



Enterprise Modernization Plan
(EA Transition Strategy)
Volume 1 of 1

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Revision History

Date	Version	Summary
4/18/05	1.0	Original publication.
2/1/07	2.0	The transition activity sequence has been updated and a status summary has been added for each activity.
8/10/07	2.1	Incorporated TIBWG feedback.
2/1/2008	3.0	Updated Enterprise Modernization Plan reflecting revised FEA practice guidance, and incorporating business performance results.

References

Document Title	Source
Enterprise Modernization Plan	http://www.hud.gov/offices/cio/ea/newea/resources/eatpv2.pdf
Enterprise Architecture 5.0	http://www.hud.gov/offices/cio/ea/newea/resources/eav5.pdf
Business and IT Modernization Plan Development Guidance / Work Product and Decision Templates 1.4	http://www.hud.gov/offices/cio/ea/newea/resources/segment.pdf
Performance Architecture	http://www.hud.gov/offices/cio/ea/newea/resources/perform.pdf
IT Master Schedule	http://www.hud.gov/offices/cio/ea/newea/resources/itmaster.pdf
Technical Reference Model	http://www.hud.gov/offices/cio/sdm/devlife/def/trm/trmmainpage.cfm

Synopsis

HUD's Enterprise Modernization Plan (formerly named the HUD Enterprise Architecture Transition Strategy) is a practical transition strategy to improve HUD's mission performance. This document describes HUD modernization plans and "in process" results for HUD's active segments. It presents an Enterprise Architecture Transition Strategy. It is HUD's intent to transition the Enterprise Architecture from a baseline technology and systems-based architecture to a target architecture characterized by business-oriented, performance-based and services-driven architecture. The theme of this strategy is "moving from individual systems to common or shared business services".

To effect this transition, HUD management established this plan to articulate the HUD's Modernization EA transition strategy and approach, and describe progress toward achieving HUD's vision. This Enterprise Modernization Plan provides the ability for HUD to apply the strategy and monitor, measured progress in implementing the future-state architecture.

If HUD is unable to effectively meet target modernization goals, it could adversely impact the agency's mission. Achieving the modernization end state will improve HUD's performance and produce improvements in a manner that is in keeping with best business practices and the highest standards of ethics, management, and accountability.

The Enterprise Modernization Plan is a strategic-level plan summarizing detailed modernization project plans. The detailed implementation planning for individual modernization plans is the responsibility of the business sponsors tasked with execution and management of the plan.

This version of HUD's Enterprise Modernization Plan contains an updated transition sequencing plan, drivers, performance improvements, cross-agency initiative integration, a summary of activities for each active segment, and provides links to HUD's established performance tracking mechanism IT Master Schedule.

Demonstrated Level of EA Practice Maturity

This document demonstrates the following level of EA practice maturity relative to the current version of the OMB EA assessment framework.

COMPLETION			
Assessment Criteria	Level(s)	Section/Reference	Summary Rationale
Transition Strategy	5	Completion (5.1.6)	Documents EA Transition Strategy (Sequencing Plan) in accordance with revised FEA Practice Guidance. Transition strategy documentation includes mission change drivers, performance improvement summary, cross-agency initiative integration strategy, and modernization plan (segment architecture) overview.

Presidential Management Agenda (PMA) Milestones

This document fulfills the following quarterly Presidential Management Agenda (PMA) milestones:

Milestone	Due Date	Completion Date	Status
NA			

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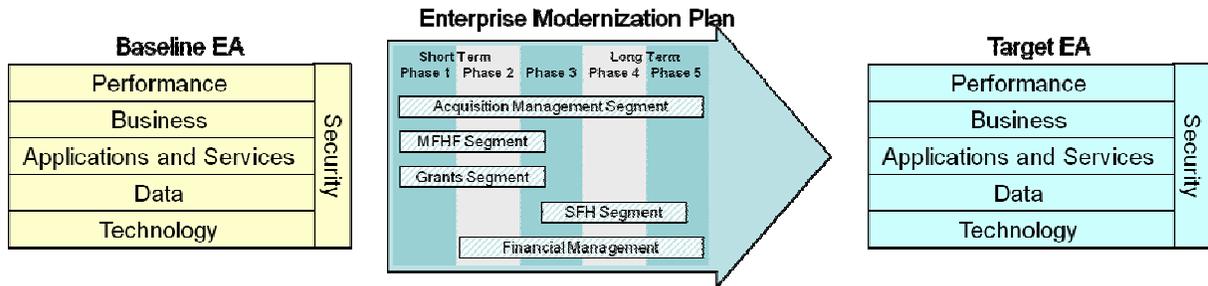
1 Introduction

The Department of Housing and Urban Development's (HUD) Enterprise Modernization Plan is a strategic roadmap to modernize business and information technology (IT). The Plan is updated continually using HUD's performance tracking and control and review mechanism to reflect HUD's business needs and priorities. The compliance requirement for an Enterprise Modernization Plan is driven by the Clinger-Cohen Act of 1996. The Federal Enterprise Architecture (FEA) Practice Guidance provides guidance supporting development and use of the Enterprise Modernization Plan.

1.1 Overview

The Enterprise Modernization Plan is constructed to assist HUD in achieving its strategic business goals and objectives through modernization. Modernization initiatives are sponsored and executed by lines of business and service segments. The Enterprise Modernization plan provides an aggregate view of HUD segment activity. HUD's Enterprise Architecture (EA) team manages baseline and target models, including target performance goals, business processes, applications and services, technology, data, and security. A simple conceptual representation is provided in **Exhibit 1-1** below.

Exhibit 1-1: Enterprise Modernization Plan Conceptual Representation



1.2 Purpose

This Enterprise Modernization Plan provides HUD management with an integrated view of modernization activities, drivers, performance measures, and related cross agency initiatives. The Plan allows HUD management to articulate the strategy, approach and progress of the activities needed to transition to the desired future state in light of relevant priorities, dependencies, and constraints.

This Enterprise Modernization Plan is a step-by-step transition process that begins by describing HUD's established baseline and target architectures. The baseline architecture has been analyzed in order to determine areas of improvement and to identify any gaps between the baseline and target architecture. The transition strategy provides an overview of the modernization effort to include the refinement and prioritization of HUD's enterprise segments and other modernization activities.

1.3 Intended Audience

The Enterprise Modernization Plan applies to all HUD organizations, representing a high-level modernization roadmap. All HUD executives, managers, and staff are encouraged to read, discuss, and comment on this document. The primary focus for specific HUD stakeholder groups is summarized below:

- **HUD Managers, Directors and Executives** – HUD senior leadership that are involved in modernization are the primary audience. As the primary force within HUD responsible for ensuring that the Department fulfills its mission and progresses toward its vision, HUD executives must understand and support the roadmap set forth in the Enterprise Modernization Plan and participate in efforts to implement it. In particular, the Technology Investment Board Executive Committee (TIBEC) has responsibility for approving the Enterprise Modernization Plan.
- **Office of the Chief Information Officer (OCIO) Staff** – All OCIO staff must be familiar with the Enterprise Modernization Plan. As members of the office with primary responsibility for planning and deploying modernized systems and technology in support of the Department's business, OCIO staff needs to understand the transition activities required to move HUD to the Target EA. Key subsets of the OCIO staff for whom the Modernization Plan has particular relevance have been further described below:
 - **IT Investment Management (ITIM) Staff** – The ITIM staff must understand the Enterprise Modernization Plan and be able to apply that understanding in the evaluation of HUD's IT investment portfolio.
 - **Program/Project Managers** – Program and project managers responsible for IT initiatives must ensure that the initiatives are associated to the planned structure (architecture segments) and the Active Modernization Plans in the Enterprise Modernization Plan.
 - **Business Managers** – Managers within HUD's mission areas should understand the planned structure (architecture segments) and how they relate to their business needs. They should closely review this structure and how it addresses their mission areas.
- **Peer Agencies Involved with Cross Agency Initiatives** – HUD collaborates with other Federal agencies, such as the Department of Treasury, the Department of Health and Human Services, the Social Security Administration, and the Internal Revenue Service in the implementation of its programs. This modernization plan will help these partnering agencies understand when changes will be made within the HUD environment.
- **The Office of Management and Budget (OMB)** – As part of the budget submission process, HUD will submit the Enterprise Modernization Plan and other EA work products to OMB. OMB will use the Enterprise Modernization Plan to determine whether HUD has a cohesive roadmap to shift HUD to the Target EA.

1.4 About this Document

This document is organized into three sections and is intended to be used as a strategic reference guide. The three sections are discussed briefly below:

- **HUD's Enterprise Architecture** – This section describes the drivers, common requirements and objectives of the Enterprise Modernization Plan. It provides an executive view of HUD's baseline and target modernization environments providing a framework for the execution of the Plan and implementation of the enterprise modernization vision.
- **Modernization Transition Strategy** – Includes an overview of the modernization effort, the planned structure (architecture segments), and the components of the transition strategy. The transition strategy describes an enterprise-wide sequencing plan and summary performance improvements and targets. Additionally, the transition strategy integrates Cross Agency Initiatives into the Plan, moving from individual agency-level systems to common or shared Federal services.
- **Active Modernization Plans** – HUD has documented a standard Modernization Methodology and is executing this methodology for each active enterprise segment. In this section the scope, drivers, vision, performance goals, and funding strategies are discussed for each active modernization effort.

2 HUD's Enterprise Architecture

The primary purpose of the Enterprise Architecture (EA) is to capture the information required to help HUD achieve its strategic mission for improved performance and modernization. It is one element in a broader set of inter-related planning activities that collectively enable HUD managers and staff to define a vision, develop strategies and plans for achieving the vision, make resource decisions, implement strategies, and evaluate performance.

HUD's EA reflects a business-driven practice describing the current and desired end-state for HUD's performance, business, applications and services, technology, data, and security architectures.

2.1 Agency Mission

HUD's Mission Statement is a succinct statement that articulates the Department's reason for being. It is the primary public description of "what" HUD does and "why" it exists. It is as follows:

HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.

HUD's Secretary has pledged to accomplish this mission while addressing the paramount need to improve HUD's performance and produce these improvements in a manner congruent with the highest standards of ethics, management, and accountability. HUD's CFO produces and manages the HUD five year Strategic Plan and provides updates annually through the HUD's Annual Performance Plan (APP). The Strategic Plan articulates HUD's enterprise goals and objectives. This modernization plan is driven by and linked to HUD's Strategic Plan and APP.

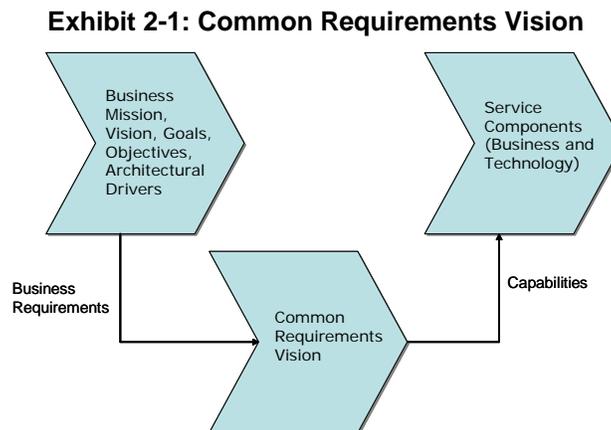
2.2 Modernization Drivers and Common Requirements

Modernization drivers are those factors that create a compelling case to drive change and impact the business performance. This following list provides some of HUD's primary modernization drivers:

- Improve services to business partners and citizens
- Respond to legislative changes and mandates
- Respond to increased demand for HUD services amid reduced budgetary resources
- Improve HUD financial controls
- Address HUD's loss of human capital
- Fulfill HUD's information security requirements
- Improve controls and oversight to reduce housing discrimination
- Enhance flexibility in responding to changing customer demographics
- Address technology obsolescence
- Collaborate with relevant cross-agency initiatives described in the Federal Transformation Framework (FTF)
- Reduce fraud, waste, and abuse
- Simplify information access
- Respond to, and proactively participate in, government-wide drive for collaboration

Each modernization initiative identifies specific drivers and requirements for change as part of their modernization plan. See Section 5 *Active Modernization Plans* for samples of detailed modernization drivers.

HUD's modernization planning process analyzes business mission, vision, goals and objectives, and drivers to derive common requirements. These common requirements are aggregated into a Common Requirements Vision (CRV) (see Enterprise Architecture documentation). The CRV builds a logical bridge from business needs to the technology requirements for HUD's desired future-state environment. Specifically, as depicted in **Exhibit 2-1**, the CRV analyzes elements of HUD's business strategy, such as its organizational mission, strategic vision, goals, objectives, and architectural drivers to arrive at a set of business requirements. The CRV translates these business requirements into a set of capabilities that will be supplied by common or shared services, thus serving as a key input to development of HUD's Applications and Services Layer.



Sample common requirements from the CRV include:

- Business Partner Performance Management, Controls, and Oversight
- Integrated Information Management
- Enterprise Security and Privacy Architecture
- Business Partner Communication Management
- Ease of Use and Consistent End-User Experience
- Integrated Data Services Architecture
- Centrally Managed Single User Identity
- Research Support
- Policy Development
- Online Training
- Enterprise Human Resource Management
- Enterprise Knowledge Management and Sharing

Together, the drivers and the CRV provide a platform for modernization of the baseline to target environment and extend HUD's reuse objectives. In the following sections baseline and target states are discussed.

2.3 Baseline Architecture

HUD's Baseline Architecture details the current or "as-is" state of HUD's business, performance, data, applications or services, and technology. HUD's baseline architecture, established in 2002, is characterized as a rigid, stove-piped system of applications rather than an integration of business services supporting business performance improvements.

Applications and Services: HUD's Baseline environment has more than 200 information systems, executes overlapping business and information management processes, and relies on various technologies that are expensive to maintain. Services are focused and organized on individual IT systems with minimal enterprise-level integration or reuse.

Technology & Data: HUD architecture is supported by a data-rich environment. However, access and reuse of information is difficult. The baseline technical architecture is characterized by a lack of standardization, outdated infrastructure, and heavy dependence on proprietary technology, limited integration, and inefficient use of IT capacity. Due to the physical application and system structure, data accessibility, flexibility in reporting and reuse are limited in the baseline.

Business: HUD's business baseline architecture falls along organizational lines of responsibility mirroring legislative change over time. There are opportunities for performance improvement in functional redundancy, accountability, reporting and organizational structure and alignment with Enterprise Modernization plans.

Performance: Performance measures in the baseline do not show clear relationships between HUD mission goals and objectives and actual results. The baseline performance environment lacks mechanisms for capturing and monitoring results.

2.3.1 EA Configuration Management (Baseline Version Control)

The baseline architecture is refreshed quarterly in accordance with HUD's EA Governance guidance (see EA Governance Structure). HUD's EA baseline was originally captured and maintained in a relational reporting configuration control system known as the Enterprise Architecture Management Systems (EAMS). HUD is currently migrating from the legacy Enterprise Architecture Management System (EAMS Version 2.1) to an enhanced Enterprise Business Information Transformation System (EBITS). EBITS is a web-based reporting utility and EA configuration management repository using System Architect. It is used to manage and report on each layer of HUD's Enterprise Architecture (EA) and the relationships between these layers. Going forward, EBITS will replace EAMS as the EA repository and configuration management system to define the Department's baseline architecture and enable the definition and design of target architecture. Some quarterly updates have been suspended during the transition period.

HUD's Technical Reference Model (TRM) is now updated and published monthly and is available on HUD's intranet and public-facing web-site.

2.4 Target Architecture

HUD's modernization target architecture is driven by HUD's business mission and is focused on improving measurable business performance. The HUD target environment is characterized by agility, flexibility and reusable enterprise business solutions. This target architecture is structured in a model reflecting the way HUD delivers business services. Each portion of HUD's enterprise (segment) is reflected in this target architecture or environment. **Exhibit 2-2 Target Architecture Structure** provides a target map of how business services will be organized and layered on top of technology. Segments of business service are grouped into the four categories defined below:

- **Overarching Activities** – These are associated with fostering modernization through broad policy, governance, and infrastructure efforts. These segments were identified based on an assessment of HUD's current IT and business management policies, practices, governance, and infrastructure. Eleven (11) individual overarching activities are included in HUD's Enterprise Modernization Plan. This informal assessment was based primarily on document reviews and discussions with OCIO staff.

- Core Mission Areas**– These segments are associated with developing and implementing detailed target architecture for a mission area (e.g. Multi-family Housing, Fair Housing). Core Mission Areas represent a *strategic view* of HUD’s business and aligns directly with HUD’s mission. These mission areas define HUD’s unique mission in the Federal government. The six mission areas addressed in this Enterprise Modernization Plan are identified in HUD’s EA in the HUD Services to Citizens portion of the Business Layer.

- Business Services** – These segments are associated with developing and implementing a detailed architecture for a business services (e.g. Grants Management). Business Services support core mission areas and cross core mission area boundaries. A business service represents a *tactical view* of HUD’s business (i.e. how HUD delivers its goods and services). The twenty (20) business services addressed in this Enterprise Modernization Plan are identified in HUD’s EA in the HUD Mode of Delivery, Support Delivery of Services and Management of Government Resources portion of the Business Layer and sequencing plan.

Exhibit 2-2: Target Architecture
Core mission areas or lines of business define the unique purpose of HUD

		Community and Economic	Fair Housing	Single Family Housing	Multifamily Housing	Rental Housing Assistance	Secondary Mortgage Market
Cross Cutting Services							
Business Services	Grants Management	X	X	X		X	
	Financial Management	X	X	X	X	X	X
	Business Partner Management	X	X	X	X	X	X
	Human Resources Management	X	X	X	X	X	X
	Public Affairs	X	X	X	X	X	X
	Procurement Management	X	X	X	X	X	X
Enterprise IT Services	Enterprise Records Management	X	X	X	X	X	X
	Portal/E-Identity Management	X	X	X	X	X	X
	Geographic Information System	X	X	X	X	X	X
	Decision Support /Business Intelligence	X	X	X	X	X	X
	Enterprise Information Management Practice	X	X	X	X	X	X

- Enterprise IT Services** – These segments are associated with identifying, selecting, planning for, and implementing IT services (e.g. Electronic Document and Records Management) that can be shared across HUD’s mission areas and business services. Twelve (12) Enterprise Services are incorporated into HUD’s Enterprise Modernization Plan. The Enterprise Services were identified by reviewing the Target EA Service Component Reference Model (SRM), enterprise drivers and the Common Requirements Vision (CRV) and bundle together logically-related groups of services with potential to be shared across HUD.

