

Overview

Mission Statement

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

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2010	FY 2011	FY 2012	FY 2010 to FY 2012	
	Actual	Estimated	Estimated	\$ Change	% Change
Financial Management Administrative Support Services	\$93,046	\$94,592	\$98,732	\$5,686	6.1%
Information Technology Services	\$73,858	\$74,006	\$146,600	\$72,742	98.5%
Total Resources	\$166,904	\$168,598	\$245,332	\$78,428	47.0%
Total FTE	973	1,012	1,190	217	22.3%

* The increase in Information Technology Services is due to the FMS-BPD data center consolidation (Fiscal IT).

FY 2012 Priorities

- Maintain outstanding operational service to customer agencies.
- Continue to identify and implement operational efficiencies with the goal of achieving sub-inflationary price increases.
- Promote and maximize shared services benefits in support of Treasury and government-wide initiatives.
- Consolidate data center operations with the Financial Management Service (FMS) to increase efficiency of combined IT assets.
- Participate in government-wide forums and support good government through maintaining and enhancing compliance and accountability.
- Continue to assess and report our performance and provide timely feedback to customers.
- Enhance human capital strategies to recruit, develop and provide for a challenging, rewarding and values based work environment.

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Section 1 – Purpose

1A – Description of Bureau Vision and Priorities

The Treasury Franchise Fund's (The Fund) vision is to be a leader in providing responsible, effective administrative support services through commitment to service, efficient operations, openness to change and values based behavior. The Fund provides accounting, procurement, travel, human resources, and information technology (IT) services through the Bureau of the Public Debt (Public Debt), Administrative Resource Center (ARC). Services are provided to more than 70 federal customers, including most of the Department of the Treasury, on a reimbursable, fee-for-service basis. In FY 2010, 971 FTE are dedicated to servicing customers and are expected to generate over \$180 million in earned revenue.

A major focus of The Fund is achieving sub-inflationary price increases for customers. The Fund leverages customer base expansion to help achieve economies of scale that support this priority. In addition, The Fund continues to identify and implement process improvement initiatives ranging from technology to staffing. Finally, other service efficiencies have resulted from changes such as implementing standard service level agreements that include a minimum of one year notice of service cessation clause. This extended notice period reduces the risk associated with loss of business, thus reducing reserve requirements and reserve charges to customers.

Another Fund priority is to support Treasury and government-wide initiatives by providing timely, high quality, cost effective, and value added administrative support services. This requires continual assessment of services offered to market demands and adherence to The Fund's "good government" vision. This vision ensures compliance with applicable rules and regulations, promotes cost savings through efficient and standardized service delivery while maintaining high customer satisfaction. Standardized internal business processes, and implementing customers consistent with the defined target are two specific means used by The Fund to support the vision. Specifically, during FY 2012, The Fund plans to consolidate data center operations with those of the FMS to increase utilization and efficiency of the combined IT assets. This consolidation supports the Office of Management and Budget's (OMB) E-gov data center consolidation guidance.

A major operational priority is to assess and report on service delivery performance and provide customers with timely performance feedback in areas in which The Fund and customers must work together to successfully perform administrative services. This includes improving and creating new Shared Service Provider (SSP) performance metrics and benchmarks and providing standardized feedback to customers on performance. The Fund will place additional focus in FY 2011 on establishing cost metrics. Performance feedback is critical to customers' ability to improve the efficiency of their own operations, which will lower the level of effort required to support them and maximize the benefits achieved through shared services.

Another operational priority is enhancing its shared service solution to better support customers in a SSP role. The Fund continues efforts to improve shared solutions including:

- Upgrade of Oracle E-Business Suite to Release 12 (FY 2012)

- Upgrade of E-Travel Solution – GovTrip – to version 2.0 (FY 2010)
- Upgrade of E-Procurement Solution – Procurement Request Information Systems Management (PRISM) – to version 6.5 (FY 2010)

In addition, the information technology business line implemented infrastructure changes necessary to serve the role of a Trusted Internet Connection Access Provider (TICAP) for Treasury. The Fund received authority to operate the upgraded infrastructure in January 2010 and was designated as Treasury's TICAP in May 2010. Application migrations into the upgraded infrastructure were completed in FY 2010. Through completion of these enhancements, The Fund will continue to work with customers to identify additional platform and service improvements in FY 2012.

