

Department-wide Systems and Capital Investments Program

FY 2013

President's Budget
Submission

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Section 1 – Purpose

1A – Mission Statement

The Department-wide Systems and Capital Investments Program (DSCIP) is authorized to be used by or on behalf of the Treasury Department’s bureaus, at the Secretary’s discretion, to improve infrastructure, modernize business processes and increase efficiency through technology investments.

1.1 – Appropriations Detail Table

Dollars in Thousands

Resources Available for Obligation	FY 2011 Enacted		FY 2012 Enacted		FY 2013 Request		% Change FY 2012 to FY 2013	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
New Appropriated Resources:								
Department-wide Systems and Capital Investments Program	-	\$3,992	-	\$0	-	\$7,108	0.00%	100.00%
Subtotal New Appropriated Resources	-	\$3,992	-	\$0	-	\$7,108	0.00%	100.00%
Subtotal Other Resources	-	\$0	-	\$0	-	\$0	0.00%	0.00%
Total Resources Available for Obligation	-	\$3,992	-	\$0	-	\$7,108	0.00%	100.00%

1B – Mission Priorities and Context

The Department is currently implementing a number of key investments further outlined below. These programs will allow Treasury to efficiently and effectively execute its role as the steward of U.S. economic and financial systems, historical buildings, and as an influential participant in the global economy. To this end, DSCIP supports the Treasury strategic goal: “Manage the Government’s Finances in a Fiscally Responsible Manner.”

To further Treasury’s strategic goal, the Department previously utilized DSCIP to fund enhancements of the Treasury Secure Data Network; meet Department wireless communications requirements; upgrade the capabilities of the Treasury Foreign Intelligence Network and the infrastructure for Treasury’s Back-up Disaster Recovery Capacity; and to develop Treasury’s automated Personnel System, HR Connect. Current modernization and capital investments include Cyber Security, Enterprise Content Management, Financial Innovation and Transformation, and upgrading and repairing Treasury Buildings.

Cyber Security. The Department-wide Cyber Security program is focused on improving the security of Treasury’s sensitive systems, services, and automated data. It also drives the Department to improve performance in meeting Government-wide security requirements and initiatives, addresses audit recommendations, and focuses upon and improves Department performance in meeting the requirements of the Federal Information Security Management Act (FISMA) and other government-wide security initiatives such as Trusted Internet Connections, Continuous Monitoring, and Domain Name System Security Extensions (DNSSEC). The Department’s cyber security program mitigates the risk of significant disruptions and delays in the Department’s business activities and protection of citizen and business information.

In FY 2011, Treasury’s key accomplishment was the production of consolidated weekly cyber security status reports drawn from disparate sources for the 13 Bureaus for approximately 25

security metrics. This focused Bureau attention of new and continuing key security measures, including those required to be reported to the Department of Homeland Security (DHS) and Office of Management and Budget (OMB) annually. For example, the Department achieved and maintained encryption of over 99 percent of our 70,000+ laptops and achieved 99 percent in key metrics for training and certification and accreditation. Treasury also worked to thoroughly review and update the Department's inventory of critical infrastructure/key resources. Security resources can then be prioritized and applied to these key resources in order to prevent, deter, and mitigate the effects of deliberate efforts to destroy, incapacitate, or exploit them. The Department identified a few assets whose sensitivity had declined, thereby allowing scarce security resources to be re-directed to higher priority needs. The principal challenge faced by the Department-wide central cyber program was trying to continue to operate and maintain high performance on a combined FY 2011 non-salary budget (all sources) less than 50 percent of FY 2010.

Enterprise Content Management (ECM). In FY 2010 and FY 2011, the Office of the Deputy Assistant Secretary for Privacy, Transparency, and Records in partnership with the Office of the Chief Information Officer launched an Enterprise Content Management (ECM) program which enhances collaboration, improves records management, accelerates responses to Freedom of Information Act (FOIA) requests, and promotes paper reduction efforts.

Continuing in FY 2012 through FY 2015, Treasury will use its ECM funding to complete development and deployment of application enhancements which include an Enterprise Project Management tool, expansion of the FOIA database, and build-out of the Case Management system. The Department envisions a flexible modular system allowing for common interfaces and applications. This strategy will provide the foundation for the Department to offer common services (i.e., Applications as a Service and Platform as a Service) to Treasury bureaus and their partners leveraging economies of scale in order to increase functionality while reducing cost.