Each of these segments of service in the Enterprise Modernization Plan in order to improved business performance over time. HUD’s target architecture includes a total 49 segments as presented in the HUD EA and modernization sequencing plan (see section 3.1.1).

From a technical and operational perspective HUD’s target architecture is structured on a Service-Oriented Architecture (SOA) model. The target architecture structure depicted in 2.4-1 provides the basis for SOA implementation. The concepts of service-oriented and component-based architectures are not new; however, advances in technology have moved them from concept to reality. For example, only in the last few years, Web Services, which are an implementation of a Service-Oriented Architecture (SOA), allow Web-based applications, and more specifically, their respective resident functionalities (e.g., Search, Reporting, Retrieve, etc.). These Web Services reside in different locations or execute on different operating systems. The practicality of SOA’s have further evolved via communication with one another using open standards over the Internet.

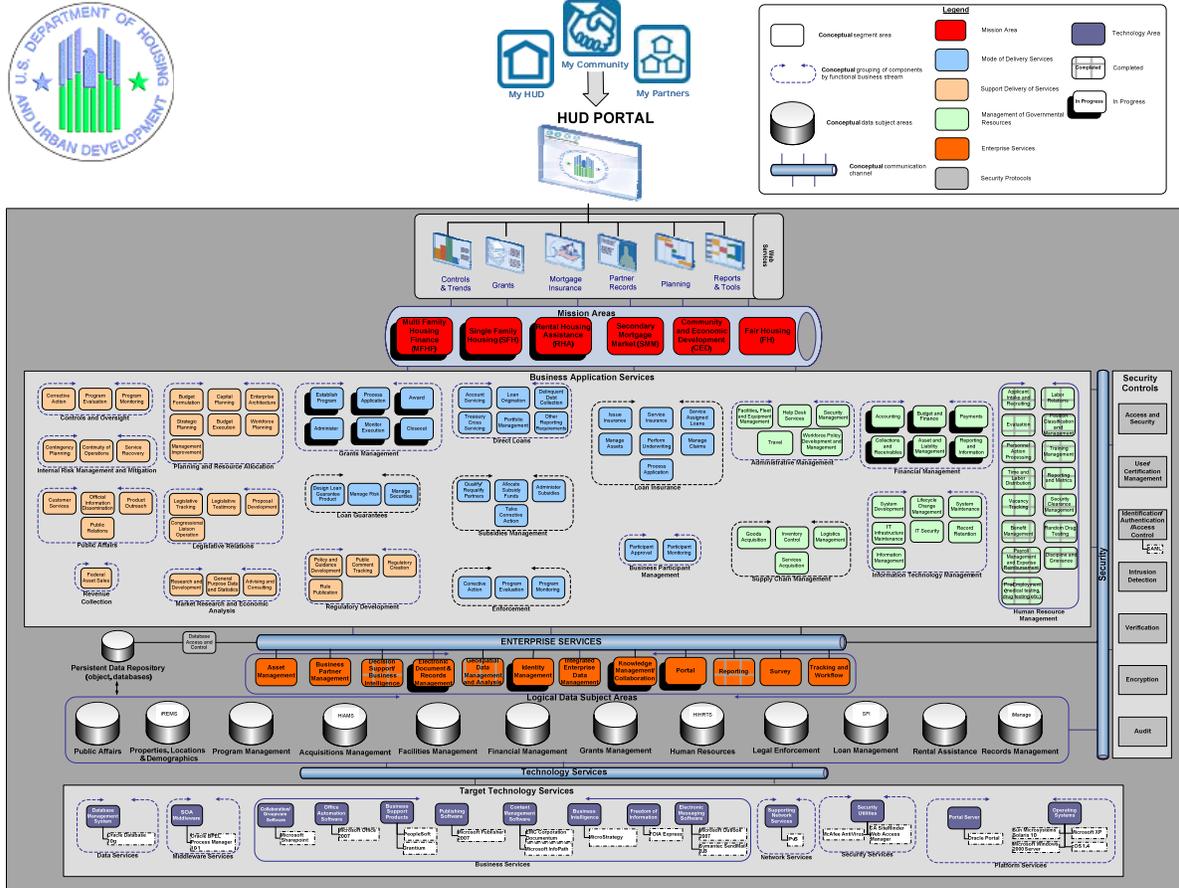
The recent widespread establishment of this set of Web Services-enabling open standards has allowed the proliferation of service-oriented and component-based architectures throughout the private and public sectors as the emerging and preferred methodology for applications development.

Service-oriented and component-based architectures have the following characteristics that typically result in reductions in cost, time spent per task, and the need for staff training:

- **Scalability:** the capacity of a system, network, or process to continue to meet user needs and expectations when it or its context is changed (either increased or decreased).
- **Interoperability:** the ability for components, systems, or networks to communicate directly with each other without losing any content or context of the intended communication; minimizes the requirements for shared understanding and results in aggregated services being shared by parties other than the originators of the service.
- **Flexibility:** the ability to provide new services, upgrade, or substitute services without affecting the enterprise's operations.
- **Innovation:** the ability to decouple applications from specific business processes so applications can be combined and recombined in optimal and creative ways.
- **Reusability:** any efficiency that has been designed into a particular system or process to enable existing physical, conceptual or procedural constructs to be implemented in other systems without modification.
- **Portability:** the ability to operate individual software programs or hardware devices on multiple technology platforms without modification.
- **Reduced Complexity:** The sharing and reuse of components by multiple applications and or processes limits the proliferation of different technology standards and reduces the number of technology resources, simplifying HUD's IT environment and asset management efforts.
- **Extensibility:** A solution built from common components can be extended across different business services, with each component providing a distinct capability that is shared among numerous related or unrelated business processes.

Exhibit 2-3 *Target Modernization Integration* provides a graphical view of HUD's target architecture. Citizens, partners and federal employees will access HUD's core mission and business services through a common, secure web based portal interface supported by enterprise services and over-arching activities.

Exhibit 2-3: Target Modernization Integration



2.4.1 Summary Updates to Enterprise Architecture and EA Practice (FY 2007)

HUD's Enterprise Architecture was updated throughout fiscal 2007 in order to provide improved utility and depth of resource to HUD businesses and partners. EA Models were updated and aligned to capture business performance results. The following list provides a summary of EA updates and EA practice improvements supporting transition activities:

- **Technical Reference Model (TRM):** HUD's TRM was updated monthly as a result of formal Change Control Management Board decisions.
- **Technical Reference Model Publishing:** Updates to the TRM are published on HUD's intranet and internet . The model is fully searchable supporting convenient access by HUD staff members, partners and members of the public
- **Performance Architecture:** HUD's Performance Architecture was updated several times throughout FY2007. Business performance results were added to the model and aligned with CPIC evaluation and control data. One-on-one meetings with business areas and relevant new or revised modernization plans were applied to update performance architecture.
- **Execution of HUD's standard Business and IT Modernization Planning Process:** In FY2007 HUD applied its standard documented modernization planning process (segment

architecture) to HUD modernization initiatives. Focusing on high priority opportunities for business performance improvement, the process identifies business and IT modernization solutions, aligns them to HUD's Enterprise Modernization Plan and EA and establishes practical implementation plans and funding strategies.

- **IT Master Schedule:** The IT Master schedule is updated on a monthly basis to monitor the completion of performance milestones. Performance milestones are directly linked to business performance measures improving HUD's capabilities to realize business performance improvements from control and evaluation reviews.
- **Update to Change Control Management Board Charter:** HUD's CCMB charter was updated to further integrate infrastructure and system engineering team's roles into TRM decision process.
- **Update of TRM Governance:** In order to simplify TRM access and oversight TRM governance was established. The TRM Governance identifies practical business activities that can be enhanced by TRM use and modification.
- **Update of EA Governance:** EA Governance was updated to reflect the process of updating the IT Master Schedule, PERFORMANCE ARCHITECTURE and CPIC in order to support modernization control and evaluate procedures.
- **Update to Data Control Board Charter:** The DCB Charter was updated to integrate the activities of the Data Stewards Advisory Group in relation to DCB's functions.
- **Establishment of the Data Stewards Advisory Group (DSAG):** In order to facilitate the creation, control and use of data standards throughout HUD and within each business area, HUD established the DSAG.
- **Execution Data Management Maturity Assessments (DMMA):** HUD started in late calendar 2006 conducting Data Management Maturity Assessments (DMMA) to determine the state of data management practices within HUD.

3 Modernization Transition Strategy

The Enterprise Modernization Plan is a business-driven plan that describes the desired current state and future state for HUD's performance, business, applications and services, technology, data, and security architectures. It provides a set of practical business tools to guide HUD modernization and is supplemented by specific Business and IT modernization plans.

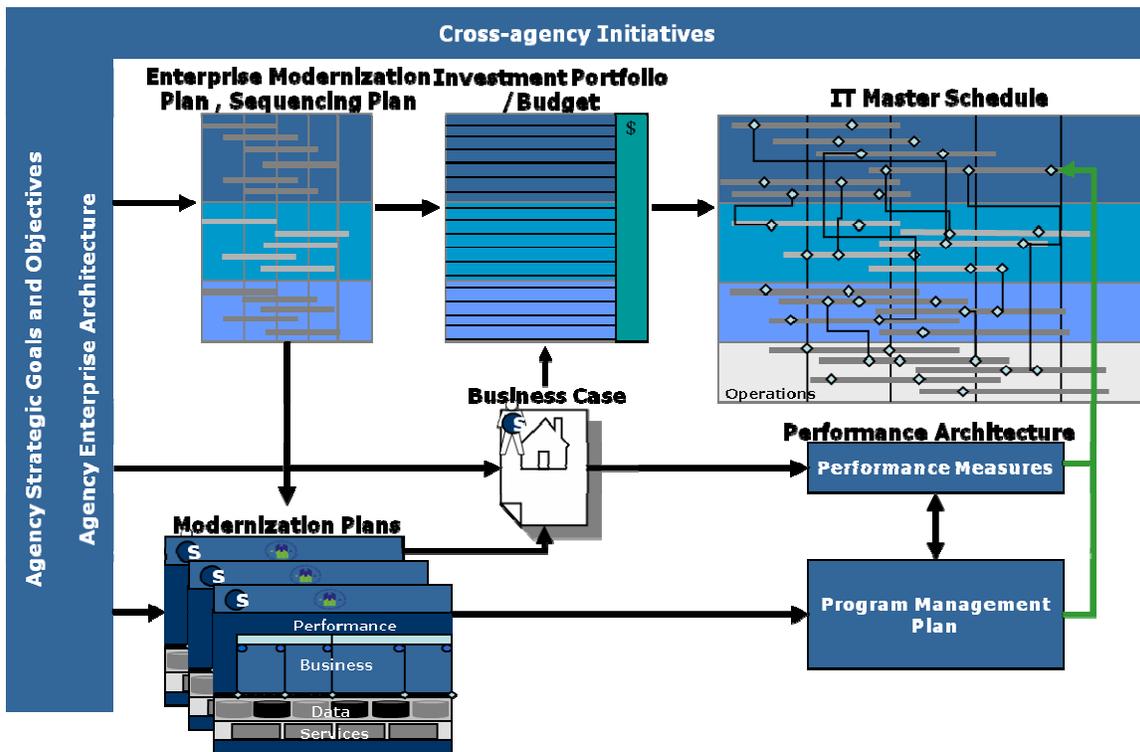
HUD's Enterprise Modernization Plan (Transition Strategy) structure mirrors HUD's target architecture and HUD service delivery structure as displayed in **Exhibit 2-2**.

HUD modernizes business and technology segments in an order that most improves HUD mission performance. All segments are not modernized simultaneously. Active modernization segments or initiatives are summarized in Section 4.0. For a deeper understanding of each active modernization plan see Section 5.0 of this plan. For an executive overview of HUD's Modernization Transition Stages see Appendix A.

3.1 Modernization Framework and Components

HUD's modernization/transition strategy is driven by the Agencies strategic goals and objectives and based on performance improvement. The modernization plan is made up of several operational components that work together to produce actionable plans and monitored results. These plans are executed to produce performance improvements as depicted in **Exhibit 3-1** below.

Exhibit 3-1: Modernization Framework and Components



Agency goals and objectives are combined with Enterprise Architecture strategic views to establish an Enterprise Sequencing Plan. The Sequencing Plan discussed in paragraph 3.4 describes how

IT and related business Investments will be modernized and in which logical sequence. The sequencing plan is aligned with HUD's IT investment portfolio and performance tracking processes. The Investment Portfolio management process captures business plans, performance measures and results. It relates them to an executive milestone performance report and is used to monitor modernization progress and results.

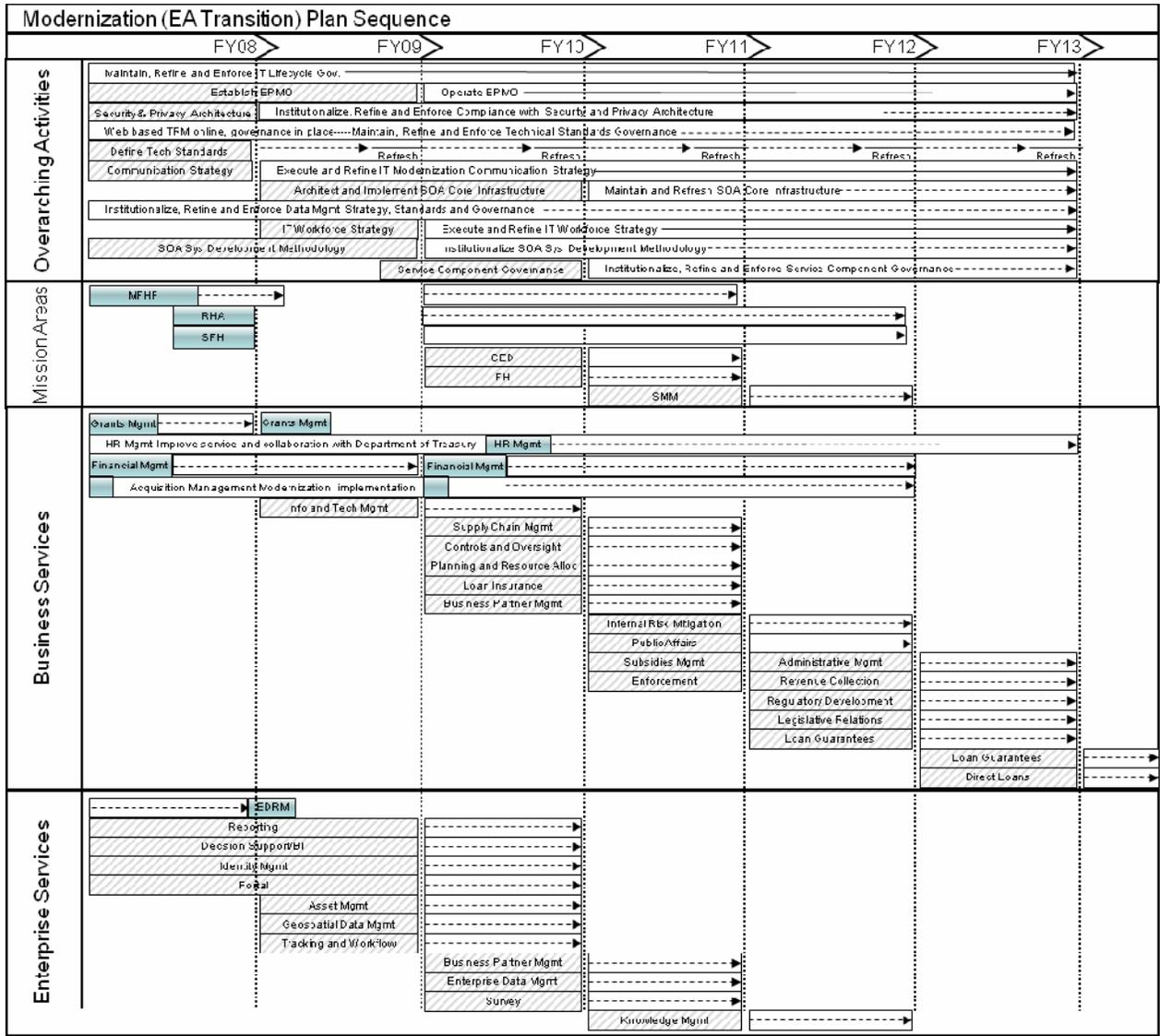
In 2006, HUD developed and documented a repeatable modernization planning process. This process yields actionable program management plans and performance measures that are used to request funding and monitor modernization programs. Active modernization plans are summarized in Section 4 of this document.

The following subsections discuss selected plan components in more detail.

3.1.1 Modernization Sequencing Plan

The Modernization Sequencing Plan component of the framework offers a high-level view of all 49 transition activities addressed in this Modernization Plan. It is an executive roll up of HUD's IT Master Schedule of activities combined with summary overarching activities. Implementation milestones for the various IT projects within HUD and the performance improvement dates are imbedded in the Modernization Sequencing Plan via the IT Master Schedule. For specific details of the implementation milestones, refer to the descriptions of active modernization plans in Section 4. The overview displays modernization activities by segment type (i.e., mission areas, business services and enterprise services) for each fiscal year in the planning period. HUD determines the modernization sequence by identifying those Mission Areas, Business Services and Enterprise Services that have the greatest impact on HUD's mission performance. Note: HUD Acquisition Management was added to the active segments in FY 2008.

Exhibit 3-2: Modernization (EA Transition) Sequence Plan



Many modernization activities require modernization planning (segment architecture) development prior to investment and implementation. The architecture/planning aspect of a transition activity is symbolized with gray crosshatch shading (**Architecture/Planning**). The implementation stage of a transition activity is identified as a solid white block (**Implementation**). This stage comprises development and rollout of the transition activity solution. Active Modernization Plans have been highlighted in a gradient gray block (**Active Modernization Plan**).