As significant budgetary resources are used for salaries and benefits, human capital strategies such as recruiting and retention efforts are always a high priority. Our goal is to recruit high quality, dedicated employees that care about the success of The Fund and its customers. Additionally, The Fund focuses on development processes to educate and train staff on new responsibilities as federal stewards, and providing a challenging, rewarding and values based work environment. Emphasis is placed on information sharing demonstrated by regular town hall meetings and the presentation of customer feedback to employees.

1B – Program History and Future Outlook

Program History

The Government Management Reform Act of 1994 (GMRA) authorized the establishment of six Franchise Fund programs within the Federal Government. The franchise concept was built on OMB's twelve operating principles for business-like organizations, including provider competition, customer's voluntary exit, full cost recovery, initial capitalization and performance measurement and benchmarking.

In 1996, OMB designated the Department of the Treasury as one of the six Executive Branch agencies authorized to establish a franchise fund program. The Fund began operations in 1997 with six Franchise Business Activities (FBA), less than 80 FTE and earned revenue of \$38 million.

In FY 2009, The Fund worked with FMS to migrate Treasury Agency Services (TAS) from The Fund, successfully transitioned Federal Consulting Group (FCG) to another federal host and substantially closed out the FedSource business activity. In FY 2010 and thereafter, administrative and IT support are the only services that are provided by The Fund.

During FY 2009 and FY 2010 The Fund enhanced its infrastructure by migrating Oracle E-Business Suite platforms to a commercial hosting provider. As planned, two of the platforms were successfully migrated in FY 2009, and the final platform was migrated in FY 2010. Overall, The Fund was able to hold FY 2011 costs at levels commensurate with FY 2010, thus resulting in true cost reductions for its customers. These economies were the result of transitioning hosting of Oracle E-Business Suite to a commercial provider and further implementation of standardized business practices.

The Fund's key challenge is maintaining high service and customer satisfaction levels while pursuing cost reduction and containment initiatives such as transitioning customers to the standardized service delivery model.

Future Outlook

In FY 2012, The Fund will maintain its commitment to excellence and continue to meet all strategic goals and benchmarks. The Fund continues to look for measured and controlled growth opportunities to expand existing service lines or add other value added, in-demand administrative services.

As a SSP, The Fund plays an important role in achieving the current administration's goals of improving efficiency, cost effectiveness, and accountability within the federal sector. This is attributable to demonstrated successes in reducing duplication, providing accurate and timely financial management information and providing responsive support for government-wide initiatives.

The Fund's estimated FY 2012 FTE and earned revenue are 1,190 and \$245 million, respectively.

Demonstrated Success – Eliminating Duplication

Shared Platform and Services

The Fund reduces the number of federal administrative systems by providing access to an integrated system platform for accounting, travel, procurement, human resources, and information technology services. In addition, as a SSP, The Fund provides many customers with value added services, such as transaction processing and financial reporting.

The Fund was designated by the Office of Management and Budget (OMB) as a Center of Excellence for Financial Management Line of Business (FMLoB) and a Shared Services Center for Information Systems Security Line of Business (ISSLoB). In addition, The Fund has critical supporting roles in the Human Resources Line of Business (HRLoB) and Public Key Infrastructure (PKI) SSP designations of the Department of Treasury.

The Fund currently provides:

- 31 organizations with accounting services
- 35 organizations with travel services
- 36 organizations with procurement services
- 32 organizations with human resource services
- 17 organizations with information technology services

Providing shared services to federal customers results in cost savings and improved quality and compliance. Savings are achieved through consolidated buying power and cost sharing opportunities in the areas of operations and maintenance, enhancements and upgrades. Improved quality and compliance is achieved through The Fund's service model and standardized business processes that align with applicable laws, rules and regulations.