Financial Innovation and Transformation (FIT). Treasury continues to support the Office of Financial Innovation and Transformation's development of government-wide technology solutions, which share and expand common technologies and lower overall financial transaction processing costs, facilitate the resolution of audit issues, and increase transparency of financial information. Through the FIT program, Treasury is working to promote financial innovation and transformation to resolve the disparate financial methods used by government agencies by developing a standard electronic invoicing platform and intra-governmental transaction processing.

In FY 2011, FIT focused on developing a financial management strategy, which identified twelve major initiatives anticipated to save the Federal government \$1 - 2 billion upon full implementation. FIT also developed two of the identified initiatives: establishing an electronic invoicing portal and creating an intra-governmental clearinghouse. For each initiative, FIT developed a business case and high-level implementation plan. Additionally, FIT developed and published electronic invoicing and payment processing data standards.

Challenges associated with electronic invoicing include: the lack of a government-wide mandate to implement an electronic invoicing solution, dependencies on other agencies to develop

reliable processes and procedures so that auditors can rely on their balances for reconciliation, and the required funding for developing interfaces between agency core financial systems and Treasury's electronic invoicing solution, the Internet Payment Platform (IPP). Despite these challenges, many large departments are in discussions with the operational arm of Treasury's Fiscal Service to implement IPP.

Main Treasury Building and Treasury Annex Repair and Renovation. Significant repair and renovation work was accomplished in FY 2011 using DSCIP funds. The building improvements yielded significant energy and water savings, improved life safety, and provided a more dependable infrastructure. The new fire alarm and mass notification system in the Annex Building will meet current life safety code requirements and be fully integrated with the system in the Main Treasury Building in order to permit coordinated response actions within both buildings. Similarly, the sprinkler system upgrades in the Annex Building will address life safety code issues and will also be monitored by the new fire alarm system.

There are two challenges associated with infrastructure projects: 1) the protection of the historic fabric of the building and; 2) completing the work in an occupied full service building. The age and care of the building's existing materials requires supplemental approvals and often times alternate methods of repairs. Additionally, occupied conditions require supplemental protection measures, advanced notification, extensive communication plans, and segmented work plans, all of which elongate the schedule.

Section 2 – Budget Adjustments and Appropriation Language

2.1 – Budget Adjustments Table

Dollars in Thousands

Department-wide Systems and Capital Investments Program	FTE	Amount
FY 2012 Enacted	-	\$0
Total FY 2013 Base	-	\$0
Program Increases:	-	\$7,108
Cyber Security	-	\$2,000
Enterprise Content Management	-	\$883
Office of Financial Innovation and Transformation	-	\$3,000
Treasury Building - Repairs and Renovations	-	\$1,225
Total FY 2013 Request	-	\$7,108

2A – Budget Increases and Decreases Description

Program Increases +\$7,108,000 / +0 FTE

Cyber Security +\$2,000,000 / +0 FTE

Funds in the amount of \$1,600,000 are requested for specialized technical services to implement a Data Leakage Protection (DLP) tool that will examine data, including e-mail being sent from the Department, to identify whether any sensitive data, such as Personally Identifiable Information (PII), is being inadvertently transmitted and can either alert users or prohibit the transmission. DLP will also support Treasury’s implementation of the Administration’s Controlled Unclassified Information (CUI) directive by allowing examination for CUI information that should not leave the Department or that should only be allowed to transit the Internet when encrypted. Treasury will be able to implement DLP at a significantly lower cost than would otherwise be the case by leveraging a license that has already been procured by IRS for Department-wide use. The specific initiative funding will provide for the specialized technical services needed to implement this capability at non-IRS Internet perimeter points.

Secondly, this initiative provides for implementing Domain Name System Security Extensions (DNSSEC) at the Department’s principal Domain Name Service provider. This improves security by allowing users of Treasury web sites and Internet services to easily identify fraudulent web sites masquerading as genuine Treasury sites (e.g., one that might collect PII from taxpayers on a false electronic filing system.) DNSSEC will help maintain the public’s confidence that they are using a genuine Treasury site. Both DLP and DNSSEC will support enhanced protection of the Department’s information and services and protect the Department’s sensitive data and those of individuals and businesses.

Enterprise Content Management +\$883,000 / +0 FTE

Funds are requested for development and deployment of application enhancements and development of enhancements and functionalities to existing applications; expansion of the FOIA database; additional build out of a robust Case Management system to leverage across all bureaus to include e-discovery functionality; and additional build-out of the Records Management component, which will assist in Treasury’s initiative to reduce paper-based processes and transactions. The ECM program makes it possible for Treasury to have a standardized approach to modernizing paper-based business processes.