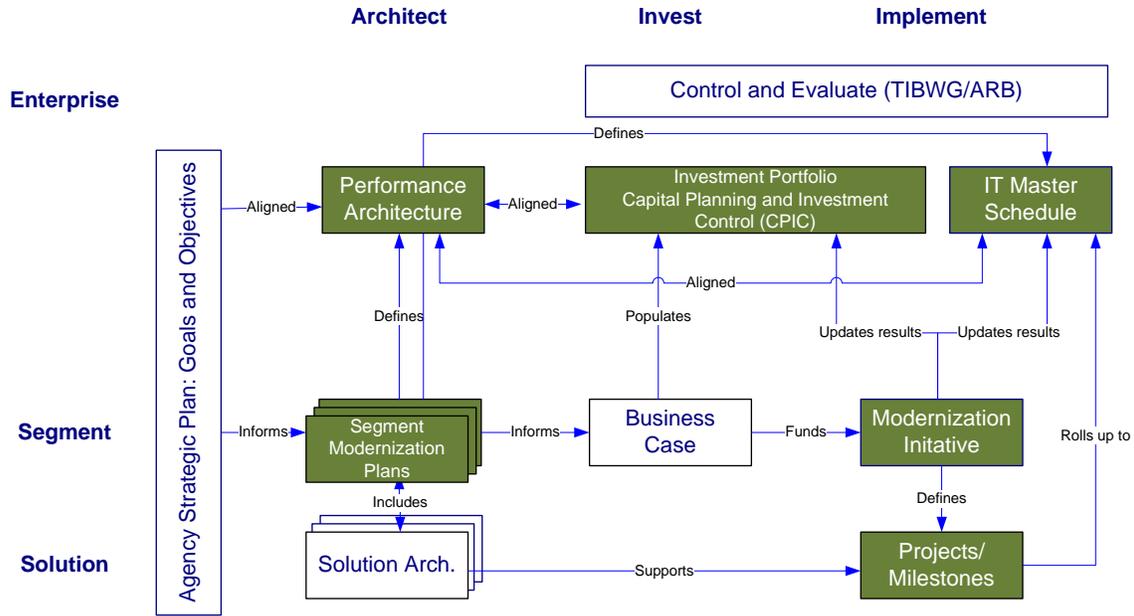
3.1.2 Performance Measurement and Monitoring

HUD monitors business modernization progress using the Performance Measurement and Monitoring framework. EA and IT Investment Management (ITIM) practice policy, guidance,

support services, and information sources combine to enable performance measurement and monitoring.

Figure 1 illustrates the performance measurement and monitoring framework and relationships between framework elements. Elements shown in green are described below.

FIGURE 1: PERFORMANCE MEASUREMENT AND MONITORING FRAMEWORK

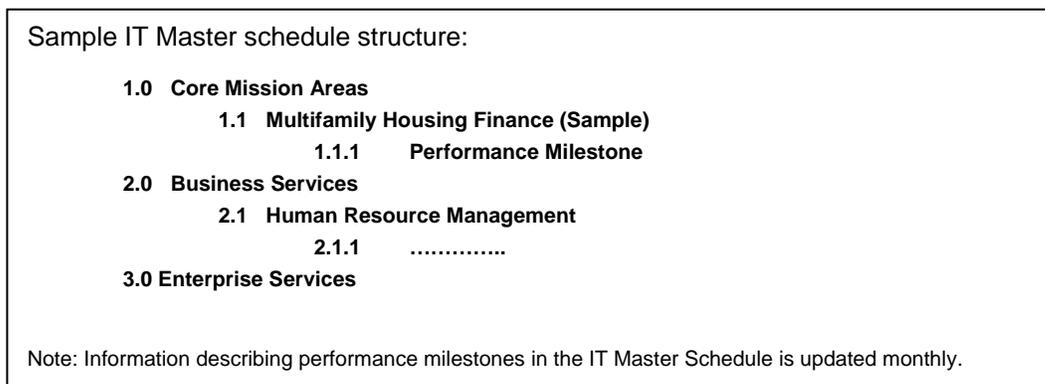


Segment Modernization Plan: Business and support offices develop modernization plans to meet agency strategic goals and objectives and fulfill business and information management requirements. Modernization plans define performance indicators and measures. Individual performance indicators and associated measures are linked to one or more implementation milestones (performance milestones), describing points in time where performance improvements (results) will be achieved. Performance indicators and measures are included in the enterprise-wide performance architecture. Performance milestones are organized and maintained (by modernization initiative) in HUD's IT Master Schedule.

Performance Architecture: The Performance Architecture defines performance indicators and measures across major modernization initiatives. Indicators and measures are aligned with HUD's mission and strategic goals and objectives. The Performance Architecture also contains cross references to performance milestones managed in HUD's IT Master schedule. One or more of the following series of events triggers an update to performance indicators, measures, and milestone references in the performance architecture:

- An updated segment modernization plan is produced;
- New performance milestones are added to IT Master Schedule;
- Performance Milestones are retired from the IT Master Schedule;
- Business cases are developed or refreshed during the Annual Select.

IT Master Schedule: The IT Master Schedule framework component provides a milestone-level, management plan across major modernization initiatives and EA transition activities. Milestones in the IT Master Schedule are linked to one or more performance indicators and measures found in the performance architecture. Performance milestones represent a point-in-time where modernization initiatives achieve measurable business performance improvements. The IT Master Schedule work breakdown structure (WBS) matches the structure of HUD's Enterprise Modernization Plan (EMP). Similarly, the sequencing of performance milestones reflects priorities defined in the EMP sequencing plan. This structure simplifies reporting and is mirrored across the modernization framework, as illustrated below.



Modernization Initiative: HUD modernization initiatives are sponsored by business areas and support offices, and are managed using project plans and milestones that are rolled-up into the IT Master Schedule. Project managers provide updates and status on both IT Master Schedule performance milestones and results. In addition, project managers report performance results by initiative in the electronic Capital Planning and Investment Control (eCPIC) system. Project managers also make monthly updates to their project plans to reflect incurred costs and progress on task completion.

Performance Management Cycles

Performance management (including performance measurement and monitoring) are executed on monthly and annual cycles, in accordance with budgeting and modernization requirements. Performance management cycles are organized into planning events and control events outlined below.

Planning Events

Annual Cycle (Modernization Planning)

HUD prioritizes modernization plans in accordance with HUD's Departmental goals, objectives and Enterprise Modernization Plan.

- Individual segment modernization plans are developed or updated in accordance with EA program guidance. New or revised performance indicators and milestones are defined in modernization plans.

Annual Cycle (Budget Planning)

Instructions for these processes can be found in HUD's Select Users Guide and Information Technology Investment Management Process Guide.

- Business case submission: Target performance measures for the “budget year” are submitted for individual initiatives.
- Technology Investment Board Executive Committee (TIBEC) approval of the IT Portfolio: Target performance measures may be revised to reflect any changes in funding requests.
- HUD’s Operating Plan approved: Target performance measures may be revised to reflect the actual funds received for the current budget year.

Control Events

HUD controls and evaluates its modernization initiatives using the information supplied by project managers on both monthly and annual cycles. The control events are summarized below.

Monthly Cycle:

- The IT Master Schedule and associated data are updated.
- Modernization Initiative Project managers update project cost and schedule data.
- HUD’s Technology Investment Board Working Group (Architecture Review Board) reviews project management performance and implement corrective actions when necessary.

Annual Cycle:

- Performance results are reported for the fiscal year in the first quarter of the following fiscal year.
- HUD’s Operational Analysis is updated and reviewed to evaluate performance of legacy systems.

3.1.3 EA Value and Result Analysis Report

The purpose of this planning component is to provide a practical management tool to monitor modernization performance results as compared to baseline and target plans. Performance results demonstrate a “line of sight” from HUD’s strategic goals, major modernization initiatives, and transition activities to the performance results gained from executing modernization activities.

HUD’s EA Value and Results Analysis Report captures baseline, target and actual results of completed major modernization initiative milestones. It is a work product produced from the performance tracking process described above and is continually updated in accordance with completed performance milestones. In the event target performance results are not achieved, HUD management institutes corrective actions to the modernization plan.

3.1.4 Cross Agency Initiative (CAI) Integration Summary

The **Table 3-1** below summarizes the relationships between cross-agency initiatives (CAIs) and HUD’s EA activities. CAIs are linked to relevant modernization plans (segment architectures), major investments, and elements of the IT Master Schedule. Relevant CAIs are described in the Federal Transition Framework (FTF) and government IT policy, and are integrated with business modernization plans using HUD’s standard modernization planning process. HUD’s enterprise IT Master Schedule summarizes activities and milestones required to implement cross-agency initiatives and achieve target performance improvements and benefits.

Table 3-1: Cross Agency Initiatives

Cross Agency Initiative (FTF)	Modernization (Transition) Activity	Modernization Plan (Segment Architecture)	Major IT Investment	IT Master Schedule (ITMS)
Scheduled				
HSPD12	Security and Privacy		Department IT Infrastructure	HSPD12 Compliance
IPV6	Standards Adoption & Refresh	IPV6 Transition Plan	Department IT Infrastructure	IPV6
Aligned				
Disaster Management				
E-Authentication	Identity Management		SF Integration (FHA Connection), EIV (WASS)	E-authentication
E-Travel (Fed Traveler)	Administrative Management	Financial Management	HUD FM LOB	Financial Management
Financial Management	Financial Management	Financial Management	HUD FM LOB, FHA Modernization	Financial Management
Geospatial Line of Business	Geospatial Data Management			Geospatial LOB
Geospatial One-Stop	Geospatial Data Management			
Grants.gov	Grants Management	Grants Management	eGrants, IDIS	Grants Management
Grants Management	Grants Management	Grants Management	eGrants, IDIS	Grants Management
Human Resources Mgmt.	Human Resources Management	Human Resources Management	HIHRTS	Human Resources
Integrated Acquisition Environment.	Supply Chain Management	Acquisition Management	HIAMS	Acquisition Management
Pay.gov	Financial Management, Single Family Housing (FHA)	Financial Management, Single Family Housing (FHA)	HIFMIP	Financial Management
Planned				
Budget Formulation	Planning and Resource Allocation			
Case Management	Tracking and Workflow			
Information System Security	Security and Privacy			Information Systems Security LOB
FedBizOpps	Acquisition Management	Acquisition Management	HIAMS	
IT Infrastructure			Department IT Infrastructure	IT Infrastructure LOB
Past Performance Information Retrieval System	Acquisition Management	Acquisition Management	HIAMS	Acquisition Management

4 Active Modernization Initiative Summary

HUD's Business and IT Modernization Methodology (Segment Architecture) is used by business areas to provide realistic modernization solutions with executable implementation plans and funding strategies. Business and IT Modernization Planning is an iterative strategic business process. The work products (templates) provided in this methodology is designed to build on past performance and offer reusable decision-making utilities that are durable over time. The Business and IT Modernization Methodology is designed to create a bridge between strategic goals and tactical modernization implementation. It increases the detail and utility of enterprise architecture (EA) to achieve measurable performance improvements.

As each Business and IT Modernization Plan is established, it is aligned with the HUD EA and the Enterprise Modernization Plan to provide collaborative and pragmatic planning. HUD modernizes its operational segments in an order that capitalizes on opportunities greatest business performance gains. Active modernization initiatives are summarized below.

- **Core Mission Areas:** These activities define HUD's unique mission and represent vertical lines of business.
 - **Multifamily Housing Finance:** Provides mortgage insurance to HUD-approved lenders to facilitate the construction, rehabilitation, purchase and refinancing of multifamily housing properties and healthcare facilities
 - **Rental Housing Assistance:** Provides subsidies to reduce mortgage payments through tenant and project based vouchers
 - **Single Family Housing:** Provides single family mortgage (FHA) insurance in collaboration with the nations lenders.
- **Business Services:** These activities can be considered horizontal cross cutting services used to support HUDs major lines of business:
 - **Financial Management:** A comprehensive set of accounting and finance processes, technologies, and services designed to manage the HUD's financial control activities
 - **Grants Management:** Administration and management of grants management programs (i.e., evaluating, scoring, awarding, monitoring grant programs)
 - **Human Resource Management:** Management of human resources and training across HUD
 - **Acquisition Management:** Management and processing goods and service procurement in support of HUD's mission.
- **Enterprise Services:** These activities are cross cutting, reusable IT services:
 - **Electronic Document and Records Management:** Enterprise content management support

An enterprise dashboard is maintained to monitor modernization planning progress across active segments throughout the iterative planning process. See **Exhibit 4-1 Modernization Plan Segment Dashboard** on the following page.

Exhibit 4-1: Modernization Plan Segment Dashboard FY 2007/2008

Segment Types	Versions	Resources	Integrated Program Team	Progress	Initiate (Opp. Analysis)	Define (Opp. Prioritization)	Define (Solution Architecture)	Define (Strategic Alignment)	Operate (Program Management)	Architecture (Completion)	Performance Architecture	Business Architecture	Data Architecture	Service Architecture	Technical Architecture	Transition Strategy	Federal Transition Framework	Cross Agency Initiative	Governance (EA)	EA Review/Approve	Lifecycle Integration	Investment: Business Case	Results: IT Master Schedule	Notes/Comments
Core Mission Areas																								
Multi-family Housing Finance	1		●		●	●	⊙	●	●		●	●	⊙	●	●	●				●		●	●	Reviewed (Q1/Q2 2008)
Rental Housing Assistance	2		●		●	●	⊙	●	●		●	⊙		●	●	●				●		●	●	Reviewed (Q1/Q2 2008)
Single Family Housing	2		●		●	●	⊙	●	●		●	⊙	●	●	●	●				●		●	●	Reviewed (Q1/Q2 2008)
Fair Housing												⊙												Initial Data Maturity Assessment
Business Services																								
Financial Management	1		●		●	●	●	●	●		●	⊙	●	●	●	●			●	●		●	●	Reviewed (Q1/Q2 2008)
Grants Management	3.5		●		●	●	⊙	⊙	●		●	⊙		●	●	⊙			●			●	●	
Human Resources Mgmt	1		●		●		●	●	●		●	⊙		●	●	●			●			●	●	Reviewed (Q1/Q2 2008)
Acquisition Management	1		●		●	●	●	●	●		●	⊙		●	●	●			●	●		●	●	Completed/approved 2/12/08
Enterprise Services																								
EDRM	1		●		●	●	⊙	●	●		●			●	●	●						●	●	Reviewed (Q1/Q2 2008)

Legend

- Complete (FY 2006-2007)
- ⊙ Partial (FY 2006-2007)
- Complete (new or revised FY 2007-2008)

Partial (new or revised FY 2007-2008)

Modernization plan summaries for active segments are provided in HUD’s Enterprise Modernization Plan (EMP), also referred to as the EA Transition Strategy. HUD’s Technology Investment Board Working Group (TIBWG) reviewed and approved the EMP on 2/13/08. The TIBWG comprises representatives of all major business and support offices.

Modernization Plan Development and Maintenance FY2007/2008

The table below summarizes major modernization plan development from March 2007 to present. In addition, HUD’s EA program conducted one-on-one meetings with all modernization initiatives included in the dashboard to review performance architecture and performance milestones.

Modernization Plan	Product	Schedule	Status
Acquisition Management	Decision Paper I: Opportunity Analysis and Prioritization	Q1 2008	Approved
	Decision Paper II: Solution Architecture	Q2 2008	Approved
	Decision Paper I: Opportunity Analysis and Prioritization	Q2 2008	Approved
Grants Management	Decision Paper I: Opportunity Analysis and Prioritization	Q2 2008	Final
	Decision Paper II: Performance	Q2 2008	Final
	Solution Architecture	Q2 2008	Final

Modernization Plan	Product	Schedule	Status
Single Family Housing ¹	HUD FHA Loan Business Process (CHUMS)	Q2 2007	Final
	HUD FHA Loan Business Process (non-CHUMS)	Q2 2007	Final
	HUD FHA Authoritative Data Sources (ADS)	Q3 2007	Final
Fair Housing	Data Architecture: Maturity Assessment	Q3 2007	Final
Multi-family Housing Finance	Data Architecture: Maturity Assessment	Q2 2008	Final

¹ Single Family Housing segment architecture development executed in FY 2007/2008 continues development activities initiated in previous fiscal year planning periods and submitted with prior EA assessments. Key segment architecture work products from previous years include: SFH LOM Target LDM (March 2006), SFH LOM Baseline Data Flows (April 2006), and SFH LOM Target Data Mapping and Gap Analysis (October 2006).

5 Active Modernization Plans

This section organizes active modernization initiatives into segment groupings consistent with the structure of HUD's Enterprise Modernization Plan listed below:

- Core Mission Areas
- Business Services
- Enterprise Services

Within each group, individual modernization plans are described by presenting the following six inter-related views of each plan.

- **Scope** describes the current or baseline operational scope of the segment. Performance gaps are identified where applicable.
- **Vision** articulates the proposed or target operational environment, and planned changes to stakeholder interactions, business processes, information sharing, applications, and technology to achieve measurable performance improvements
- **Cross Agency Initiatives and Departmental Dependencies** provides a list of required inter-relationships and collaborative activities that must take place in order to achieve modernization performance improvement goals
- **Drivers** offer a list of business, legislative and technical modernization drivers creating a compelling business case for modernization
- **Performance** provides a list of performance based milestones and performance indicators planned to achieve the performance gains over time. Performance improvement goals and expected outcomes are summarized. Please refer to the HUD's Enterprise Performance Architecture to review detailed performance baseline and target metrics, results and timeframes to achieve performance goals by segment
- **Funding strategy** identifies the strategy and sources of funds required to implement the modernization vision and performance improvements

Modernization plan descriptions reflect information and findings, including target performance indicators and milestones obtained from one-on-one meetings between the EA team and business areas during Q1 and Q2 FY 2008. Additional information concerning planned and actual business performance improvements can be found in modernization plan documentation, HUD's IT Master Schedule and performance architecture, and eCPIC.