Specifically, during FY 2012, The Fund plans to consolidate data center operations with those of the FMS to increase utilization and efficiency of the combined IT assets. This consolidation supports the Office of Management and Budget's (OMB) E-gov data center consolidation guidance. Furthermore, in FY 2011, The Fund plans to consolidate two Oracle E-Business Suite environments. This consolidation is expected to result in further annual system hosting and maintenance cost savings.

Demonstrated success –Timeliness and Accuracy

The Fund provides timely and high quality services in the area of financial reporting. Using The Fund's Oracle E-Business Suite platform, federal managers have timely financial management information available for decision-making.

Internally, there is no better test for the accuracy and quality than annual financial statement and internal control audits. The Fund has received 14 consecutive unqualified audit opinions. In addition, The Fund undergoes a Type II SAS-70 audit annually and has received 8 consecutive unqualified opinions. The SAS-70 results enhances customer confidence in The Fund's systems and services and reduces agencies annual financial statement audit costs.

Demonstrated Success – Responsiveness

The Fund has demonstrated the ability to respond timely to government-wide priorities. For example, increased emphasis on information security led The Fund's information technology service line to become a leader in the federal government. On behalf of Treasury, The Fund hosts and maintains PKI SSP infrastructure and is an OMB designated shared service center for the ISSLoB.

During FY 2010, The Fund completed infrastructure changes necessary to serve the role of a Trusted Internet Connection Access Provider (TICAP) for Treasury in response to OMB's government-wide internet security initiative.

1C – Industry Outlook

There is a positive outlook for shared services in the federal government. The Fund anticipates further growth in this sector due to OMB's Line of Business (LoB) initiatives and increased budget constraints.

There is tremendous synergy between the business model established by the Treasury several years ago and recent OMB initiatives. Each model supports the concept of sharing costs across agencies to reduce each entity's cost burden, especially capital investments in systems. In addition, most of the Lines of Business use competition to keep the costs of service providers to a minimum and to allow customer agencies to shop around for the service provider that best satisfies their needs.

Section 2 – Budget Adjustments and Appropriation Language

2.1 – Budget Adjustments Table

Dollars in Thousands

Treasury Franchise Fund	FTE	Amount
FY 2010 Actual	973	\$166,904
FY 2011 Estimated	1,012	\$168,598
Changes to Base:		
Maintaining Current Levels (MCLs):	-	\$2,877
Maintaining Current Levels	-	\$2,877
Efficiencies, Savings & Base Reductions:	-	(\$1,732)
Efficiency Savings - Productivity Improvements	-	(\$1,732)
Subtotal FY 2012 Changes to Base	-	\$1,145
Total FY 2012 Base	1,012	\$169,743
Program Changes:		
Program Decreases:	-	(\$499)
Business Alignment	-	(\$499)
Program Increases:	178	\$76,088
IT Consolidation Growth	178	\$76,088
Subtotal FY 2012 Program Changes	178	\$75,589
Total FY 2012 Estimated	1,190	\$245,332

2A – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) +\$2,877,000 / +0 FTE

Maintaining Current Levels +\$2,877,000 / +0 FTE

Funds are requested for inflation adjustments in non-labor expenses such as GSA rent, postage, supplies and equipment and health benefits and the increase in Federal Employee Retirement System participation. No inflation adjustment is requested for pay in FY 2012.

Efficiencies, Savings & Base Reductions -\$1,732,000 / +0 FTE

Efficiency Savings - Productivity Improvements -\$1,732,000 / +0 FTE

The Franchise Fund will realize efficiency savings from productivity improvements.

Program Decreases -\$499,000 / +0 FTE

Business Alignment -\$499,000 / +0 FTE

Business Alignment

Program Increases +\$76,088,000 / +178 FTE

IT Consolidation Growth +\$76,088,000 / +178 FTE

During FY 2012, The Fund plans to consolidate data center operations with those of the FMS to increase utilization and efficiency of the combined IT assets.

