual | FY 2024 Actual | FY 2025 Actual | FY 2026 Revised Estimate | FY 2027 Estimate |
|------------------------------------|------------------|------------------|------------------|------------------|--------------------|--------------------------|--------------------|
| Expense Obligation | \$359,467 | \$437,060 | \$560,547 | \$561,498 | \$1,181,050 | \$1,058,426 | \$1,102,745 |
| Budget Activity Total | \$359,467 | \$437,060 | \$560,547 | \$561,498 | \$1,181,050 | \$1,058,426 | \$1,102,745 |
| Full-time Equivalents (FTE) | 191 | 275 | 302 | 328 | 338 | 1,240 | 1,328 |

| Performance Measure | FY 2021 Actual | FY 2022 Actual | FY 2023 Actual | FY 2024 Actual | FY 2025 Actual | FY 2025 Target | FY 2026 Target | FY 2027 Target |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Average Cost Per FTE | \$1,580 | \$1,951 | \$1,960 | DISC | DISC | DISC | DISC | DISC |
| Annual Effective Spend Rate | 96% | 93% | 99% | 96% | 98% | 96% | 96% | 96% |
| Customer Satisfaction | 80% | 73% | 83% | 80% | DISC | DISC | DISC | DISC |
| Percentage of shared service level agreement performance metrics met or exceeded [%] | NA | NA | NA | NA | NA | NA | B | 94% |

Key: DISC - Discontinued; B - Baseline; I - Indicator

Treasury Common Services Center, Budget and Performance

(\$1,102,745,000 from offsetting collections):

Treasury Common Services Center (TCSC) provides administrative and information technology services on a competitive basis and delivers outstanding customer service. TCSC supports the goals and objectives for the current Treasury Strategic Plan by allowing customers to maximize their operations support resources and the benefit from centralized approaches to program support and administration.

Description of Performance

TCSC has identified the following performance measures:

- Annual Effective Spend Rate
- Percentage of shared service level agreement performance metrics met or exceeded [%]

To provide greater transparency into the value proposition of shared services the annual effective spend rate measures have been identified as a measure that demonstrates the value. As agencies' budgets shrink, it becomes increasingly important to demonstrate clear insight into the current cost of shared services and to help customers assess the cost efficiency benefits of the shared approach.

The annual effective spend rate provides insight to the financial management and oversight of the TCSC programs. It measures how much of the resources collected from customers are being obligated for service delivery in the fiscal year. This measure captures the efficient use of resources by the service providers. In FY 2025, 98 percent of the funds collected from customers for the shared services were obligated, which was slightly higher than the 96 percent target rate set for the fiscal year. The target will remain at 96 percent for FY 2026 and FY 2027.

TCSC will retain all historical FMSS/ITS performance measures for the service lines that were realigned to TCSC for ease of comparability across years and service providers. Additionally, TCSC has engaged Treasury’s Chief Data Officer and the Treasury Data Council to evaluate existing measures and identify additional measures to effectively manage performance.

2.1.2 – Centralized Treasury Administrative Services, Resources and Measures Table

Dollars in Thousands

| Resource Level | FY 2021 Actual | FY 2022 Actual | FY 2023 Actual | FY 2024 Actual | FY 2025 Actual | FY 2026 Revised Estimate | FY 2027 Request |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|------------------|
| Expense Obligation | \$129,135 | \$138,866 | \$141,822 | \$166,068 | \$171,466 | \$164,884 | \$164,884 |
| Budget Activity Total | \$129,135 | \$138,866 | \$141,822 | \$166,068 | \$171,466 | \$164,884 | \$164,884 |
| Full-time Equivalents (FTE) | 156 | 166 | 164 | 178 | 161 | 178 | 178 |

| Performance Measure | FY 2021 Actual | FY 2022 Actual | FY 2023 Actual | FY 2024 Actual | FY 2025 Actual | FY 2025 Target | FY 2026 Target | FY 2027 Target |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Annual Effective Spend Rate | 96% | 96% | 97% | 96% | 99% | 96% | 96% | 96% |
| Customer Satisfaction | 80% | 78% | 72% | 80% | DISC | DISC | DISC | DISC |

Key: DISC - Discontinued

Centralized Treasury Administrative Services, Budget and Performance

(\$164,884,000 from offsetting collections):

The Centralized Treasury Administrative Services (CTAS) program provides administrative support to offices within Treasury’s Departmental Offices. This support includes administrative functions such as financial management, travel, human resources, information technology, and facilities management.

Description of Performance

CTAS has identified the following performance measures:

- Annual Effective Spend Rate

In FY 2025, the annual effective spend rate was 99%. CTAS holds monthly meetings with Departmental Offices leadership to expand customer engagement opportunities to the various stakeholders to better communicate the expected changes to program budgets and the impact to their upcoming service level agreement. The targets set in both FY 2026 and 2027 are 96 percent for the annual effective spend rate.