5.1 Core Mission Areas

5.1.1 Multifamily Housing Finance Modernization Plan (Investment: iREMS)

5.1.1.1 MFHF Scope:

HUD's Multifamily Housing Finance (MFHF) mission area encompasses the business processes, systems, and technologies that enable HUD to provide mortgage insurance to HUD-approved lenders to facilitate the construction, rehabilitation, purchase and refinancing of multifamily housing properties and healthcare facilities. The primary mission of MFHF is to support the production and preservation of affordable rental housing. In carrying out this mission, HUD relies on three primary types of assistance: (1) capital advances to support the production of housing targeted to the elderly and disabled, (2) mortgage insurance to encourage the flow of capital to finance the construction and ownership of rental housing projects, and (3) direct rental assistance payments to projects that serve very-low income households (via RHA LOB). MFHF also administers a number of programs aimed at improving the quality of life of our residents.

MFHF provides capabilities that promote the migration of renters of Multifamily units to ownership through the administration of vouchers for down payments or mortgage payments, as well as certain capital grant

programs dedicated to the building or maintenance of Multifamily dwellings. For a complete detailed review of MFHF modernization see the MFHF management, baseline and target blueprints found on HUD's EA web site.

The Multifamily Housing business domain is guided by strategic and business goals set forth by HUD and the Housing organization. These goals are pursued in support of the overall mission of HUD "to increase home ownership, support community development, and increase access to affordable housing free from discrimination" as Multifamily Housing carries out its' mission "to assure an ongoing supply of decent, affordable rental housing for all Americans".

5.1.1.2 MFHF Vision:

The MFHF "EA blueprint" or modernization plan details the target vision of the MFHF business and its supporting technologies. MFHF Modernization Plan purposes is to provide a suite of secure web-based business tools to facilitate External Partner (Owner Agent) Management and collaboration, reduce paper and redundant processes, and simplify Housing portfolio Asset Management and Disposition.

The modernization plan illustrates major steps required to achieve the vision including modernization to the operation environment, and planned changes to stakeholder interactions, business processes, information sharing, applications, and technology to achieve measurable performance improvements

5.1.1.3 MFHF Cross Agency Initiatives and Departmental Dependencies:

MFHF modernization will be integrated with cross agency initiatives and Departmental modernization initiatives found in the list below.

- Loan Insurance
- Enforcement, Loan Guarantees
- Subsidies Management
- Controls & Oversight, Financial Management
- Electronic Document and Records Management
- Portal, Identity Management
- Asset Management
- Business Partner Management
- Decision Support/Business Intelligence
- Geospatial Data Management and Analysis, Integrated Enterprise Data Management
- Tracking and Workflow

5.1.1.4 MFHF Drivers:

MFHF modernization is driven by the factors summarized below.

- Technical obsolescence and retirement of multifamily legacy systems
- Improved owner agent partner interface and communication
- Paperwork Reduction Act- 44 U.S.C. 3501
- Improved reporting
- Reduced burden of data capture and improved data integrity for subsidy programs
- Introduction of process automation to accountability and reduce time to deliver
- Increase operational efficiency

5.1.1.5 MFHF Performance:

The following **Table 5-1** provides a summary of MFHF business "performance improvement milestones" and performance indicators ordered in planned delivery date order. The delivery of a performance improvement milestone represents a point in time that HUD can measure modernization, results return on investment or performance improvements. HUD uses these milestones to evaluate and control delivery of performance improvements on modernization

projects. Detailed performance metrics and results can be found in HUD's EA Enterprise Performance Architecture.

Table 5-1: MFHF Performance Summary

Delivery Date	Performance Milestone ID	Performance Improvement Milestone	Performance Indicator(s)
2006/Q3 Complete	MFH-iREMS-M-02	Redesign financial instrument screens and data structures v6.0	<ul style="list-style-type: none"> Active properties with no financial compliance flags Percentage of active properties with EH&S items addressed within 3 days
2008/Q2	MFH-iREMS-M-06	Implement iREMS (251760) Phase I—conversion of Real Estate Management Systems (REMS) to Oracle/J2EE platform.	<ul style="list-style-type: none"> Percentage of active properties with EH&S items addressed within 3 days Percentage of active properties that meet HUD established physical standards for decent, safe and sanitary Time taken to resolve Tier 2/3 problem tickets within 5 business days
2008/Q4	MFH-iREMS-M-07	Obtain contract support to develop a formal business modernization plan	<ul style="list-style-type: none"> Number of subsystems integrated and consolidated into iREMS in accordance with HUD's TRM Number of employees accessing iREMS from HUDs secure internet
2010/Q4	MFH-iREMS-M-09	Expand REMS event notification system to automate notifications that are sent to Housing Project Managers.	<ul style="list-style-type: none"> Number of event notifications for critical business events
2010/Q4	MFH-iREMS-M-08	Enhance/automate data exchange processes between HUD Multifamily systems and Performance Based Contract Administrators (PBCA) systems.	<ul style="list-style-type: none"> Number of dual entry errors Percentage of business information available for Government to Business / Business to Government automated data exchange

MFHF performance goals are business improvements expected from modernization efforts. The list below offers a sample of MFHF expected business results from modernization efforts.

- Ensure the Multifamily portfolio is maintained, and affordable housing is available by increasing the percentage of eligible renewed units.
- Increase the efficiency of field level project managers by increasing the number of event notifications available for critical business events.
- Increase the percentage of active properties that meet HUD-established physical standards for decent, safe, and sanitary housing.

- Improve the timeliness of resolving Tier 2/3 problem tickets
- Increase the number of sub-systems that are integrated and consolidated into iREMS in accordance with HUD's Technical Reference Model.
- Reduce potential errors from dual entry by increasing the percentage of business information available for Government to Business (G2B)/Business to Government (B2G) automated data exchange with HUD's business partners.

5.1.1.6 MFHF Funding Strategy:

HUD's MFHF initiative defined the following funding strategy to augment modernization resources currently available. Each element of the funding strategy is described below.

- **Reprogram funds:** Petition program areas to reprogram technical assistance funds and OCIO working capital to support acquisition management modernization objectives.
- **Modernization plan based business case:** The segment will establish funding requests substantiated by a formal modernization plan that is integrated with HUD's Enterprise Modernization Plan.
- **Shift funding from legacy maintenance:** As modernization is implemented and legacy maintenance costs are reduced segment management will request repurposing of maintenance resources into modernization funding.
- **Consolidation of the following Investments:**

Investment
iREMS
Hospital Mortgage Insurance Management Information System (HMIMIS)
Multifamily Insurance System (MFIS)
Multifamily Claims System (MFCS)
Title V System

5.1.2 Rental Housing Assistance Modernization Plan (Investment: EIV)

5.1.2.1 RHA Scope:

The mission of Rental Housing Assistance (RHA) business area is to ensure safe, decent, and affordable housing for qualified low-income families; create opportunities for residents' self-sufficiency and economic independence; and assure fiscal integrity by all program participants. RHA primarily executes this mission through the use of grants and subsidies (Section 8 Program). Currently, two main subsidy programs exist within the RHA program, tenant-based vouchers and project-based vouchers.

In the tenant-based program, eligible families with a certificate or voucher find and lease a unit and pay a portion of a reasonable rent. Their portion is based on income, generally around 30%. The local housing authority pays the owner the remaining rent, capped by the Fair Market Rent (FMR) or a fixed percentage thereof. The housing authorities determine the reasonable rent and the FMR is determined by the United States Department of Housing and Urban Development (HUD).

Project-based vouchers are a component of the public housing agencies (PHAs) housing choice voucher program. A PHA can attach up to 20 percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development. Rehabilitated units must require at least \$1,000 of rehabilitation per unit to be subsidized, and all units must meet HUD housing quality standards. Additional RHA capabilities allow HUD to insure loans used for the development,

purchase, refinance, and rehabilitation of rental housing; provide financial vehicles such as direct loans to fund the construction, purchase, operation, and maintenance of rental housing for the elderly and disabled; and develop housing strategies for individuals with HIV/AIDS.

Within RHA there are 4 primary functions: Inventory Management (IM), Resource "Subsidy" Allocation (RA), Oversight & Monitoring (O&M) and Enterprise Income Verification (EIV). The operational baseline environment is composed of multiple overlapping investments, paper based business and technical processes. Payment processing is managed through a series of interfaces with Financial Management legacy systems. Tenant based programs are managed by HUD Office of Public and Indian Housing. Project based RHA programs are managed by HUD's Office of Housing.

5.1.2.2 RHA Vision:

The goal of Rental Housing Assistance Modernization is to minimize functional overlap, improve information quality, payment processing, reporting and oversight and to increase flexibility of the systems supporting the RHA segment. Implementation of business and technical solutions will reduce the total cost of ownership and improve RHA performance by leveraging common services and decreasing the need for individual stove pipe applications. Organizational, business process and policy modernization is considered in the plan.

5.1.2.3 RHA Cross Agency Initiatives and Departmental Dependencies:

Rental Housing Assistance Modernization will be integrated with cross agency initiatives and Departmental modernization initiatives found in the list below.

- Loan Insurance
- Pay.gov
- Enforcement, Loan Guarantees
- Subsidies Management
- Grants Management
- Direct Loans
- Controls & Oversight, Financial Management
- Electronic Document and Records Management
- Portal, Identity Management
- Asset Management
- Business Partner Management
- Decision Support/Business Intelligence
- Geospatial Data Management and Analysis, Integrated Enterprise Data Management
- Tracking and Workflow

5.1.2.4 RHA Drivers:

Rental Housing Assistance modernization is driven by the factors summarized below creating a compelling business case for change.

- Paperwork Reduction Act- 44 U.S.C. 3501
- 42 U.S.C. 3543 (b)
- 42 U.S.C. 3544(a)(2)
- Retirement of HUDCAPS
- 24 CFR 901
- 24 CFR 990
- Comprehensive Compliance and Monitoring Initiative (CCMI)
- HUD Enterprise Architecture
- Improve Accuracy and Oversight and Management
- Paperwork Reduction
- PMA Improper Payments Information Act (IPIA) of 2002

- Process Automation for Operating Funds
- Retirement of HUDCAPS
- Statue 24 - CFR 96D, 259, 982 and 517
- Technical obsolescence of infrastructure

5.1.2.5 RHA Performance:

The **Table 5-2** below provides a summary of RHA business performance improvement milestones and performance indicators ordered in planned delivery date order. The delivery of a performance improvement milestone represents a point in time that HUD can measure modernization, results return on investment or performance improvements. HUD uses these milestones to evaluate and control delivery of performance improvements on modernization projects. Detailed performance metrics and results can be found in HUD’s Performance Architecture.

Table 5-2: RHA Performance Summary

Delivery Date	Performance Milestone ID	Performance Milestone	Performance Indicator(s)
Tenant Based RHA			
Q1/2007 Completed	RHA-M-01	Improve the accuracy of HUD’s rental assistance tenant data by absorbing TASS and providing SSA data to MFH (EIV).	<ul style="list-style-type: none"> • Percentage of correct subsidy determinations • Amount of underreported and unreported income • Number of authorized users active • Number of HUD business partners using EIV
Q1/2007 Complete	RHA-M-13	Improve HUD’s management of PHAs by improving the PASS inspection modernization process.	<ul style="list-style-type: none"> • Average physical inspection score for PHA properties • Percentage of accurate physical assessment scores representing the entire property • Average cost per physical inspection
Q2/2008	RHA-M-02	Improve the accuracy of HUD’s rental assistance tenant data by providing EIV services to PIH, MFH and other Business Partners (SSA and HHS data is refreshed quarterly).	<ul style="list-style-type: none"> • Number of HUD business partner entities using EIV • Percentage of correct subsidy determinations
Q2/2008	RHA-M-07	Support Inventory Management’s transition to Project Based Asset Management - PHASE I	<ul style="list-style-type: none"> • Number of transactions with newly defined properties • Processing time for operation subsidy forms
Q3/2008	RHA-M-08	Support Inventory Management’s transition to Project Based Asset Management - PHASE II (refine reports).	<ul style="list-style-type: none"> • Number of transactions with newly defined properties • Average physical inspection score for PHAs

Delivery Date	Performance Milestone ID	Performance Milestone	Performance Indicator(s)
Q4/2008	RHA-M-12	Complete Asset Management Property (AMP) rollout and Sybase to Oracle database conversion.	<ul style="list-style-type: none"> • Average time per physical inspections for PHA properties • Percentage of electronic FOs tracking and monitoring asset management review information • Number of housing units with erroneous tenant addresses
Q4/2008	RHA-M-06	Develop a formal Business Modernization Plan	<ul style="list-style-type: none"> • Improved integration and collaboration of processes
Q3/2009	RHA-M-10	Increase HUD's elimination of improper payments by improving the voucher review process.	<ul style="list-style-type: none"> • Number of overpayments • Number of vouchers processed in VMS
Q4/2009	RHA-M-04	Automate formula funding for Capital Fund, Operating Fund, and Office of Native American Program funds, and support other discretionary funding programs.	<ul style="list-style-type: none"> • Accuracy of payments to PHAs • Number of overpayments • Portfolio Management
Q4/2009	RHA-M-11	Increase the accuracy of subsidy calculation and determination by implementing a Housing Choice Voucher Management.	<ul style="list-style-type: none"> • Number of overpayments • Number of vouchers processed in VMS
Q4/2010	RHA-M-05	Implement the Uniform Relocation Act by extending EIV to support CPD. <i>Note: CPD is in need of statutory authority to access HHS data</i>	<ul style="list-style-type: none"> • Number of HUD Business Partner entities using EIV
Q1/2011	RHA-M-09	Improve HUD's on-site reviews by field offices of PHAS by increasing PHAS certification reviews.	<ul style="list-style-type: none"> ▪ Number of PHA asset management and monitoring reviews completed each year ▪ Percentage of accurate financial information regarding housing properties ▪ Number of HUD staff required to complete PHA cycle for onsite Asset management and compliance monitoring
Project Based RHA			
Q3/2007 Complete	TRACS-M-07	Conversion of Project Based section 8 data from HUDCAPS	<ul style="list-style-type: none"> ▪ Percentage of accurate payments according to tenant needs and qualifications

Delivery Date	Performance Milestone ID	Performance Milestone	Performance Indicator(s)
Q1/2008 Complete	TRACS-M-06	Support Earned Income Verification (EIV) enhancement	<ul style="list-style-type: none"> ▪ Percentage of unsubstantiated subsidy payments ▪ Percentage of accurate payment according to tenant needs and qualifications ▪ Percentage of reliable and quality tenant data reported through TRACS ▪ Number of HUD business partner entities using EIV
Q1/2008 Complete	TRACS-M-08	Support Project-based Section 8 Portfolio Review	<ul style="list-style-type: none"> ▪ Percentage of unsubstantiated subsidy payments ▪ Percentage of reliable and quality tenant data reported through TRACS
Q3/2008	TRACS-M-01	Re-engineer and implement new solution for Certification and Subsidy Submissions (TRACSMail)	<ul style="list-style-type: none"> ▪ Percentage of reliable and quality tenant data reported through TRACS ▪ Percentage of satisfactorily resolved calls from business partners within 24 hours
Q4/2010	TRACS-M-03	Formalize the project-based Section 8 budget estimate process	<ul style="list-style-type: none"> ▪ Average number of days to renew contracts ▪ Percentage of reliable and quality tenant data reported through TRACS
Q1/2009	TRACS-M-10	Business Modernization Planning	<ul style="list-style-type: none"> ▪ Improved integration and collaboration of processes
Q4/2010	TRACS-M-09	Support error log tracking – part of capital Rental Housing Integrity Improvement initiative (RHIIIP)	<ul style="list-style-type: none"> ▪ Percentage of satisfactorily resolved calls from business partners within 24 hours
Q1/2011	TRACS-M-05	Implement housing subsidy function based on tenant data	<ul style="list-style-type: none"> ▪ Percentage of accurate payments according to tenant needs and qualifications

RHA performance goals are business improvements expected from modernization efforts. The list below offers a sample of RHA expected business results from modernization efforts.

- Decrease the percentage of unsubstantiated subsidy payments.
- Increase the percentage of accurate payments according to tenant's needs and qualifications.
- Increase the percentage of tenant data reliability and quality reported through TRACS.
- Increase the percentage of correct subsidy determinations.
- Decrease the amount of underreported and unreported income.
- Decrease the average cost per physical inspection.
- Decrease the average processing time for Operation Subsidy forms.
- Decrease the average time per physical inspections for PHA properties.
- Decrease the number of housing units with erroneous tenant addresses returned from the RASS survey mailing.
- Improve the accuracy of HUD's payments to PHAs, thereby reducing overpayments.
- Improve the average physical inspection score for Public Housing properties.
- Improved integration and collaboration of processes.

- Increase the number of PHA Asset Management and Monitoring Reviews completed each year in the Compliance and Monitoring System.
- Increase the percentage of accurate financial information regarding housing properties.
- Increase the percentage of accurate Physical Assessments scores representing the entire property.
- Increase the percentage of PHAS that report the number of vouchers processed in VMS.
- Increase the total number of HUD Business partner entities using EIV
- Increase transactions with newly defined properties for the Asset-based portfolio.
- Reduce number of overpayments by improving the accuracy of HUD's payments to PHAs.
- Reduce the average number of staff hours required to complete the PHA review cycle for on-site Asset Management and Compliance Monitoring Reviews.

5.1.2.6 RHA Funding Strategy:

HUD's RHA initiative defined the following funding strategy to augment currently available modernization resources. Each element of the funding strategy is described below.

- **Develop IT Investment Business Case:** Incorporate relevant elements of the modernization plan into an IT investment business case.
- **Consolidation of the following Investments:**

Investment
Compliance and Monitoring
Tenant Rental Assistance Certification System (TRACS)
Inventory Management
Enterprise Income Verification (EIV)
Financial Assessment Sub-System Public Housing (FASS PH)
Financial Assessment Sub-System Federal Housing Association (FASS FHA)
Integrated Assessment Sub-System (NASS)
Management Assessment Sub-System (MASS)
Physical Assessment Sub-System (PASS)
Quality Assurance Subsystem (QASS)
Resident Assessment Sub-System (RASS)
Web Access Security Sub-System (WASS)
National Housing Locator
Development Coordination Group (DCG)

5.1.3 Single Family Housing/FHA Modernization Plan (Investment: SFI, FHA)

5.1.3.1 SFH Scope:

HUD's FHA Single Family Housing mission area encompasses the processes, systems, and technologies that enable HUD to provide mortgage insurance to lenders on loans for the development/purchase/refinancing of new or existing homes, condominiums, and manufactured housing; financing of houses needing rehabilitation; and for reverse equity mortgages to elderly homeowners. Secondary activities within this mission area include the administration of subsidies (i.e., vouchers) for use toward down payments or mortgage payments, as well as certain grant programs dedicated to the building or maintenance of single family dwellings.