Section 2 – Budget Adjustments and Appropriation Language

2.2 – Operating Levels Table

Dollars in Thousands

Treasury Franchise Fund	FY 2010 Obligated	FY 2011 Estimated	FY 2012 Estimated
FTE	973	1,012	1,190
Object Classification			
11.1 - Full-time permanent	\$66,909	\$72,259	\$89,426
11.3 - Other than full-time permanent	\$596	\$0	\$0
11.5 - Other personnel compensation	\$94	\$0	\$0
11.6 - Overtime	\$1,255	\$1,058	\$1,393
11.7 - Other Personnel Compensation	\$1,490	\$1,879	\$2,329
12 - Personnel benefits	\$20,421	\$21,756	\$29,528
13 - Benefits for former personnel	\$168	\$0	\$0
21 - Travel and transportation of persons	\$1,129	\$1,421	\$1,774
22 - Transportation of things	\$9	\$37	\$38
23.2 - Rental payments to others	\$56	\$0	\$0
23.3 - Communication, utilities, and misc charges	\$933	\$3,157	\$5,183
25.2 - Other services	\$6,527	\$18,561	\$47,826
25.3 - Other purchases of goods and services from Govt. accounts	\$38,819	\$28,822	\$29,605
25.4 - Operation and maintenance of facilities	\$79	\$0	\$0
25.7 - Operation and maintenance of equip	\$12,126	\$9,453	\$20,732
26 - Supplies and materials	\$488	\$1,359	\$1,691
31 - Equipment	\$12,852	\$7,237	\$9,043
32 - Land and structures	\$0	\$0	\$5,457
Total Budget Authority	\$166,904	\$168,598	\$245,332
Budget Activities:			
Financial Management Administrative			
Support Services	\$93,046	\$94,592	\$98,732
Information Technology Services	\$73,858	\$74,006	\$146,600
Total Budget Authority	\$166,904	\$168,598	\$245,332

2.3 – Resource Detail Table

Dollars in Thousands

	FY 2009		FY 2010		FY 2011		FY 2012 Estimated		% Change FY 2010 to FY 2012	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Budgetary Resources:										
Revenue / Offsetting Collections										
Administrative Services		\$85,045		\$99,742		\$93,799		\$98,732		-1.01%
Information Technology Services		\$63,398		\$75,903		\$71,443		\$146,600		93.14%
Total Revenue / Offsetting Collections	0	\$148,443	0	\$175,645	0	\$165,242	0	\$245,332	0.00%	39.67%
Unobligated balances, Start of year		51,521		61,722		77,766		81,086		31.37%
Recoveries of prior year obligations		4,410		7,303		6,676		6,744		-7.65%
Net transfers (includes capital transfers)		3,748		0		0		0		0.00%
Total budgetary resources available	0	\$208,122	0	\$244,670	0	\$249,684	0	\$333,162	0.00%	36.17%
Expenses/Obligations										
Administrative Services	605	89,933	628	93,046	644	94,592	670	98,732	6.69%	6.11%
Information Technology Services	326	56,467	345	73,858	368	74,006	520	146,600	50.72%	98.49%
Total Expenses / Obligations	931	\$146,400	973	\$166,904	1,012	\$168,598	1,190	\$245,332	22.30%	46.99%
Net Results		\$2,043		\$8,741		(\$3,356)		\$0		-100.00%

2B – Appropriations Language and Explanation of Changes

The Fund receives no appropriated funds from Congress.

2C – Legislative Proposals

The Fund has no legislative proposals for FY 2012.

Section 3 – Budget and Performance Plan

This table lists all FY 2012 resources by strategic goal, objective and outcome outlined in the FY 2007-2012 Treasury Department Strategic Plan. The Treasury Strategic Plan provides a description of what the agency intends to accomplish over the next five years.