2.1.3 – Financial Management Shared Services, Resources and Measures Table

Dollars in Thousands

| Resource Level | FY 2021 Actual | FY 2022 Actual | FY 2023 Actual | FY 2024 Actual | FY 2025 Actual | FY 2026 Revised Estimate | FY 2027 Request |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|------------------|
| Expense Obligation | \$224,019 | \$224,844 | \$233,859 | \$260,146 | \$258,246 | \$145,974 | \$125,001 |
| Budget Activity Total | \$224,019 | \$224,844 | \$233,859 | \$260,146 | \$258,246 | \$145,974 | \$125,001 |
| Full-time Equivalents (FTE) | 1,183 | 1,148 | 1,152 | 1,258 | 910 | 450 | 450 |

| Performance Measure | FY 2021 Actual | FY 2022 Actual | FY 2023 Actual | FY 2024 Actual | FY 2025 Actual | FY 2025 Target | FY 2026 Target | FY 2027 Target |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Customer Unmodified Audit Opinions [%] | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Percentage of shared service level agreement performance metrics met or exceeded [%] | 94% | 97% | 91% | 94% | 93% | 97% | 94% | 94% |
| Customer Satisfaction with FMSS Services [%] | 93% | 90% | 85% | 80% | 80% | 80% | 80% | 80% |

Financial Management Shared Services, Budget and Performance

(\$125,001,000 from offsetting collections):

In FY 2025 FMSS provided administrative services in the areas of financial management, human resources, procurement, and travel to 88 federal agencies to support core business activities. FMSS’s services allow agencies to focus on their missions and avoid redundancies within administrative operations and create cost avoidance across government. Using shared services reduces the need for Treasury and other federal agencies to maintain duplicative financial management systems, thereby promoting efficiency and cost savings while enhancing the quality, timeliness, and accuracy of financial management processes. Since 2018, FMSS has generated more than \$605 million in cost avoidance through the use of shared financial management systems. FMSS continues to focus on financial innovation, transformation, and improving customer experience.

Description of Performance

FMSS has identified the following performance measures:

- Customer Unmodified Audit Opinions
- Percentage of shared service level agreement performance metrics met or exceeded [%]
- Customer Satisfaction with FMSS Services [%]

In FY 2025, FMSS received an unmodified opinion on franchise operations for the 23rd consecutive year and met its performance target of 100 percent of customer unmodified audit opinions. By meeting this metric consistently year after year, FMSS has improved public confidence in federal stewardship, operational integrity, and financial reporting.

In FY 2026, FMSS will support BFS’s focus on two enterprise-wide priorities in addition to sustaining business operations, providing excellent delivery on each of FMSS SLA’s:

- *Protecting America’s Bank Accounts Against Fraud, Waste, and Abuse:* Improve payment integrity through proactively partnering with Office of Payment Integrity to ensure systems

and payment activities include integration with Do Not Pay and available data sets used to identify and prevent improper payments.

- *Adapting Business Operations:* Transform operations by delivering scalable, cost-effective, and sustainable solutions that provide long-term value to agency partners and the public. This includes maintaining end-to-end financial management services, streamlining processes, and leveraging standards-based commercial solutions to achieve economies of scale and increase resiliency all to support FMSS shared services to provide customer agencies with the ability to focus on mission delivery.

In FY 2025, FMSS exceeded the percentage target and finished with 97 percent of SLA metrics. FMSS is continuously evaluating these metrics for both improvement and customer value while striving to achieve our 94 percent target.

In FY 2025, FMSS received a customer satisfaction score of 80 percent of customers being satisfied with FMSS Administrative Services. The 80 percent satisfaction aligns with FMSS’s target of 80 percent reflecting our goal of balancing cost and quality, a strategy that has made FMSS a preferred federal provider for 25 years.

2.1.4 – Information Technology Services, Resources and Measures Table

Dollars in Thousands

| Resource Level | FY 2021 Actual | FY 2022 Actual | FY 2023 Actual | FY 2024 Actual | FY 2025 Actual | FY 2026 Revised Estimate | FY 2027 Request |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|------------------|
| Expense Obligation | \$224,019 | \$224,844 | \$235,357 | \$238,664 | \$235,901 | \$212,093 | \$204,675 |
| Budget Activity Total | \$224,019 | \$224,844 | \$235,357 | \$238,664 | \$235,901 | \$212,093 | \$204,675 |
| Full-time Equivalents (FTE) | 1,152 | 1,148 | 444 | 1,245 | 357 | 333 | 338 |

| Performance Measure | FY 2021 Actual | FY 2022 Actual | FY 2023 Actual | FY 2024 Actual | FY 2025 Actual | FY 2025 Target | FY 2026 Target | FY 2027 Target |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| IT Portfolio (TFF) Software and Hardware Currency [%] | B | 76% | 85% | 85% | 93% | 95% | 95% | 100% |
| On-Premises Target Service Level Agreements Met [%] | B | 94% | 97% | 95% | DISC | DISC | DISC | DISC |

Key: DISC - Discontinued; B - Baseline; I – Indicator

Information Technology Services Budget and Performance

(\$204,675,000 from offsetting collections):

ITS provides shared services to dozens of federal customers, delivering value through consolidated IT infrastructures and standardized IT service delivery in a modern, technically innovative, and secure environment. In FY 2026 ITS will continue to modernize infrastructure and technology service delivery for our customers (including cloud services adoption), implement enterprise-scale foundational technology services, and continue to operationalize IT portfolio management and cybersecurity enhancements and best practices. FY 2027 objectives include supporting the maturity of zero trust architecture, increasing the ability to accommodate changes in volume and demand, improving customer experience, adding new business capabilities, and promoting faster time to market for IT customers.