Currently, over forty national systems, and many cuff² systems support the five key business functions: Loan Origination, Loan Insurance Management, Asset Management, Business Partner Approval & Monitoring, and Business Intelligence/Reporting. This segment will consolidate 35 legacy systems and 50 cuff systems for processing FHA SF mortgage insurance. The segment was undertaken, in part, to address the recommendations made in the General Accounting Office's report "Single Family Housing: Current Information Systems do not fully Support the Business Processes at HUD's Homeownership Centers." The segment addresses the persistent need to replace systems that are past their design life or that do not provide needed functionality; consolidate the large number of separate systems into a more manageable group of related systems that aligns with the Target Architecture; improve system capability by using a common software platform; reduce data errors and redundancy by using a single, common database; and utilize COTS software where possible. The baseline operational environment is displayed in tabular form in the **Exhibit 5-1** below.

Exhibit 5-1: Baseline Single Family Housing Operational Environment

Current Single Family Operations /Systems / Databases	
Business Function	System/Cuff-Database Name
Loan Insurance	<ul style="list-style-type: none"> • Computerized Homes Underwriting System • Automated Underwriting System—TOTAL Scorecard • The FHA Connection • Credit Alert Interactive Voice Response System • Title I Insurance System • <i>QCED—Quality Control Endorsement Database</i> • <i>URS—Underwriting Reports System</i> • Single Family Insurance System • <i>Mortgage Insurance Certificate Corrections Database</i> • Single Family Default Monitoring System • <i>File Review System</i> • <i>Non-profit Approval Tracking System</i> • <i>Reconveyance & Protection Preservation System</i> • <i>REO Appraisal Review System</i> • <i>REO Uninsurable Database</i> • Single Family Acquired Asset Management System
Monitoring	<ul style="list-style-type: none"> • Single Family Acquired Asset Management System • Single Family Neighborhood Watch • <i>Appraisal Review Access Database</i> • Approval, Recertification, Review Tracking System • Lender Assessment Subsystem • Mortgage Portfolio Analysis System • <i>Insurance Accounting Collection System</i> • <i>Underwriting Reports System</i>
Enforcement	<ul style="list-style-type: none"> • Lender Assessment Subsystem • Mortgage Portfolio Analysis System
Planning and Performance Evaluation	<ul style="list-style-type: none"> • Single Family Neighborhood Watch • Consolidated Single Family Statistical System

² Cuff systems refer to applications that were not developed with working capital funds and use non-enterprise software, e.g. Access databases.

Current Single Family Operations /Systems / Databases	
Business Function	System/Cuff-Database Name
Public and Stakeholder Communications	<ul style="list-style-type: none"> Public Inquiry Communication Subsystem
Financial Management	<ul style="list-style-type: none"> Single Family Acquired Asset Management System Section 235 Automated Validating and Editing System Computerized Homes Underwriting System Debt Collection Asset Management System Distributive Shares and Refunds Home Equity Conversion Mortgages Single Family Insurance System Claims Subsystem Single Family Mortgage Notes System Title I Insurance and Claims Institution Master File Single Family Premium Collection subsystem periodic Single Family Premium Collection subsystem upfront

5.1.3.2 SFH Vision:

The primary SFH vision is to prepare business operations, process and supporting technology to support the Expanding American Homeownership Act to accomplish the follow business objectives:

Eliminate the current statutory three percent minimum down payments, reducing a significant barrier to homeownership. FHA's existing down payment requirement does not meet the demands of today's marketplace, where most first-time homebuyers put down two percent or less. The "new" FHA would offer a variety of down payment options.

Create a new, risk-based insurance premium structure for FHA that would match the premium amount with the credit profile of the borrower. It would replace the current structure, in which there is standard premium amount for all borrowers, while still protecting the soundness of its Insurance Fund. FHA would have the flexibility to charge a lower premium for low-risk borrowers, and to charge higher-risk borrowers a slightly higher premium.

Increase and simplify FHA's loan limits. FHA's loan limit in high-cost areas would rise from 87 to 100 percent of the GSE conforming loan limit and in lower-cost areas from 48 to 65 percent of the conforming loan limit. This change is crucial in today's housing market. In many areas of the country, the existing FHA limits are lower than the cost of new construction, eliminating FHA financing as an option for buyers of new homes in those markets. FHA has simply been priced out of the market in other areas, such as California, where FHA insured only about 5,000 home mortgages in all of 2005, down 95 percent from 109,000 in 2000.

The Office of Single-Family Housing (SFH) and the Office of Chief Information Officer (OCIO) are engaged in a systems modernization effort to consolidate the functionality and data from 35 Legacy systems into a single, integrated operating system. Modernization will included the replacement outdated legacy and cuff systems within FHA's Office of Single Family Housing and to help the office transform from a large number of individual systems developed for unique purposes to an integrated systems architecture that serves present and future needs. SFH is also considering business process outsourcing to address target environment requirements.

5.1.3.3 SFH Cross Agency Initiatives and Departmental Dependencies:

SFH Modernization will be integrated with cross agency initiatives and Departmental systems found in the list below.

- Pay.gov
- Loan Insurance
- Controls & Oversight, Financial Management
- Electronic Document and Records Management
- Portal, Identity Management
- Business Partner Management
- Decision Support/Business Intelligence
- Analysis, Integrated Enterprise Data Management
- Tracking and Workflow

5.1.3.4 SFH Drivers:

SFH modernization is driven by the factors summarized below creating a compelling business case for change.

- Mortgage market demand and HUD's ability to meet that demand
- American Homeownership Act – Pending Legislation
- Address IG audit findings
- Mandatory requirement to recertify existing lenders each year
- Paper Reduction Act
- Retire Asset Management System (SAMS) 251360 legacy system
- Technical Obsolescence

5.1.3.5 SFH Performance Goals:

The **Table 5-3** below provides a summary of SFH business performance improvement milestones and performance indicators ordered in planned delivery date order. The delivery of a performance improvement milestone represents a point in time that HUD can measure modernization results, return on investment or performance improvements. HUD uses these milestones to evaluate and control delivery of performance improvements on modernization projects. Detailed performance metrics and results can be found in HUD's EA Enterprise Performance Architecture.

Table 5-3: SFH Performance Summary

Delivery Date	Performance Milestone ID	Performance Improvement Milestone	Performance Indicator(s)
Single Family Housing			
2006/ Q1 Complete (rolled up 5 milestones)	TBD	Deploy TransAccess Case binder inventory tracking and retrieval system in Headquarters, Atlanta, Philadelphia, Denver and Santa Ana.	<ul style="list-style-type: none"> • Percentage of annual mortgage case binders submitted electronically.
2006 /Q2 Completed	SFH-M-07	Award Single Family Asset Management System (AMS) Business Service Provider (BSP) contract - Part 1 - Admin (Case Management/Tacking)	<ul style="list-style-type: none"> • Number of legacy mainframe systems • Maintenance and system administration costs
Q3/2006 Complete	SFH-M-01	Begin deployment of E-Endorsement/Lender Insurance electronic submission to 15,000 lenders.	<ul style="list-style-type: none"> • Share of SF mortgages endorsed for insurance by FHA through electronic endorsement. • Percentage of annual mortgage case binders submitted electronically

Delivery Date	Performance Milestone ID	Performance Improvement Milestone	Performance Indicator(s)
Q3/2006 Complete	SFH-M-08	SFI Middleware integration, linking HUD with BSP	<ul style="list-style-type: none"> Number of FHA lenders
Q3/2007 Complete	TBD	Home Equity Conversion Mortgage (HECM) claims subsystem (251250)	<ul style="list-style-type: none"> Improve HUD's compliance with IG Findings and mandates by automating the reconciliation of fund and cash balances
Q4/2008	SFH-M-13	Develop a formal Business Modernization Plan	<ul style="list-style-type: none"> Improved integration and collaboration of processes
Q4/2008 Rolled up 5 milestones	TBD	Retire TransAccess Case binder inventory tracking and retrieval system in Headquarters, Atlanta, Philadelphia, Denver, and Santa Ana.	<ul style="list-style-type: none"> Improve operating efficiency and cost avoidance by increasing the percentage of annual mortgage case binders submitted electronically.
Q3/2010	SFH-M-09	Implement E-Authentication for FHA Connection (Site Minder).	<ul style="list-style-type: none"> Number of e-authenticated FHA-approved lenders. Number of new FHA lenders
Q3/2010	SFH-M-12	Complete deployment of E-endorsement / Lender Insurance electronic submission.	<ul style="list-style-type: none"> Share of SF mortgages endorsed for insurance by FHA through electronic endorsement
Q3/2010	SFH-M-11	Award Single Family AMS BSP contract- Part 2-Financial Management	<ul style="list-style-type: none"> Number of legacy mainframe systems
Q1/2011	SFH-M-10	Award SFI Integrator contract – Phase 1 – Roll-out Loan Origination and Lender Approval systems	<ul style="list-style-type: none"> Number of new FHA lenders Number of new insurable loans
Q1/2011	TBD	Retire/replace Loan Origination and Lender Approval systems	<ul style="list-style-type: none"> Number of new FHA lenders Number of new insurable loans
FHA			
Q4/2007 Complete	FHA-M-01	Begin implementation of Pay.Gov – phase 1	<ul style="list-style-type: none"> Cost of collection of upfront and periodic premiums for FHA mortgage insurance
Q4/2008	FHA-M-02	FHA risk-based pricing	<ul style="list-style-type: none"> Cost of collection of upfront and periodic premiums for FHA mortgage insurance
Q1/2009	TBD	Retire and or integrate FHA's 5 legacy systems	<ul style="list-style-type: none"> Turnkey accounting / financial system with hosting services / support as a shared service center Increase number of lenders using FHA as a provider of mortgage insurance Number of legacy mainframe systems not in compliance with federal financial management guidelines

SFH performance goals are business improvements expected from modernization efforts. The list below offers a sample of SFH expected business results from modernization efforts.

- Increase the number of lenders that do business with HUD by improving the system interface with vendor systems
- Increase the number of existing FHA-approved lenders that are e-authenticated
- Increase the number of new FHA lenders
- Increase the share of Single Family mortgages endorsed for insurance by FHA through electronic endorsement.
- Decrease maintenance and system administration costs by reducing the number of different platforms used to perform SFH business processes
- Improve operating efficiency and cost avoidance by increasing the percentage of annual mortgage case binders submitted electronically
- Increase number of new insurable loans
- Reduce the number of legacy mainframe systems used to perform SFH business processes

5.1.3.6 SFH Funding Strategy:

HUD's SFH initiative defined the following funding strategy to augment modernization resources currently available. Each element of the funding strategy is described below.

- **Develop IT Investment Business Case:** Incorporate relevant elements of the modernization plan into an IT investment business case.
- **Consolidation of the following Investments:**

Investment
Single Family Integration
Single Family Insurance Claims Subsystem
Single Family Insurance System (SFIS)
Single Family Mortgage Notes System (NOTES)
Single Family Premium Collection Subsystem-Periodic (SFPCS-P)
Single Family Premium Collection Subsystem-Upfront (SFPCS-U)
Title I Insurance and Claims System (Title I)
Debt Collection Asset Management System (DCAMS)
Distributive Shares & Refund Subsystem (DSRS)

5.2 Business Services

5.2.1 Financial Management Modernization (FM) Plan (Investment: FMLOB)

5.2.1.1 FM Scope:

The Financial Management business function encompasses a comprehensive set of accounting and finance processes, technologies, and services designed to manage the HUD's financial control activities and flow of financial information across HUD's information systems. Specifically, this segment architecture encompasses functions and service components related to accounting, billing, collections and receivables, credit transactions, expense management, payment settlement, payments and financial management.

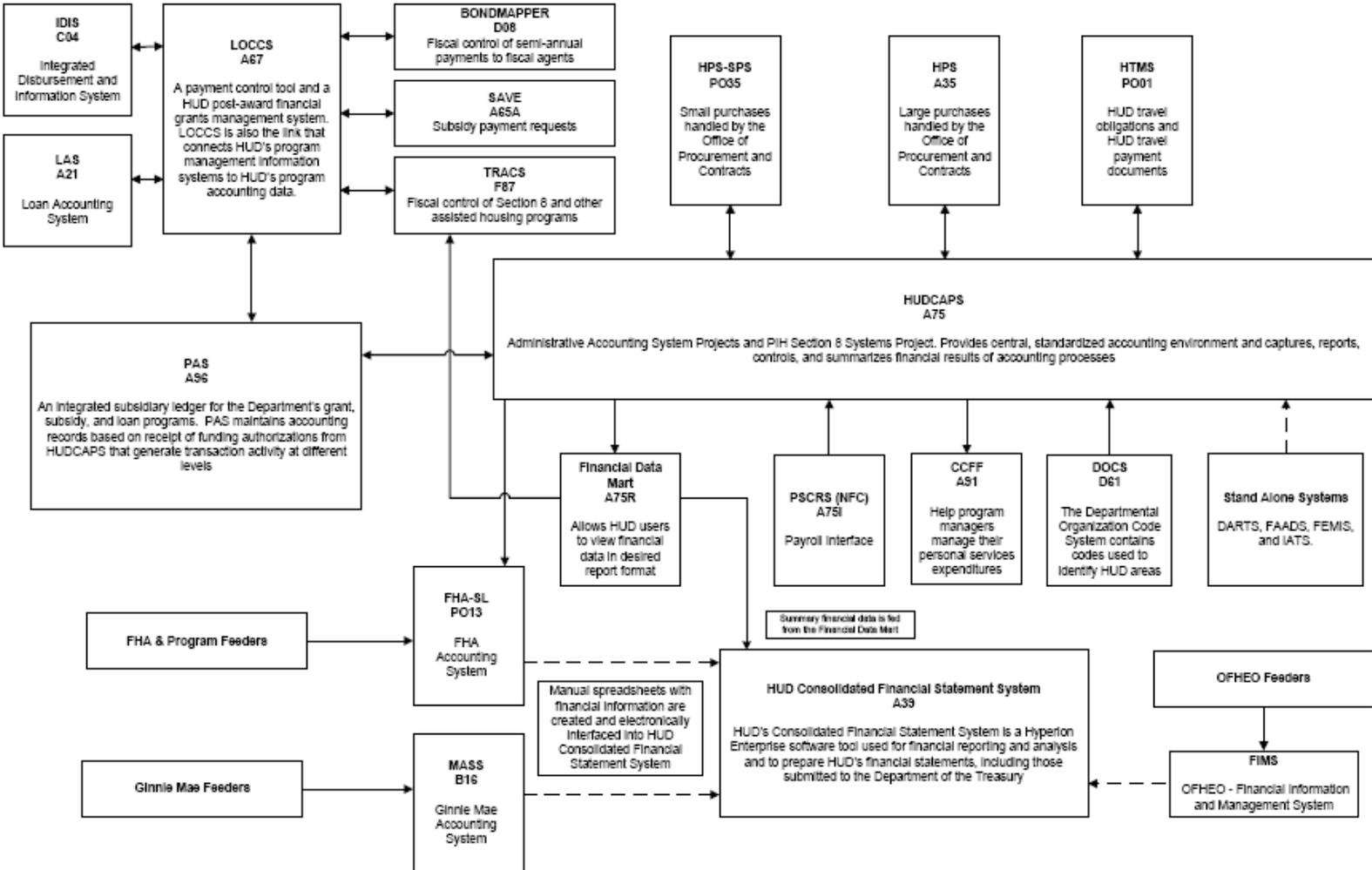
The President's Management Agenda (PMA) seeks to ensure that federal government resources are well managed and wisely used. Improving financial management is a key component of this initiative. The PMA builds upon financial reform legislation of the past several years including the Chief Financial Officers' Act of 1990 (CFO Act), the Government Performance and Results Act (GPRA), the Federal Financial Management Improvement Act (FFMIA) and other legislation that

established federal requirements for accounting standards, financial statements, effective internal controls, integrated financial management systems, strategic planning, and performance measurement and reporting.

HUD's current system environment is characterized by costly legacy systems and a lack of integration, oftentimes requiring extensive manual efforts and inefficient business processes. Generally, HUD maintains stove-piped systems that perform redundant functions and maintain inconsistent data; the result of supporting independent implementations to meet current emergencies, new regulations and maintenance processes. To address these issues, the Department established HUD's Integrated Financial Management Improvement Project (HIFMIP).

The following **Exhibit 5-2** outlines HUD's baseline financial management operational environment.

Exhibit 5-2: Baseline Financial Management Operational Environment



5.2.1.2 FM Vision:

This section summarizes the future financial systems vision. The FM Vision is described in more detail in HUD's CFO Vision Document. Integrated financial management supports the mission of HUD and is an inherent function of the delivery of all programs. To enable cost-effective mission achievement and risk mitigation, financial management at all levels of HUD must manage and control programs through activities that:

- Capture business event information
- Ensure budgetary integrity
- Establish financial control over obligations and costs
- Produce timely, accurate, consistent, and complete financial data

HUD's vision for the future is an Integrated Financial Management Solution (IFMS) that includes Integrated Core Financial System (ICFS), a Customer Relationship Management (CRM) System, and an Enterprise Performance Management (EPM) System, along with the integration of information from many other systems.