For detailed information about the FY 2007-2012 Treasury Strategic Plan, please go to: <http://www.treas.gov/offices/management/budget/strategic-plan/>

3.1 – Budget by Strategic Outcome

Dollars in Thousands

Treasury Strategic Outcome	FY 2011 Estimated	FY 2012 Estimated	Percent Change
A citizen-centered, results-oriented and strategically aligned organization	168,598	245,332	45.51%
Total	\$168,598	\$245,332	45.51%

3A - Financial Management Administrative Support Services (\$98,731,720 from *reimbursable programs*): The Administrative Services Activity supports OMB’s shared services concept and furthers “good government” by standardizing the administrative financial systems and processes required to operate federal organizations.

Value is provided through cost sharing opportunities in systems capital investments as well as reduced operating costs through providing consolidated high quality, value added services. The Fund, a Center of Excellence for the FMLoB and a support organization for Treasury's HRLoB designation, provides administrative support functions with a focus on financial management, procurement, travel and human resources. The program has been very successful in meeting its mission goals as evidenced by the increasing demand for services and the level of satisfaction expressed by customers.

3.2.1 Financial Management Administrative Support Services Budget and Performance Plan

Financial Management Administrative Support Services Budget Activity

Resource Level	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Estimated	FY 2012 Estimated
Appropriated Resources	\$0	\$0	\$0	\$0	\$0
Reimbursable Resources	\$96,952	\$89,933	\$93,046	\$94,592	\$98,732
Total Resources	\$96,952	\$89,933	\$93,046	\$94,592	\$98,732
Budget Activity Total	\$96,952	\$89,933	\$93,046	\$94,592	\$98,732

Measure	FY 2008	FY 2009	FY 2010		FY 2011	FY 2012
	Actual	Actual	Target	Actual	Target	Target
Cust. Satisfaction Index - Financial Mgmt Admin	97.0	89.0	80.0	81.0	80.0	80.0
Operating Expense % (E)	NA	7%	8%	8%	8%	8%

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline, and B - Baseline

Description of Performance:

Administrative Services established an outcome measure and target of 80 percent to determine performance in satisfying the needs of customer agencies. Annually, The Fund conducts a customer satisfaction survey to assess performance within all service lines. For FY 2010, two thirds of The Fund’s customers responded to the survey, and an overall customer satisfaction rating of 81 percent was achieved.

Administrative Services has reduced the target for operating expenses as a percentage of total expenses from 12 percent to 8 percent due to efficiencies realized in operations. This provides franchise management with a measure that encourages efficiency in administrative operations and helps to assure services are provided at the lowest possible cost. Administrative Services again met this performance measure in FY 2010 with an 8 percent operating expense ratio.

3B - Information Technology Services (*\$146,600,280 from reimbursable programs*): The IT Services Activity provides low-cost, shared services to a diverse portfolio of federal customers: Treasury bureaus, independent agencies, boards and commissions, and Inspectors General organizations. Value is provided through IT infrastructure consolidation and standardized IT service delivery in a modern, technically innovative, and secure environment. Customers avoid costly, long-term development projects when they take advantage of our shared services and environments. Services include information systems security, hosting, and software engineering. Additionally, end-user support and professional services are provided to Public Debt and The Fund.

The Fund, designated by the OMB as a SSC for Information Systems Security Line of Business (ISSLoB), provides agencies with proven Certification and Accreditation (C&A) and Continuous Monitoring (CM) services. The Fund delivers information security support to other federal agencies, while improving quality, accelerating delivery, and reducing customer costs.

Secure hosting services are provided for production, contingency, and disaster recovery systems, and development/and test regions. The Fund has critical supporting roles in the PKI SSP designation of the Department of Treasury. The Fund's PKI and directory experience makes end-to-end identity management solutions available to customers.

Rapid Application Development (RAD) techniques and a demonstrated ability to integrate commercially available solutions combine to provide high quality software engineering services at a competitive price.