Description of Performance

ITS has identified the following performance measures:

- IT Portfolio (TFF) Software and Hardware Currency [%]

In FY 2025, ITS established a baseline for software and hardware currency with the goal of reducing the use of End of Life (EOL) technology, which in turn further minimizes technical debt and risk for our customers. A key priority related to software/hardware currency is the Mainframe Services Transformation program, which seeks to eliminate these mainframe technology dependencies, including hardware and software, and modernizing business applications.

2.3 – Performance Summary

2.3.1 – Treasury Common Services Center, Performance Summary

To provide greater transparency into the value proposition of shared services the annual effective spend rate measures have been identified as a measure that demonstrates the value. As agencies' budgets shrink, it becomes increasingly important to demonstrate clear insight into the current cost of shared services and to help customers assess the cost efficiency benefits of the shared approach. Providing greater transparency and intentional customer collaboration will enhance the effective spend rate performance metric to be successful for FY 2027.

TCSC will retain all historical FMSS/IT performance measures for the service lines that were realigned to TCSC for ease of comparability across years and service providers. Additionally, TCSC has engaged Treasury's Chief Data Officer and the Treasury Data Council to evaluate existing measures and identify additional measures to strengthen the efficiency of assessing performance.

2.3.2 – Centralized Treasury Administrative Services, Performance Summary

CTAS holds monthly meetings with Departmental Offices leadership to expand customer engagement opportunities to the various stakeholders to better communicate the expected changes to program budgets and the impact to their upcoming service level agreement. This continued effort will substantially enhance the effective spend rate performance metric to be successful for FY 2027.

2.3.3 – Financial Management Shared Services, Performance Summary

FMSS received an unmodified opinion on franchise operations for the 23rd consecutive year and met its performance target of 100 percent of customer unmodified audit opinions. By meeting this metric consistently year after year, FMSS has improved public confidence in federal stewardship, operational integrity, and financial reporting.

FMSS exceeded the percentage target and finished with 97 percent of SLA metrics. FMSS is continuously evaluating these metrics for both improvement and customer value while striving to achieve our 94 percent target.

FMSS received a customer satisfaction score of 80 percent of customers being satisfied with FMSS Administrative Services. The 80 percent satisfaction aligns with FMSS's target of 80

percent reflecting our goal of balancing cost and quality, a strategy that has made FMSS a preferred federal provider for 25 years.

2.3.4 – Information Technology Services, Performance Summary

ITS established a baseline for software and hardware currency with the goal of reducing the use of End of Life (EOL) technology, which in turn further minimizes technical debt and risk for our customers. A key priority related to software/hardware currency is the Mainframe Services Transformation program, which seeks to eliminate these mainframe technology dependencies, including hardware and software, and modernizing business applications.

B – Changes in Performance Measures

Include the following language along with any changes in performance measures discussed with OMB in the FY 2027 hearings. If applicable, describe how evidence or findings from agency-funded evaluations and evidence-building activities informed any changes in measures. Include standard language below:

| Performance Measure or Indicator | Proposed Change and Justification |
|---|---|
| <ol style="list-style-type: none"> 1. TCSC and CTAS Customer Satisfaction Survey (discontinue) 2. ITS On-Premises Target Service Level Agreements Met (discontinue) | <ol style="list-style-type: none"> 1. TCSC and CTAS propose to discontinue the Customer Satisfaction Survey as participation is very insignificant and does not drive the pertinent results that accurately measure this performance metric. 2. ITS propose to discontinue the On-Premises Target Service Level agreements as this is no longer applicable. |

Section III – Additional Information

A – Summary of Capital Investments

TFF’s planned investments enhance the capabilities and capacity of our IT and financial management shared services. Investing in service-oriented architecture will allow customers to streamline application connections resulting in benefits that include reducing development time, using industry development best practices for coding efforts, allowing real time processing of transactional data between systems, and independent communication between systems. This effort will also reduce redundancy, providing more flexible and efficient interfaces with customers' third-party applications.

The FMSS and ITS capital investments are contained within the Fiscal Service capital investment summary. The Treasury Common Services Center capital investments are contained within the Departmental Offices capital investment summary. A summary of capital investment resources, including major information technology and non- technology investments can be found at: [Summary of Capital Investments | U.S. Department of the Treasury](#)