The integrated financial management vision includes the entire financial management cycle for HUD. The scope of the key financial management functions extends beyond core accounting to enterprise-wide financial management. It encompasses the origination of transactions across the Department's program and other administrative areas, as well as core accounting and reporting. The financial management cycle includes processes and functions necessary to execute and automate both the budgetary and proprietary federal accounting transactions. Establishing a seamless integrated system for managing all financial activity in a robust relational database is a desired component of the overall vision. The core solution enforces the following:

- Standard data classifications (definitions and formats) for establishing and recording financial events
- Common processes for similar kinds of transactions
- Internal controls over data entry and transaction processing
- Elimination of unnecessary duplication of transaction entry
- HIFMIP Roadmap 2-3
- Section 2.0 HIFMIP Project Overview
- Elimination of fragmentation in the accounting cycle
- ICFS will serve as the single and central source for the following:
 - Approved budgetary information at every level of the budget process once an appropriation has been passed, from appropriation to apportionment to allotment to the field site budgetary control levels
 - Commitments, obligations, costs, and outlays based on funds availability as established by the budgetary controls
 - Detailed financial/cost accounting transactions within sub-ledgers
 - General Ledger balances based on posted entries from the sub-ledgers

Funds will be controlled through a combination of budgetary general ledger entries that establish basic funding limits with integrated purchasing controls to verify available funds before allowing approvals, commitments, or obligations. Invoice approval (matching) will be controlled by the associated purchase orders and outlays by the invoices. Basically, every dollar will be controlled and accounted for from appropriation through the lowest level of funds distribution through final outlay in a seamlessly integrated system.

The vision calls for a four-phased approach to fully integrate programmatic and financial information. Integrated financial and programmatic information will allow HUD to be proactive in

decision-making and timely in providing information to its various constituencies. The full vision was documented in the January 12, 2004 document: HUD's Financial Management Vision (CFO Vision Document). Updates to the HIFMIP vision are integrated into the HIFMIP Roadmap. The HIFMIP Roadmap is a living, performance based modernization plan defining the practical phases of implementation and impact to HUD mission performance.

The implementation approach includes the following four phases:

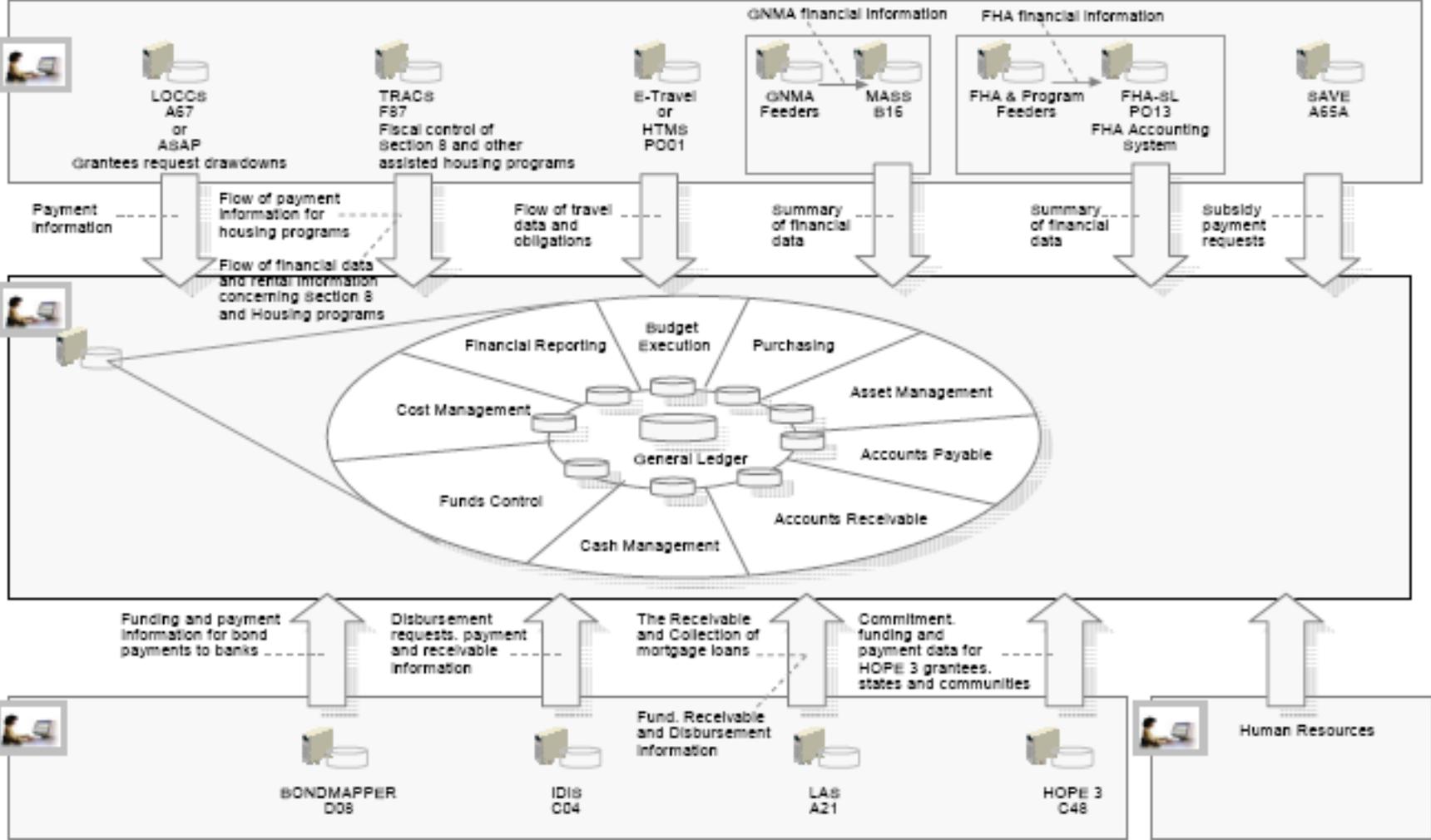
- Phase I: Organizational Preparation.
- Phase II: Implementation of Core Financials
- Phase III: Operational Systems Enhancements
- Phase IV: Integrated Financial and Program Performance

The documented CFO Roadmap identifies and describes planned modernization phases and stages. HIFMIP will be implemented for all of HUD's major business areas including:

1. Federal Housing Administration (FHA)
2. Government National Mortgage Association (Ginnie Mae)
3. The Office of Federal Housing Enterprise Oversight (OFHEO)
4. Other Major Program Areas:
 - a. Office of Housing
 - b. Office of Public and Indian Housing (PIH)
 - c. Office of Community Planning and Development (CPD)
 - d. Office of Fair Housing and Equal Opportunity (FHEO)
 - e. Office of Healthy Homes and Lead Hazard Control

The **Exhibit 5-3** below illustrates the conceptual target vision including modernization to the operation environment, and planned changes to stakeholder interactions, business processes, information sharing, applications, and technology to achieve measurable performance improvements.

Exhibit 5-3: Proposed Financial Management Target Operational Environment



5.2.1.3 FM Cross Agency Initiatives and Departmental Dependencies:

Financial Management modernization will be integrated with cross agency initiatives and Departmental systems found in the list below.

- Financial Management Line of Business
- FedTraveler.com
- Pay.gov
- Grants.gov
- WINATS Government relocation tax adjustment system
- Loan Insurance
- Grants Management
- Portal, Identity Management
- Business Partner Management
- Decision Support/Business Intelligence
- Analysis, Integrated Enterprise Data Management
- Tracking and Workflow

5.2.1.4 FM Drivers:

Financial Management modernization is driven by the factors summarized below creating a compelling business case for change.

- Compelling Legislative Actions:
 - Federal Managers' Financial Integrity Act of 1982 (FMFIA)
 - The Chief Financial Officers Act of 1990 (CFO Act)
 - Government Performance and Results Act of 1993 (GPRA)
 - The Government Management Reform Act of 1994 (GMRA)
 - Federal Financial Management Improvement Act of 1996 (FFMIA)
 - Federal Funding Accountability and Transparency Act (FFATA)
 - Debt Collection Integrity Act (DCIA)
 - Anti-Deficiency Act
- Federal Regulations
 - Office of Management and Budget (OMB) Circular A-127 "Financial Management Systems"
 - Directives from Office of Federal Financial Management (OFFM)
 - M-03-01 – OMB Memorandum on Business Rules for Intergovernmental Transactions
 - E-government Act of 2002 (Public Law No: 107-347) The E-government Act of 2002
 - OMB Circular A-11, Preparing, Submitting, and Executing the Budget
 - OMB Circular A-123, Management Accountability and Control
 - Prompt Payment Final Rule (Formerly OMB Circular A-125)
 - Circular A-127, Financial Management Systems (
 - OMB Circular A-130, Management of Federal Information Resources
 - Statements of Federal Financial Accounting Standards (SFFAS)
 - Debt Collection Improvement Act of 1996
 - Federal Credit Reform Act of 1990
 - Government Paperwork Elimination Act
 - OMB Bulletin 01-09, Form and Content of Agency Financial Statements
 - Federal Accounting Standards Advisory Board (FASAB)
- Standardization of systems
- Interfaced with LOCS payment distribution system
- Integrated with HUDCAPS
- 24 hrs online/real-time funds control
- Budget Automation

5.2.1.5 FM Performance:

The **Table 5-4** below provides a summary of Financial Management business performance improvement milestones and performance indicators ordered in planned delivery date order. The delivery of a performance improvement milestone represents a point in time that HUD can measure

modernization results, return on investment or performance improvements. HUD uses these milestones to evaluate and control delivery of performance improvements on modernization projects. Detailed performance metrics and results can be found in HUD's EA Enterprise Performance Architecture. The following FM Performance Summary represent a phased Modernization Approach to implement an Integrated Core Financial System (ICFS)

Table 5-4: FM Performance Summary

Delivery Date	Milestone ID	Performance Milestone	Performance Indicator(s)
Q3/2006 Complete	FM-FMLOB-M-22	Complete the implementation of the Northridge Loan Accounting System (NLS-LAS) and retire LAS (202740)	<ul style="list-style-type: none"> Total annual cost to operate and maintain all OCFO financial-related systems Financial reporting by reducing the number of days financial statements are delivered to OMB
Q4/2007 Complete	FM-FMLOB-M-02	Implement Fed Traveler (government-wide travel processing system)	<ul style="list-style-type: none"> Implementation of a cross agency initiative Total annual cost to operate and maintain all OCFO financial-related systems
Q4/2007 Complete	FM-FMLOB-M-03	Implement WINATS (government-wide relocation tax adjustment system) (upgraded IATS to windows version)	<ul style="list-style-type: none"> Implementation of a cross agency initiative Total annual cost to operate and maintain all OCFO financial-related systems
Q1/2008 Complete	TBD	<i>Retire</i> HUD Travel Management System (HTMS) (307660)	<ul style="list-style-type: none"> Total annual cost to operate and maintain all OCFO financial-related systems
Q4/2008	FM-FMLOB-M-04	Begin implementation of the Integrated Core Financial System (ICFS) Shared Service Center (SSC) to provide HUD with an integrated financial management	<ul style="list-style-type: none"> Total annual cost to operate and maintain all OCFO financial-related systems Receipt of an unqualified audit opinion on annual financial statements with no audit deficiencies related to financial systems
Q1/2009	FM-FMLOB-M-18	Integrate DARTS (Accounts Receivable) with LAS/LASHE	<ul style="list-style-type: none"> Percentage of customers satisfied with financial information available to support program management functions

Delivery Date	Milestone ID	Performance Milestone	Performance Indicator(s)
Q3/2010	FM-FMLOB-M-20	Integrate Procurement System with ICFS (Current or new acquisition system)	<ul style="list-style-type: none"> Percentage of customers satisfied with financial information available to support program management functions
Q3/2011	FM-FMLOB-M-05	FHA (PeopleSoft) integration with ICFS	<ul style="list-style-type: none"> Receipt of unqualified audit opinions on annual financial statements with no audit deficiencies related to financial systems Percentage of customers satisfied with financial information available to support program management functions
Q4/2011	FM-FMLOB-M-06	Production of quarterly consolidated financial statements from core financial management system	<ul style="list-style-type: none"> Percentage of financial operations that have automated journal entries Workload efficiency for auditors Number of days required to deliver financial statements to OMB Receipt of unqualified audit opinions on annual financial statements with no audit deficiencies related to financial systems
Q2/2012	FM-FMLOB-M-07	Integrate program subsidiary systems (IDIS, TRACS, Grantium) with ICFS to provide HUD with an integrated financial management	<ul style="list-style-type: none"> Percentage of customers satisfied with financial information available to support program management functions. Management of third party performance
Q2/2012	FM-FMLOB-M-16	Integrate financial subsidiary systems (LAS, LOCCS, IATS) with ICFS to provide HUD with an integrated financial management	<ul style="list-style-type: none"> Percentage of customers satisfied with financial information available to support program management functions. Management of third party performance

Delivery Date	Milestone ID	Performance Milestone	Performance Indicator(s)
Q3/2012	FM-FMLOB-M-08	Ginnie Mae (PeopleSoft platform) integration with ICFS	<ul style="list-style-type: none"> • Receipt of unqualified audit opinions on annual financial statements with no audit deficiencies related to financial systems • Percentage of customers satisfied with financial information available to support program management functions
Q4/2012	FM-FMLOB-M-19	Integrate Budget Formulation with ICFS	<ul style="list-style-type: none"> • Percentage of customers satisfied with financial information available to support program management functions
Q3/2012	FM-FMLOB-M-17	Integrate OFHEO with ICFS to provide HUD with an Integrated Financial Management	<ul style="list-style-type: none"> • Percentage of customers satisfied with financial information available to support program management functions • Total annual cost to operate and maintain all OCFO financial-related systems • Receipt of unqualified audit opinions on annual financial statements with no audit deficiencies related to financial systems
Q1/2013	FM-FMLOB-M-12	Implementation of new financial data warehouse (modernize financial reporting capabilities)	<ul style="list-style-type: none"> • Total annual cost to operate and maintain all OCFO financial-related systems • Receipt of unqualified audit opinions on annual financial statements with no audit deficiencies related to financial systems

Delivery Date	Milestone ID	Performance Milestone	Performance Indicator(s)
Q1/2013	FM-FMLOB-M-11	Integrate HIRTS (P162) Interface Enhancements with ICFS	<ul style="list-style-type: none"> Time and attendance with reporting and cost management Integration of program, performance and financial data Receipt of unqualified audit opinions on annual financial statements with no audit deficiencies related to financial systems
Q4/2013	FM-FMLOB-M-21	Implement Decision Support System (DSS), CRM and EPM functionality into ICFS	<ul style="list-style-type: none"> Receipt of unqualified audit opinions on annual financial statements with no audit deficiencies related to financial systems Percentage of customers satisfied with financial information available to support program management functions
Q4/2013	FM-FMLOB-M-13	Integrate financial, programmatic, and customer data with ICFS (Use of budget and performance management to manage HUD)	<ul style="list-style-type: none"> Receipt of unqualified audit opinions on annual financial statements with no audit deficiencies related to financial systems Percentage of customers satisfied with financial information available to support program management functions
Q4/2013	FM-FMLOB-M-22	Complete implementation of ICFS	<ul style="list-style-type: none"> Total annual cost to operate and maintain all OCFO financial systems Financial reporting and Federal compliance with the implementation of an enterprise wide financial management system
Quarterly Complete	FM-FMLOB-M-15	Participate in OMB Financial Management LOB Project Teams to align HUD with financial management requirements (quarterly)	Number of audit non-compliance issues reported in financial statement audit report

Financial Management performance goals are business improvements expected from modernization efforts. The list below offers a sample of Financial Management expected business results from modernization efforts.

- Support online real time recordation of financial data to produce consolidated financial statements.
- Support the standardization of financial management requirements to reduce the total number of OCFO financial-related systems that are maintained
- Improve financial reporting by reducing the number of days financial statements are delivered to OMB
- Improve real-time financial processing by increasing the percentage of financial operations that have automated journal entries
- Improve customer service by decreasing the total time to resolve critical, medium, low incidents related to system operations established in the SLA
- Improve financial reporting and federal compliance by the end of FY 2012, with the implementation of an enterprise-wide financial management system
- Maintain the receipt of unqualified audit opinions on annual financial statements with no audit deficiencies related to financial systems
- Increase operating efficiency by reducing the number of financial systems in operation
- Reduction in the total annual cost to operate and maintain all OCFO financial-related systems
- Increase in customer satisfaction index

5.2.1.6 FM Funding Strategy:

HUD’s Financial Services defined the following funding strategy to augment modernization resources currently available. Each element of the funding strategy is described below.

- **Prior year funds:** Financial Services modernization will be partially funded by utilizing prior year allocated and unexpended funds.
- **Develop IT Investment Business Case:** Incorporate relevant elements of the modernization plan into an IT investment business case. If possible, the Financial Services modernization plan will be incorporated into a “major” investment for one or more business services, aligned with enterprise segments defined by the agency.
- **Consolidation of the following Investments:**

Investment
HUD FM LOB
FHA Financial Operations Modernization
HUD Integrated Acquisition Management System (HIAMS)
HUD Procurement System (HPS)
Small Purchase System (SPS)
Ginnie Mae (GNMA)

5.2.2 Grants Management Modernization Plan (Investment: eGrants)

5.2.2.1 Grants Scope:

HUD awards roughly \$27B annually in formula/block/entitlement grants and subsidies and \$2-3B in discretionary grants. Grants Management is the core business within the Department for the accomplishment of HUD’s mission of increasing homeownership, supporting community development and increasing access to affordable housing free from discrimination. Recognizing this, HUD has specified Grants Management as a line of business within its Enterprise Architecture

since it is a shared function across six program offices and has specific integration points with other lines of business within HUD's architecture. HUD's requirements for the awarding, management and tracking of its formula, block, and mandatory grants are complex, extensive, and legislatively cumbersome.

There are approximately 59 grant programs administered by HUD designed to meet the needs of housing for low income people and to help improve specific geographic areas. Seven program offices within HUD are actively involved in the administration of these grant programs and each office manages their grant program portfolio independently. The level of automated support varies widely from office to office as well as program to program within some offices.

The current as-is landscape is antiquated and largely paper based. HUD's executive-level grants governance board defined the business problem and has approved the enterprise-level approach.

Grants Management business service focuses on the processes, systems and technologies that support the administration and management of grants management programs (i.e., evaluating, scoring, awarding, and monitoring grant programs). The scope of HUD's grants management activities is limited to back-office grant processes, ensuring little duplication with the Grants.gov effort, which is a front-end portal that allows grantees access to grants information.