3.2.2 Information Technology Services Budget and Performance Plan

Information Technology Services Budget Activity					
Resource Level	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Actual	Actual	Actual	Estimated	Estimated
Appropriated Resources	\$0	\$0	\$0	\$0	\$0
Reimbursable Resources	\$0	\$56,467	\$73,858	\$74,006	\$146,600
Total Resources	\$0	\$56,467	\$73,858	\$74,006	\$146,600

Budget Activity Total	\$0	\$56,467	\$73,858	\$74,006	\$146,600
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Measure	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	Actual	Actual	Target	Target	Target
Cust. Satisfaction Index - Financial Mgmt Admin	NA	84.0	80.0	81.0	80.0
Operating Expense % (E)	NA	5%	8%	8%	8%

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline, and B – Baseline

Information Technology established a management/customer service measure and target of 80 percent to determine performance in satisfying the needs of customer agencies. Annually, The Fund conducts a customer satisfaction survey to assess performance within all service lines. For FY 2010, two thirds of The Fund’s customers responded to the survey, and an overall customer satisfaction rating of 81 percent was achieved.

Information Technology has reduced the target for operating expenses as a percentage of total expenses from 12 percent to 8 percent due to efficiencies realized in operations. Viewed over time, this measure shows that operations can be expanded without dramatically increasing expenses.

For detailed information about each performance measure, including definition, verification and validation, please go to: <http://www.treasury.gov/offices/management/dcfo/accountability-reports/>

Section 4 – Supporting Materials

4A – Human Capital Strategy Description

The Fund follows the human capital strategy of Public Debt, its host organization. Public Debt's employees are its greatest asset and investment in the workforce is crucial. The bureau is recognized throughout the local and surrounding communities as a values-based employer where candidates want to work and employees want to stay. According to the report, *Best Places to Work in the Federal Government 2010*, the bureau ranked 6th out of 224 federal agencies. Additionally, Public Debt has consistently improved its overall score in every *Best Places to Work in the Federal Government* survey over the last five years.

As a values-based organization, Public Debt also understands the benefits telework provides for enhancing employee morale. Telework has the potential to increase employee productivity and provides employees an additional method for balancing work and home life. Moreover, it has the added benefits of increasing the recruitment of new employees, retaining the current workforce and potentially cutting down on employee absences.

To ensure essential business functions are maintained during office closures due to weather-related situations or other emergency events, telework will be integrated into continuity of operations plans as an alternative way of conducting business. Several offices are piloting telework on a trial basis to ensure functionality of systems in the event of a real-world disaster.

Public Debt moved to a performance-based management system for non-supervisory, non-bargaining unit employees at the end of December 2008. The new appraisal system is aligned with Public Debt's strategic and annual performance plans. In December 2009, the bureau successfully completed the bargaining process to move the remaining non-supervisory employees to the same system. The date to transition bargaining unit employees is pending.

The use of statistical analysis continues to be a crucial part of workforce planning and deployment. Through FY 2015, 37 percent of Public Debt's permanent employees will be eligible for optional retirement. Thanks to the bureau's standing as an employer of choice and the large pool of highly qualified candidates in the local community, Public Debt can address the anticipated retirements successfully.

A closer analysis of the retirement data reveals 62 percent of Senior Executive Services (SES) level employee will be eligible to retire during the same period. Public Debt's SES Candidate Development Program concluded in March 2010, at which time, candidates applied for SES certification. The candidates, once certified, will be eligible for noncompetitive appointments in the Senior Executive Service. By planning ahead, the bureau will be able to counteract the potential impact of future SES retirements.

4.1 – Summary of IT Resources Table

Dollars in Thousands

Information Technology Investments									
Major IT Investments (Self Funded)	Budget Activity	FY 2009 Enacted	FY 2010 Actual	% Change FY 09 to 10	FY 2011 Estimated	% Change FY10 to 11	FY 2012 Estimated	% Change FY10 to 12	
Franchise Financial and Administrative Services (FFAS)	Administrative Services	\$19,468	\$18,626	-4.3%	\$23,568	26.5%	\$23,859	28.1%	
Government Agency Investment Service (GAIS)	Administrative Services	\$0	\$0	0.0%	\$1,508 1/	100.0%	\$1,531 1/	100.0%	
Subtotal, Major IT Investments		\$19,468	\$18,626	-4.3%	\$25,076	34.6%	\$25,390	1.3%	
Non-Major IT Investments		\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%	
Infrastructure Investments 2/		\$31,767 3/	\$45,948	44.6%	\$41,134	-10.5%	\$43,001	-6.4%	
Enterprise Architecture		\$1,899 4/	\$2,503	31.8%	\$2,861	14.3%	\$2,947	17.7%	
Total IT Investments		\$53,134	\$67,077	26.2%	\$69,071	3.0%	\$71,338	6.4%	

1/ Represents costs incurred by The Fund that contribute to the GAIS investment managed by the Bureau of the Public Debt (BPD).