Office of Financial Innovation and Transformation +\$3,000,000 / +0 FTE

Funds are requested to support Treasury's continued development and promotion, within FIT, of the twelve high impact initiatives identified in the financial management strategy that are anticipated to collectively deliver \$1-2 billion in annual savings upon full adoption by the Federal government. The FY 2013 focus will be launching four of the initiatives that began development in FY 2011, including:

- Electronic invoicing – accelerate adoption of paperless invoice processing through promotion of Treasury's Internet Payment Platform;
- Intra-governmental transaction clearinghouse – a central exchange for agencies to agree to trade terms and reconcile the accounts payable/accounts receivable accounting;
- Centralized Receivables Management - a shared service that manages billing and collection using an integrated platform
- Streamline non-Treasury disbursing offices – eliminate redundant payment operations, centralize processing, and improve debt recovery.

Treasury Building - Repairs and Renovations +\$1,225,000 / +0 FTE

Funding is requested to line the interior rain leaders of the Main Treasury Building to prevent water damage to other structural components. Rain leaders are vertical sections of cast iron pipe within the exterior walls of the Main Treasury Building designed to carry rain water off the roof and into storm drains. The rain leaders in Main Treasury are estimated to be 150 years old. Their cast iron composition over time has failed or rusted from the inside out. The deteriorated state of rain leaders permits water to penetrate the building shell and be absorbed by the plaster walls and the substrate below. The continued water intrusion results in routine and lengthy repair to the tenant spaces. Lining the rain leaders with a neoprene compound will minimize existing leaks and possibly abate them in their totality.

2.2 – Operating Levels Table

Dollars in Thousands

Department-wide Systems and Capital Investments Program	FY 2011		FY 2012		FY 2013	
	Actual	President's Budget	Enacted	Proposed	Proposed	Request
				Reprogra mmings	Operating Level	
FTE	0	0	0	0	0	0
Object Classification						
25 - Other contractual Services	3,992	0	0	0	0	5,883
32 - Land and structures	0	0	0	0	0	1,225
Total Budget Authority	\$3,992	\$0	\$0	\$0	\$0	\$7,108
Budget Activities:						
Department-wide Systems and Capital Investments Program	3,992	0	0	0	0	7,108
Total Budget Authority	\$3,992	\$0	\$0	\$0	\$0	\$7,108

2B – 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</p> <p><i>For development and acquisition of automatic data processing equipment, software, and services and for repairs and renovations to buildings owned by the Department of the Treasury, \$7,108,000, to remain available until September 30, 2015: 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. (Department of the Treasury Appropriations Act, 2012.)</i></p>	

2C – Legislative Proposals

DSCIP has no legislative proposals.

Section 3 – Budget and Performance Report and Plan

3A – Department-wide Systems and Capital Investments Program

(\$7,108,000 from direct appropriations):

The purpose of DSCIP funds is to modernize business processes and increase efficiencies through capital investment. All of the DSCIP efforts provide tangible benefits in their specific areas to produce an improved overall IT and work environment for the Department of the Treasury. The following section describes what the Treasury Department expects to accomplish with the DSCIP funding.

Cyber Security. Cyber security provides for the protection of automated information, services and assets at the Department in support of its key role in providing requisite economic, financial and fiscal information and policy recommendations to the President. Cyber security protects the systems used to fulfill the U.S. Government's obligations, including all Federal accounts payable, debt obligations, contractual agreements, and the systems used to collect multiple trillions of dollars in receipts. Protecting systems is also necessary to provide for the Department to establish debt programs to meet the Government's financial obligations and avoid, or minimize disruptions to financing schedules, calculate daily cash and debt position, estimate voluntary payments, and adjust receipts. Systems must also be secured since they support the production of U.S. coinage and currency and safeguard sensitive information.

In FY 2011, Treasury tracked key security metrics, gathered relevant data from bureaus, and produced weekly status reports on approximately 25 security metrics. The Department has maintained a steady state in recent years on the following longer-standing key measures, as reported in November 2011:

- 99 percent completion of awareness training
- 99 percent completion rate for specialized training
- 99 percent completion for Certification and Accreditation
- 99 percent of our over 70,000 laptops are encrypted
- 100 percent of remote access meets OMB's requirements for two-factor authentication

While continued effort has helped (and must be maintained) to continue this level of performance for these key metrics, there are other important reported security measures where improvement is needed. Most critical among these are the following, as reported to OMB and DHS in FY 2011:

- 0 percent of data leaving Treasury networks via the Internet is being monitored for data loss prevention
- 14 percent of Treasury Internet domains are 'signed' (23 of 169)