5.2.2.2 Grants Vision:

HUD established a Grants executive leadership board to define the Department's Grants vision and direct strategic Grants operations. HUD Grants executive board codified their business and IT modernization plans into a grants modernization program called eGrant. The goal of eGrants is to improve government-to-citizen and government-to-business services by leveraging technology, while supporting a core business function (grants) within HUD.

In FY 2008, \$22.5 billion of federal assistance will flow through a homogeneous HUD supported COTS solution. This will impact 3300 Public Housing Authorities, 455 Continuums and several thousand HUD grantees. Eventually this solution will process end-to-end grants from pre-award to close out with minimum cost, tremendously enhancing customer service and improving HUD's processes. Key FY2008 Milestones for the eGrant initiative are described below:

- **Automation of the Operating Fund Application Process** – Since October 2007, \$4 billion in operating subsidy is now being handled through a web-based, EA compliant system. It accepts over 7000 applications and processes them through review and approval.
- **Automation of Collaborate Application Receipt and Evaluation for Continuum of Care** – In May 2008, \$2.5 billion in grants will be handled through the same underlying COTS solution with minimal customization. Under the current development schedule, for the first time, HUD anticipates announcing 2009 CoC awards on time.
- **Shared service for receipt and routing of HUD's Competitive Applications** – In May 2008, all HUD's competitive applications that come through Grants.gov will be processed by the same underlying COTS solution. This will enable HUD to be in compliance with Grants.gov and improve the efficiency of processing the applications internally.

Cross Agency Initiatives and Departmental Dependencies:

- OMB Grants Consortia
- Grants.gov
- Pay.gov
- Multifamily Housing Finance
- Rental Housing Assistance
- Single Family Housing
- Community and Economic Development and Fair Housing
- Financial Management

- Tracking and Workflow
- Electronic Documents and Records Management.

5.2.2.3 Grants Drivers:

Grants modernization is driven by the factors summarized below.

- Technology Obsolescence
- Elimination of paper grant application submissions
- Compelling legislative actions:
 - Federal Managers' Financial Integrity Act of 1982 (FMFIA)
 - Government Performance and Results Act of 1993 (GPRA)
 - The Government Management Reform Act of 1994 (GMRA)
 - Federal Financial Management Improvement Act of 1996 (FFMIA)
- Federal Regulations
 - Office of Management and Budget (OMB) Circular A-127 "Financial Management Systems"
 - Directives from Office of Federal Financial Management (OFFM)
 - M-03-01 – OMB Memorandum on Business Rules for Intergovernmental Transactions
 - E-government Act of 2002 (Public Law No: 107-347)

5.2.2.4 Grants Performance:

The **Table 5-5** below provides a summary of Grants business performance improvement milestones and performance indicators ordered in planned delivery date order. The delivery of a performance improvement milestone represents a point in time that HUD can measure modernization results, return on investment or performance improvements. HUD uses these milestones to evaluate and control delivery of performance improvements on modernization projects. Detailed performance metrics and results can be found in HUD's EA Enterprise Performance Architecture.

Table 5-5: Grants Performance Summary

Delivery Date	Milestone ID	Performance Milestone	Performance Indicator(s)
Q1/2008 <i>Complete</i>	EGMS-M-08	OMB and GMLOB Grants Consortium appeal and fit/gap analysis	<ul style="list-style-type: none"> • Appeal Delivered to OMB
Q2/2008	EGMS-M-09	Submit Implementation Plan to OMB for achievement of GMLOB goals via HUD's eGrants Initiative	<ul style="list-style-type: none"> • Implementation plan completed and delivered to OMB.
Q3/2008	EGMS-M-10	Automation of Operating Fund Application Process	<ul style="list-style-type: none"> • Average time (in days) between application submittal to final eligibility determination • Percentage of on-line data submission for eligibility determination

Delivery Date	Milestone ID	Performance Milestone	Performance Indicator(s)
Q4/2008	EGMS-M-13	Automation of Application Receipt and Evaluation for Continuum of Care (CoC)/SNAPS program	<ul style="list-style-type: none"> Percentage of CoC grant applications submitted electronically to HUD Average time (in days) between application and award Total cycle time to award a single year's CoC funding
Q3/2008	EGMS-M-11	Shared Service for Receipt and routing of HUD's Competitive Applications from Grants.gov	<ul style="list-style-type: none"> Percentage of HUD grant applications submitted electronically Percentage of grant applications available for on-line review & award Average time (in days) between application and award
Q2/2009	EGMS-M-12	Shared Service for Capture and Reporting of Award Data	<ul style="list-style-type: none"> Percentage of total annual awards that are captured using new service Average time to report new awards (from date of award)
Q4/2009	EGMS-M-14	Shared Service for Funds Administration	<ul style="list-style-type: none"> Number of interfaces "retired" Reduced total number of interfaces to financial systems
Q4/2009	EGMS-M-15	Automate paper-based processing (post application intake and pre-award) of HUD competitive grants	<ul style="list-style-type: none"> Average time (in days) between application and award Total cycle time to award a single year's funding
Q4/2010	EGMS-M-16	Shared service for grant award document, generation, review and electronic signature	<ul style="list-style-type: none"> Percentage of grant awards executed with electronic signatures Average time spent to execute grant awards with grantees
Q4/2010	EGMS-M-18	Shared service for formula calculation	<ul style="list-style-type: none"> Percentage of formula programs utilizing the shared service
Q4/2010	EGMS-M-19	Enterprise-wide repository of grant award data	<ul style="list-style-type: none"> Reduced average time to respond to stakeholder (Congress, GAO, OMB, IG) data requests Percentage of programs feeding the repository

Delivery Date	Milestone ID	Performance Milestone	Performance Indicator(s)
Q4/2011	EGMS-M-20	Single portal for HUD grantees to utilize for conducting grant business with HUD	<ul style="list-style-type: none"> Percentage of grantees with portal credentials
Q4/2011	EGMS-M-21	Shared services for grantee reporting (data collection, review, and evaluation)	<ul style="list-style-type: none"> Percentage of program utilizing the shared service for grantee reporting

Grants performance goals are business improvements expected from modernization efforts. The list below offers a sample of Grants expected business results from modernization efforts.

- Expedite the availability of grant applications for review and award
- Simplify corrections to the grant applications allowing electronic correction, saving the need to re-submit applications
- Automation of paper based application submission
- Automation of manual calculation and maintenance of “formulas” for entitlements,
- Automation of fund control processes
- Reduces grantee burden
- Reduce the number of grant application errors, electronic corrections
- Electronic application review routing reduction in administrative burden on field offices and other reviewers

5.2.2.5 Grants Funding Strategy:

HUD’s Grants initiative defined the following funding strategy to augment modernization resources currently available. Each element of the funding strategy is described below.

- **Reprogram Grant related funds:** Petition grant program areas to reprogram technical assistance funds and OCIO working capital to support acquisition management modernization objectives.
- **Establish an Integrated Modernization Plan:** Incorporate relevant elements of the modernization plan into an IT investment business case.
- **Consolidation of the following Investments:**

Investment
Grants Management

5.2.3 Human Resource Management Modernization Plan (Investment: HHIRTS)

5.2.3.1 HRM Scope:

The Human Resource Management (HRM) business service segment encompasses a comprehensive suite of processes, services and technologies to fully support the management of human resources across HUD. It makes available all HR information to managers and supervisors for workforce planning and employee development, and helps to ensure that HUD employees are used in the most effective manner possible. Specifically, within this segment reside functions, processes, and service components related to career development and retention, contingent workforce management, education and training, personnel administration, recruiting, retirement management, skills management, time reporting and workforce acquisition and optimization.

The baseline technical environment consists of 15 production systems, which represents almost half of the Office of Administration's entire systems inventory. Within the environment there are redundant personnel management systems, redundant recruiting and staffing management systems, redundant benefits administration systems, redundant data, non-integrated functionality, and, in some areas, a lack of fully automated processes. The current system environment also consists of limited reporting functionality due to the technical limitations of the existing systems, manual tasks, such as duplicate keying of information, and the issue of DOCS running out of organizational codes.

5.2.3.2 HRM Vision:

In collaboration with the U.S. Department of the Treasury, the HUD Integrated Human Resources and Training System HIHRTS has been modernized and outsourced to a centrally managed, integrated Federal Government HRM Center of Excellence. HUD HRM maintains management, business process, and ownership of all sensitive information. HUD policy and business modernization remains the responsibility of HUD HRM supporting the following HUD operations.

HR Management Information Enterprise Resource Management Planning Systems is responsible for guiding the development of integrated Department systems that enable workforce empowerment and support program office execution of the Department's objectives. The HR Management Information and Enterprise Resource Management Planning Systems Staff creates and provides quality control to ensure that all contracting efforts are in compliance and conform to established HUD contracting policy.

Office of Human Resources (OHR) is responsible for human capital management, workforce planning, policy development, human capital accountability and assessment, HR advisory services for the Department, and personnel operations services. Operational responsibilities include staffing/recruitment, position classification and management, pay administration, benefits counseling, and employee relations. OHR administers the Drug-Free Workplace Program, the Employee Assistance Program, the Performance Management System, and the contracts between HUD and its Labor Unions (American Federation of Government Employees and National Federation of Federal Employees). In addition, OHR oversees the payroll processing services provided to HUD by the National Finance Center of the U. S. Department of Agriculture. The Director, OHR, oversees the following divisions: Human Capital Management Staff; Headquarters Staffing and Classification Division; Field Staffing and Classification Division; HR Systems and Payroll Support Division; Headquarters Labor and Employee Relations Division; Field Labor and Employee Relations Division; Executive Personnel Management Division; Employee Service Center; and Human Resources Policy, Research and Development Division.

Training Services is responsible for providing a cost-effective and coordinated strategy for the delivery of training and employee development programs, which support the objectives, and goals of the Department of Housing and Urban Development. Training Services is the center for HUD staff training, provides mission and occupational training in support of Departmental priorities, provides for individual training needs through internal training programs and partnerships established with colleges and universities, provides needs assessments and evaluations for its programs and activities, and delivers training to field locations using innovative technology-based training such as computer/web/satellite and video conference systems. The Training Services Administrator oversees a Training Policy and Services Operations staff and three institutes: (1) Program Technical Training Institute; (2) Leadership and Management Institute; and, (3) Employee and Career Development Institute.

5.2.3.3 HRM Cross Agency Initiatives and Departmental Dependencies:

- Cross Agency agreement with OPM and the Department of Treasury to supply integrated HRM support.
- Portal, Identity Management
- Asset Management

- Pay.gov
- Loan Insurance
- Controls & Oversight, Financial Management
- Electronic Document and Records Management
- Decision Support/Business Intelligence
- Analysis, Integrated Enterprise Data Management
- Tracking and Workflow

5.2.3.4 HRM Drivers:

Human Resource Management modernization is driven by the factors summarized below creating a compelling business case for change.

- Award and Implementation of HIFMIP
- Compliance with EEO Management Directive 715
- Compliance with Human Capital APP goals
- Compliance with Human Capital objectives in PMA Scorecard for smart standards
- Compliance with OMB eGov ePerformance initiative
- Compliance with OMB virtual university interagency agreement
- Feeder for eHRI and Retirement Board systems
- HUD Enterprise Architecture
- Interface with CFO, travel system, StarWeb, and HUDCAPS
- Migration of sensitive data into HUD infrastructure
- OMB eGov Compliance
- OPM compliance
- Secretarial report to Congress

5.2.3.5 HRM Performance:

The **Table 5-6** below provides a summary of HRM business performance improvement milestones and performance indicators ordered in planned delivery date order. The delivery of a performance improvement milestone represents a point in time that HUD can measure modernization results, return on investment or performance improvements. HUD uses these milestones to evaluate and control delivery of performance improvements on modernization projects. Detailed performance metrics and results can be found in HUD’s EA Enterprise Performance Architecture.

Table 5-6: HRM Performance Summary

Delivery Date	Performance	Performance Milestone	Performance Indicator(s)
Q2/2006 Complete	HRTS-M-04	Implemented USA Staffing, an eRecruit solution, to interface with HIIHRTS and expand recruitment activities	<ul style="list-style-type: none"> ▪ Time to Hire
Q4/2006 Complete	HRTS-M-02	Implement ePerformance module phase 1 to improve user self-sufficiency	<ul style="list-style-type: none"> ▪ Employee-initiated transactions in HIIHRTS ▪ Manager-initiated transactions in HIIHRTS
Q4/2006 Complete	HRTS-M-05	Added departmental organizational codes to HIIHRTS	<ul style="list-style-type: none"> ▪ Time to effect organizational workforce changes ▪ Retire DOCS System

Delivery Date	Performance	Performance Milestone	Performance Indicator(s)
Q1/2007 Complete	HRTS-M-06	Initiate an electronic personnel file project to increase staff self-sufficiency	<ul style="list-style-type: none"> Percentage of employees reviewing and correcting their personal data in HIRTS
Q4/2007 Complete	HRTS-M-07	Implement a Learning Management System (LMS) Interface with EHRI	<ul style="list-style-type: none"> Number of LMS courses completed Number of skill gap certifications
Q4/2007 Complete	TBD	Replace EEO TRACS support system with iComplaint and eVersity	<ul style="list-style-type: none"> Retire EEO TRACS system
Q4/2007 Complete	HRTS-M-08	Award contract to provide support for HIRTS	<ul style="list-style-type: none"> Award of Contract
Q2/2008	HRTS-M-09	Implement EHRI and HIRTS systemic interface for expanded recruitment activities	<ul style="list-style-type: none"> Time to process retirement Number of inquiries and complaints related to retirement processing
Q2/2008	HRTS-M-03	Implement ePerformance module Phase 2	<ul style="list-style-type: none"> Percentage of employees with registered access to their personal information in HIRTS Number of employee-initiated transactions in HIRTS to improve the accuracy of employee data
Q3/2008	HRTS-M-10	Initiate Phase 1 implementation of new web Time and Attendance and ePayroll solution	<ul style="list-style-type: none"> Time and Attendance error rate
Q3/2008	TBD	Retire OHR Personnel Training and Inquiry system (Unisys platform)	<ul style="list-style-type: none"> Retire OHR Personnel Training and Inquiry system
Q4/2008	HRTS-M-11	Initiate a methodology to transfer HR data from HIRTS to EEO and other HUD systems	<ul style="list-style-type: none"> Retire OHR Personnel Training and Inquiry system
Q4/2008	HRTS-M-12	Develop a formal Business Modernization Plan	<ul style="list-style-type: none"> Updated performance improvement plan
Q4/2008	HRTS-M-13	Migrate iComplaint and eVersity into HUD infrastructure	<ul style="list-style-type: none"> Percentage of sensitive personnel data placed under HUD's physical control

Delivery Date	Performance	Performance Milestone	Performance Indicator(s)
Q4/2008	HRTS-M-01	Deliver HIHRTS data store and reporting capability to increase the integration with other HUD systems	<ul style="list-style-type: none"> ▪ Number of manager-initiated transactions into HIHRTS ▪ Number of customer support calls
Q1/2009	HRTS-M-14	Create HIHRTS interface to HIFMIP	<ul style="list-style-type: none"> ▪ Data exchanged with HIFMIP
Q2/2009	HRTS-M-15	Implement an electronic personnel file project to increase staff self-sufficiency	<ul style="list-style-type: none"> ▪ Percentage of employees with registered access to their personal information in HIHRTS ▪ Number of complaints and inquiries related to personnel file actions ▪ Records storage cost
Q2/2011	HRTS-M-16	Expand HIHRTS functions and interface capabilities in support of HUD Training Services	<ul style="list-style-type: none"> ▪ Number of training course inquiries/searches in HIHRTS

HRM performance goals are business improvements expected from modernization efforts. The list below offers a sample of HRM expected business results from modernization efforts.

- Enhance Interagency communications through the alignment of data and OMB standards
- Improve accessibility to staff training and analytics
- Improve automated data exchange
- Improve compliance with federal mandates
- Improve employee and supervisor collaboration
- Improve employee self-service
- Improve management of sensitive data
- Improve operational efficiency and reduce costs relative to system retirement and functional integration with HIHRTS
- Improve performance evaluation through standardization
- Improve quality of personal data through employee entry and review.
- Improve recruitment tools
- Improve Time and Attendance ease of reporting and reporting quality
- Improve timeliness and quality of coded workforce change communications to the Department (CFO and travel interface)and through interagency agreements
- Improve workforce analysis capability
- Improved integration and collaboration of processes
- Increase ad hoc queries, reports and HCM analysis due to creation of a data store
- Increase availability of recruitment tools to HUD Field Offices
- Increase employee satisfaction due to implementation of an EEO complaint retrieval methodology
- Increase percentage of employees with registered access to their personal information in HIHRTS
- Increase retiree information access and satisfaction
- Increase self-service ad hoc queries, reports and Human Communication Manager (HCM) analysis capabilities
- Increased accuracy of employee personal data

- Reduce time to recruit and hire headquarters and field staff
- Reduce complaints and inquiries related to retirement processing
- Reduce costs related to physical records storage and retrieval
- Reduce costs to support EEO functionality
- Reduce customer support calls for Human Communication Manager (HCM) queries, and reports
- Reduce mission critical skill gaps as established by competency goals through the LMS
- Reduce number of employee HHRS related complaints

5.2.3.6 HRM Funding Strategy:

HUD's Human Resource Management initiative defined the following funding strategy to augment modernization resources currently available. Each element of the funding strategy is described below.