2/ Infrastructure Investments represent Treasury enterprise-wide investment in end user, mainframe and servers, telecommunications, and identity management services.

3/ Includes Infrastructure Investments of \$16,621 previously reported in Bureau of the Public Debt (BPD) budget submission, Table 4.1 - Summary of IT Resources.

4/ Includes Enterprise Architecture Investments of \$352 previously reported in Bureau of the Public Debt (BPD) budget submission, Table 4.1 - Summary of IT Resources.

4B – Information Technology Strategy

The Fund follows the information technology strategy of Public Debt, the host organization. To ensure the success of Public Debt's mission at the lowest cost to the taxpayer, the bureau continues to strengthen its strategic planning processes to make the best possible use of resources across all business lines and budget activities, including The Fund's Administrative Support and IT Administrative Support Services. Public Debt created the Enterprise Architecture Group (EAG) to promote strategic alignment across the Public Debt enterprise, optimize business processes by promoting an appropriate diversity and reuse of technology solutions and expose strategic planners to information that enables informed decisions. The EAG is charged with the following responsibilities:

- Evaluate program and support organization transition activities, focusing on need, enterprise alignment, impact, and constraints.
- Determine the most effective course of action for each presented transition activity.
- Develop and prioritize the Public Debt transition plan.
- Maintain Public Debt's business-related enterprise architecture models.
- Publish Enterprise Architecture information.
- Review and approve/disapprove capital planning investment documents.

During FY 2012, as The Fund consolidates data center operations with those of the FMS, additional governance processes will be established to ensure effective use of common information technology resources.

With this budget submission, The Fund unveils a restructured IT investment portfolio, further aligning budget activities and programs of Public Debt. The restructuring includes the movement of IT Infrastructure reporting to The Fund.

Modern and Secure Technical Environment

The IT strategy embraces a modern and secure technical environment to support The Fund's programs, workforce, and customers. The Fund's software engineering framework will leverage open source technologies. The Fund will expand its virtual infrastructure and will leverage virtual technologies in the delivery of end user services. Furthermore, social media technologies and data services (for both structured and unstructured data) will be available for use in a secure manner as a productive means of business collaboration.

As federal budget dollars shrink, federal program managers require cost effective IT services that align with business needs. The Funds Information Technology Services Activity must meet customers' requirements for quality and cost. The Fund adopts the principles of continuous service improvement (CSI) to find where improvements in the efficiency and effectiveness of IT infrastructures can be made. The goal is to increase the use and efficiency (optimization) of IT assets, while reducing IT service costs for customers.

Fiscal IT

In late 2009, the Office of the Fiscal Assistant Secretary asked the Commissioners of FMS and the Public Debt to assess where improvements could be made in the efficiency and effectiveness of IT infrastructures. As a result, FMS in partnership with Public Debt initiated a project to consolidate the data centers across the two bureaus to help achieve the Secretary's objective of increasing the utilization and efficiency of combined IT assets, while reducing technology costs. This effort also conforms to the Office of Management and Budget's Data Center Consolidation directive that all federal agencies review IT spending, placing emphasis on consolidating and sharing IT services to reduce expenditures. The Fiscal IT effort includes consolidation of five data centers into two shared by both bureaus, creation of a single corporate governing body, insourcing of select contracted functions, consolidation of application development methodologies and associated infrastructure, and importantly results in a more "green" approach to delivery of IT services. Both FMS and Public Debt anticipate savings due to reductions in energy consumption, equipment, software, and staff.