It is important to note that Treasury is already working on improving security in other ways as well. But, while the Department has had significant successes in the cyber security realm, enormous challenges remain. For example, the Department must maintain and enhance its ability to identify and stop malicious code before it enters its networks – defending against very well-resourced and technically advanced adversaries. To help do so, the percentage of external

traffic that is routed through the security inspection process provided by an approved Trusted Internet Connection (TIC) must be increased. Accomplishing this will require a reduction in the number of overall Internet connections. Fortunately, these efforts will also facilitate the effectiveness of data leakage prevention since fewer Internet connection points will exist. Treasury must develop real-time *continuous monitoring* of all Departmental information technology assets and ensure that all Bureaus are frequently conducting and analyzing inventory, vulnerability, and security configuration scanning. Migrating away from insecure re-usable passwords to use of Personal Identity Verification credentials for logging onto systems is another key challenge.

FY 2013 performance outcomes include:

- Measurable number of unauthorized/unintended unencrypted e-mails stopped from leaving the Department with sensitive information, including Personally Identifiable Information
- Compliance with Administration's DNSSEC Policy

Enterprise Content Management. ECM encourages critical information sharing in support of the counter-terrorism, law enforcement, financial stability, and regulatory responsibilities of the Treasury Department. ECM will support Treasury's technology goals by reducing the cost of infrastructure operations and increasing bureau productivity and collaboration. The enterprise-wide approach will provide the technological foundation and core capabilities to ensure all Treasury ECM efforts map to consistent standards, are aligned with related government-wide initiatives, and leverage tools, technologies, licenses, standards, processes, lessons learned, and commonalities in requirements among Departmental components, thereby achieving economies of scale and efficiencies in information sharing.

ECM supports the Agency Priority Goal, "Increase Electronic Transactions with the Public to Improve Service, Prevent Fraud, and Reduce Costs." The Priority Goal will significantly reduce the magnitude of paper-based transactions and processes within the Department of the Treasury, including both internal and external (public facing) operations. The ECM initiative was a main contributor to the goal in FY 2011:

- Treasury moved away from paper based transactions by implementing online solutions. The Department launched the FOIA cloud hosted assignment and tracking solution in November 2010. On April 30, 2011 the Department released the goFOIA Citizens' Web Portal and citizens are now able to post requests online. FOIA processing improvements include a reduction in turnaround time; reduction in standard deviation for processing time; and reduction of mean processing time. Treasury also measures the number of requests being submitted on-line and percentage of requests received on-line that are immediately ready to be processed, versus requests received via paper;
- The Department implemented Basic Content Services (BCS) including SharePoint 2010, Records Management, Correspondence Management, goFOIA, and Evidence Management for IRS Criminal Investigation Office, FAST engine searches, etc. On April 1, 2011, the Department launched the SharePoint 2010 platform with 46 offices currently on-board. Internal Revenue Service (IRS) Criminal Investigations (CI) completed a pilot of Evidence Management and Collaborative Services (EMACs) site for Search Warrants utilizing SharePoint 2010.

- Treasury conducted a Paper Reduction kick-off with Terrorism and Financial Intelligence's Office of Foreign Assets Control (OFAC). OFAC updated their Enterprise Architecture plan to incorporate SharePoint as their ECM solution for administrative functions, document management, version control, business process, and workflow.
- The ECM library digitization effort supports both electronic conversion of documents and provides public access to the library collection online. The Printing & Graphics digitization center's conversion of paper to e-files completed over 100 boxes from the Office of the General Counsel last quarter.

The ECM program is assessed on two distinct aspects of performance:

- Program performance – Provides insight into how well the program is executing against plan, with respect to classic program characteristics such as cost and schedule management.
- Business results performance – Provides insight into the achievement of the tangible and intangible business benefits of implementing ECM. The ECM Program Management Office (PMO) periodically updates progress against the performance objectives throughout the life of the program.

The ECM PMO tracks performance outcome information at the project level. This includes productivity, efficiency, response time, data storage, and timeliness. A few examples of performance outcomes for FY 2011:

- Developed/deployed five applications on the ECM platform
- Established 56 site collections
- Reduced FOIA cycle/processing time to an average of 119 days for FY 2011 compared to 167 for FY 2010.
- Reduced time by 30 to 90 minutes per Executive Correspondence memo or letter depending on the length of the document and the number of individuals reviewing the document within the Executive Secretary's office.
- Established "TheGreen" as Treasury online gathering place for team collaboration, one point access to Treasury policy, programs and services.

Looking towards FY 2013 and beyond, performance outcomes include:

- Faster production of documents/responses to FOIA requesters
- Achieve "green" + operational efficiency goals through paperless environment
- Increase information sharing, utilization, and transparency with outside partners
- Enable electronic collaboration within Treasury

Financial Innovation and Transformation (FIT) Program. The FIT program will be a catalyst in the transformation of Federal financial management by identifying, testing, and facilitating the development and deployment of innovative, common, and cost effective solutions that improve data quality and create efficiencies.

The FIT office promotes improvement in Federal financial management by deploying common technology solutions, consolidating financial transactions processing to achieve economies-of-scale, and establishing standards and guidelines that enable common solutions and shared services across the government. The FIT office accomplished the following in FY 2011: FIT's electronic invoicing initiative was implemented in a number of agencies. Three independent agencies (Social Security Administration, Office of the Architect of the Capital, and the Small Business Administration) and four large departments (Departments of the Treasury, Interior, Commerce, and Agriculture) have started to implement the Internet Payment Platform (IPP), Treasury's electronic invoicing and payment processing solution. Two of the large departments (Treasury and DOI) have mandated IPP for their vendors and agencies. The other Treasury bureaus are transitioning to IPP through the Fiscal Service - Administrative Resource Center (ARC). Furthermore, IPP is implementing the electronic invoicing data standards that FIT developed and the Fiscal Service is working to develop the XML Schemas associated with the standards.

Also in FY 2011, the Fiscal Service began to implement FIT's high-level strategy for intra-governmental transactions. The Fiscal Service has developed a resolution team and is working on focusing audit attention on establishing authoritative sources for reconciling intra-governmental balances related to fiduciary transactions (beginning with the Department of Labor and then focusing on the Federal Financing Bank, and then the Office of Personnel Management). The Fiscal Service is using FIT's recommendations to manage the technological updates to its systems to provide more controls and transparency around buy/sell and transfer activity.

The FIT Office will measure performance in terms of two dimensions:

Improved Data Quality & Transparency. FIT, in partnership with Treasury's Fiscal Service, will create standard definitions for financial transactions in the Federal government. FIT will work closely with Federal agencies to establish these standards as part of a broader initiative to standardize financial terms and definitions across the Federal government.

Cost Savings. The Federal government spends hundreds of millions of dollars annually by manually entering information that it could receive electronically. Further, manual processes erode the quality of the information and cost more because they are prone to human error. FIT is spearheading this program to promote automated process of receiving and processing vendor invoices for payment and the process of performing intra-governmental business between two Federal agencies. FIT is facilitating the planning, design, and implementation of a centralized receivable service that will automate a process that currently requires agencies to invest scarce resources in reconciling accounting differences that cumulatively total billions of dollars annually.

Main Treasury Building and Treasury Annex Repair and Renovation. The Main Treasury Building and the Treasury Annex are the Departmental Offices' non-IT capital investments. The Treasury Building is the oldest departmental building in Washington and the third oldest federally occupied building in Washington, preceded only by the Capitol and the White House.

The Main Treasury Building covers five stories and a raised basement and sits on five acres of ground. The Treasury Building was dedicated as a National Historic Landmark on October 18, 1972. The 90-year old Treasury Annex, owned by the Department, is considered an American treasure. The building is part of the Lafayette Square National Register Historic District.

In FY 2011, four Annex projects commenced. Three of the projects focused on increasing energy efficiency. Those projects included the installation of new electric service, window replacement, and installation of gas boilers. The remaining project addressed life safety concerns by replacing the fire alarm system with modern devices and public address systems. Each of these projects is targeted for completion in FY 2012.

The expected result of the FY 2013 rain leader repair is the elimination of water intrusion and plaster failure in the Main Treasury Building. Measures would include reduction of customer complaints and reduction in maintenance cost (for associated repairs).

3.1.1 – Department-wide Systems and Capital Investments Program Budget and Performance Report and Plan

Dollars in Thousands

Department-wide Systems and Capital Investments Program Budget Activity

Resource Level	FY 2009 Actual	FY 2010 Actual	FY 2011 Enacted	FY 2012 Likely Enacted	FY 2013 Request
Appropriated Resources	\$26,975	\$9,544	\$3,992	\$0	\$7,108
Total Resources	\$26,975	\$9,544	\$3,992	\$0	\$7,108
Budget Activity Total	\$26,975	\$9,544	\$3,992	\$0	\$7,108

[Detailed information about each performance measure, including definition, verification and validation](#) is available.

[A summary of capital investment resources, including major information technology and non-technology investments](#) is available.