- **Refine Investment Business Case:** Incorporate relevant elements of the formal modernization plan into an IT investment business case.
- **Consolidation of the following Investments:**

Investment
HUD Integrated Human Resources and Training System (HIHRTS)
Equal Employment Opportunity Tenant Rental Assistance Certification System (EOTRACS)

5.2.4 Acquisition Management Modernization Plan Investment: (New)

5.2.4.1 Acquisition Management Scope:

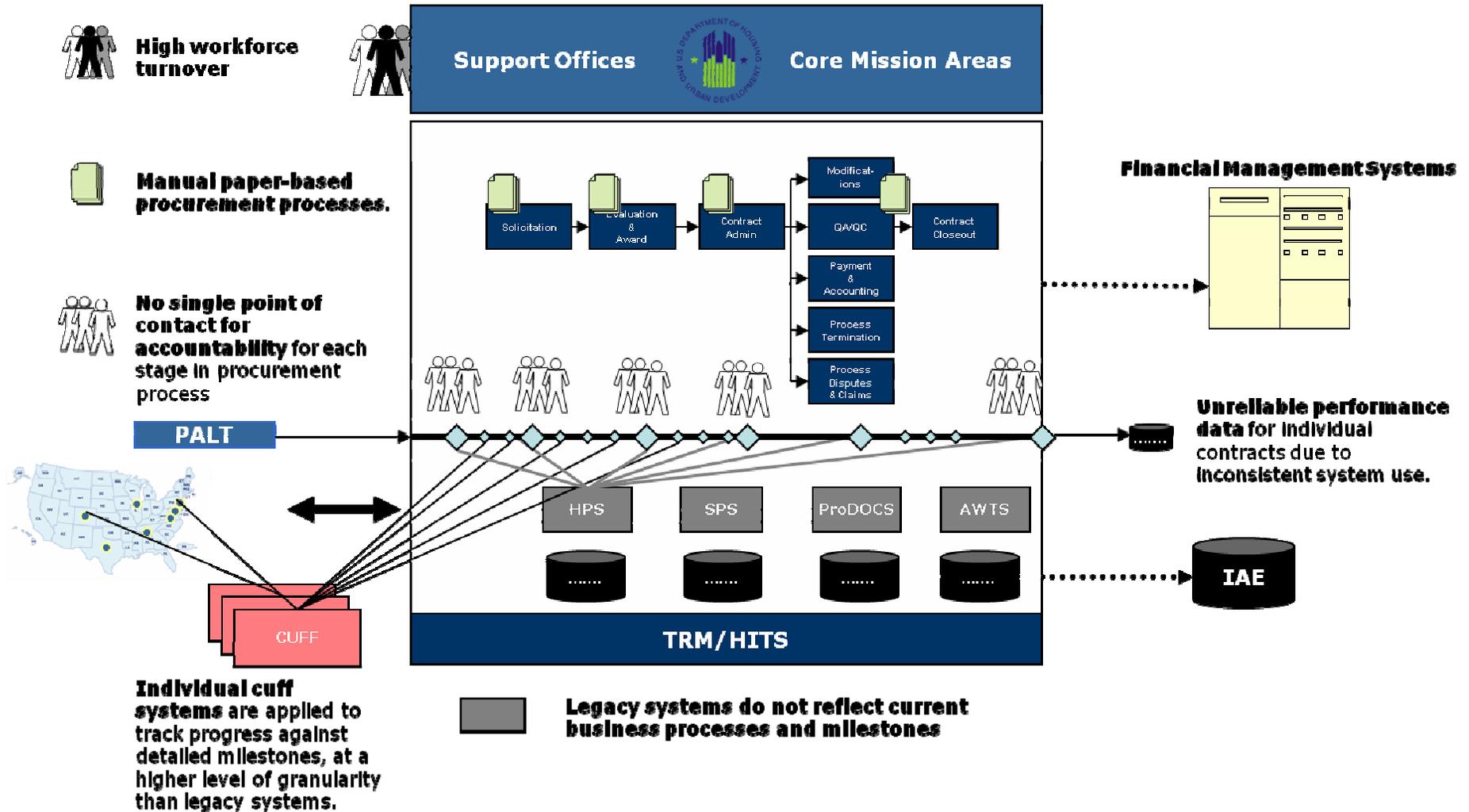
Acquisition management is a cross-cutting support function within HUD. Business and support offices rely on contract support to achieve strategic goals and objectives and execute the agency mission. The existing acquisition management environment is fragmented both as a system and as a process, characterized by manual, duplicative business processes and dual procurement systems with limited or no interoperability with the Department's multiple financial systems. For additional information see the detailed Acquisition Management Modernization Plan (Decision papers 1, 2 and 3).

The Baseline Operational Environment found in **Exhibit 5-3** below highlights performance gaps in the following areas.

- **Stakeholders:** Representing acquisition management stakeholders and decision-makers within HUD's program offices (core mission areas) and support offices, including HUD's acquisition management workforce and contract IPTs.
- **Business Process:** Representing current business processes and activities documented in the AMAP business process documentation. Current business processes incorporate a series of process milestones described in the Procurement Acquisition Lead-Time (PALT) service-level documentation.
- **Applications and services:** Existing acquisition management applications and systems, including HPS, SPS, ProDOCS, and AWTS.
- **Data:** Individual data repositories linked to current applications and systems in the applications and services layer.
- **Technology:** HUD's outsourced IT operational environment managed under the HITS contract

The modernization plan illustrates major steps required to achieve the vision including modernization to the operation environment, and planned changes to stakeholder interactions, business processes, information sharing, applications, and technology to achieve measurable performance improvements. See the **Exhibit 5-4** below for an overview of the baseline environment.

Exhibit 5-4: Baseline Acquisition Management Operational Environment



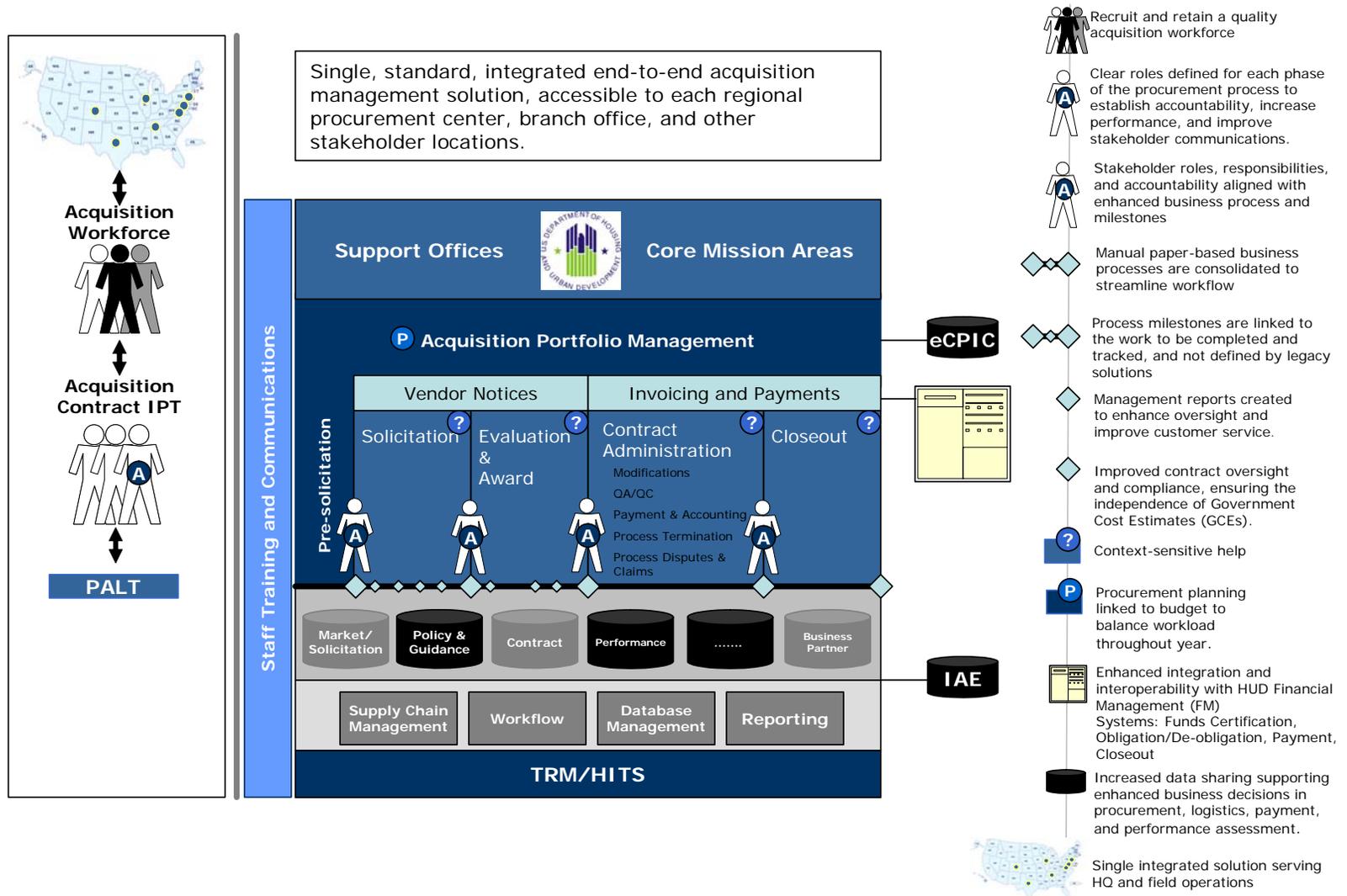
5.2.4.2 Acquisition Management Vision:

HUD's Acquisition Management Modernization Plan and vision addresses the following *priority* modernization opportunities:

- Align the acquisition management solution design with enhanced business processes, performance monitoring, and stakeholder accountability to enhance customer service and improve management oversight.
- Consolidate manual, paper-based business processes to simplify procurement processes and streamline workflow.
- Link procurement planning and budget authorizations to balance workload throughout the fiscal year.
- Define clear roles and ownership for each phase of the procurement process to establish accountability, increase performance, and improve stakeholder communications.
- Improve contract oversight and compliance, ensuring the independence of Government Cost Estimates (GCEs).
- Develop a single automated procurement process from forecast to contract closeout, increasing process throughput and reducing errors.
- Increase data sharing supporting enhanced business decisions in procurement, logistics, payment, and performance assessment.
- Provide clear, simple-to-use management reports to enhance process oversight and improve customer service.
- Enhance integration and interoperability with HUD Financial Management (FM) systems to reduce time to pay and avoid unnecessary contract payments.
- Recruit and retain a quality acquisition workforce, reducing staff turnover and improving customer service.

The proposed target Operational Environment displayed in **Exhibit 5-5** provides a simple illustrative overview of future state acquisition management operations.

Exhibit 5-5: Proposed Acquisition Management Target Operational Environment



5.2.4.3 Acquisition Management Cross Agency Initiatives and Departmental Dependencies:

In order to maximize performance improvements, Acquisition Management modernization will be integrated with cross agency initiatives and Departmental systems found in the list below.

- Federal Integrated Acquisition Environment
- FedBizOpps
- Past Performance Information Retrieval System (PPIRS)
- Government Cost Estimates
- Financial System Interfaces

5.2.4.4 Acquisition Management Drivers:

Acquisition Management modernization is driven by the factors summarized below creating a compelling case for change.

- **Mission Performance** - Related to the core objectives and goals of the business area, including culture and organizational structure.
- **Workforce Retention and Management** - Related to retention, attrition, workforce capabilities, and the ability to improve management oversight of the workforce.
- **Information Access** - Related to the ability to simply acquire, report on, and share information related to business functions.
- **Budget Management** - Related to improvements in financial and budget management, visibility, and oversight.
- **Customer Relations** - Related to requirements, communications, and relations with OCPO client business areas.
- **FISMA Compliance** - Acquisition Management solutions will be compliant with requirements of the Federal Information Security Act OMB Circular A-130 and the HUD Information Technology Security Policy 2400.25 Rev. 1. The Federal Information Security Management Act of 2002 ("FISMA", 44 U.S.C. § 3541, et seq.)
- **FISO Compliance** - Financial Systems Integration Office (FSIO) within the General Services Administration. The Financial Systems Integration Office (FSIO) within the General Services Administration was formerly known as the Joint Financial Management Improvement Program (JFMIP) staff office.
- **FFATA Compliance** -The Federal Funding Accountability and Transparency Act (FFATA), passed in 2006, require grant-making agencies to report all awardee and sub-awardee information to the general public by January 1, 2009. HIAMS Financial interface for grant related contract awards will need to support the requirements of FFATA.

5.2.4.5 Acquisition Management Performance:

The **Table 5-7** below provides a summary of Acquisition Management business performance improvement milestones and performance indicators ordered in planned delivery date order. The delivery of a performance improvement milestone represents a point in time that HUD can measure modernization results, return on investment or performance improvements. HUD uses these milestones to evaluate and control delivery of performance improvements on modernization projects. Detailed performance metrics and results can be found in HUD's EA Enterprise Performance Architecture.

Table 5-7: Acquisition Management Performance Summary

Delivery Date	Milestone ID	Performance Milestone	• Performance Indicator(s)
2008/Q3	ACQ-M-01	Communicate Modernization Plan (staff & stakeholders)	<ul style="list-style-type: none"> • Total average customer satisfaction as measured by survey • GS 1102 attrition or staff turnover rate
2008/Q3	ACQ-M-05	Reallocate workload by location	<ul style="list-style-type: none"> • Quarterly obligations as measured against plan (count and dollar amount) • Average cost per action (Award, Modification, Closeout)
2008/Q4	ACQ-M-04	Implement Performance Tracking	<ul style="list-style-type: none"> • Count of IG findings • Average cost per action (Award, Modification, Closeout)
2008/Q4	ACQ-M-07	Complete pre-solicitation (pilot)	<ul style="list-style-type: none"> • Award to Modification ratio based on a 3-year average of awards and modifications • Average time to complete PALT milestones as measured against target
2009/Q2	ACQ-M-03	Execute GTR competency profile Q2 2009	<ul style="list-style-type: none"> • Percentage of FAC-COTR certified GTRs • Award to Modification ratio based on a 3-year average of awards and modifications
2009/Q2	ACQ-M-02	Execute OCPO competency profile	<ul style="list-style-type: none"> • Procurement job skill certification • GS 1102 attrition or staff turnover rate
2009/Q4	ACQ-M-06	Initiate workload balancing across fiscal year	<ul style="list-style-type: none"> • Quarterly obligations as measured against plan (count and dollar amount) • GS 1102 attrition or staff turnover rate
2010/Q2	ACQ-M-08	Implement integrated Acquisition Management solution	<ul style="list-style-type: none"> • Quarterly obligations as measured against plan (count and dollar amount) • GS 1102 attrition or staff turnover rate • Average time to complete PALT milestones as measured against target • Average cost per action (Award, Modification, Closeout)

Delivery Date	Milestone ID	Performance Milestone	• Performance Indicator(s)
2010/Q2	ACQ-M-09	Implement redesigned business processes	<ul style="list-style-type: none"> • Number of HPS/SPS users • GS 1102 attrition or staff turnover rate • Average time to complete PALT milestones as measured against target • Average cost per action (Award, Modification, Closeout)

Acquisition Management performance goals are business improvements expected from modernization efforts. The list below offers a sample of Acquisition Management expected business results from modernization efforts.

- Redesigned business processes associated with pre-solicitation, solicitation, evaluation and award, and modification phases, yielding reduction in delivery time, elimination of re-work and improved quality.
- Implementation portfolio-level acquisition planning and management.
- Re-focus staff resources on largest customers and most important contract actions.
- Consolidated contract management roles, e.g., move to Federal COTR model.
- Standard model and procedures for delegation of authority for specific contract actions.
- Capable OCPO staff and program personnel to maintain required skill levels.
- Balanced workload, decoupling award of contracts from fiscal cycle (revise stakeholder guidance; improve tracking and guidance against procurement plans).
- Movement to a results-oriented contract environment (outcome-based) – apply modular contracting to combine advantages of fixed-price and un-priced approaches.
- Distributed geographic workload moving OCPO operations to the field, when appropriate.

5.2.4.6 Funding Strategy:

HUD’s Acquisition Management Integrated Project Team (IPT) defined a multi-tiered/multi-year funding strategy to augment modernization resources currently available. Each level of funding strategy is described below.

- **CPO Executive Communications:** In partnership with HUD’s CIO, the CPO will communicate the modernization strategy directly to the CFO, HUD Deputy Secretary, and HUD Assistant Secretaries. Executive-level communications will outline modernization benefits, the modernization strategy, and projected total cost of ownership. The CPO will solicit business area partnership for acquisition management modernization funding.
- **OCPO Management Communications:** In parallel with CPO communications, OCPO directors and managers will conduct modernization plan orientation meetings with business area directors and managers. Business area managers and directors will be asked to participate in acquisition management modernization and the implementation of acquisition management business and technical solutions. The IPT considers OCPO communications as critical components of the buy-in process facilitating modernization funding.
- **Reprogram funds:** Petition program areas to reprogram technical assistance funds and OCIO working capital to support acquisition management modernization objectives.
- **Develop IT Investment Business Case:** Incorporate relevant elements of the modernization plan into an IT investment business case. If possible, the acquisition management modernization plan will be incorporated into a “major” investment for one or more business services, aligned with enterprise segments defined by the agency
- **Consolidation of the following Investments:**

Investments
HUD Procurement System (HPS)
Small Procurement System (SPS)

5.3 Enterprise Services

5.3.1 Electronic Document and Records Management Modernization Plan (Investment: HERS)

Scope:

The Enterprise Electronic Document and Records Management (EDRM) is a cross cutting enterprise service enabling HUD to effectively manage all of its documents and records in a consistent, legal, and logical manner, from creation to final disposition, using a common set of tools, standards and policies. The objective of EDRM is to promote collaboration and sharing. HUD's knowledge is captured in digital format. This enterprise service integrates with the Knowledge Management/Collaboration enterprise service.

5.3.1.1 EDRM Vision:

EDRM implementation teams intend to establish a basis by which HUD programs can incorporate and implement records management requirements and functionality into all areas of business operations. The modernization plan vision includes:

- Promoting a standard means of implementing records management at HUD
- Identifying records management requirements and link them to services, technologies and business processes
- Defining records management requirements and standards to enhance capital planning, business process design, and the systems development life cycle
- Establishing a concise and coherent body of records management resources within the agency

Phase 1 of the modernization plans includes modernizing correspondence and FOIA request tracking.

5.3.1.2 EDRM Drivers:

EDRM modernization is driven by the factors summarized below creating a compelling business case for change.

- Improved utilization of resources
 - Reduces time to respond, research and address the document
 - Reduces system development time and operations and maintenance costs by eliminating duplicative investments, promoting sharing of common services and establishing Departmental standards
- eDiscovery regulation
- Executive Order 13392 (21 day timeframe to respond to FOIA request) Incompliance leads
- Electronic Signature (E-Sign) initiative
- Financial Penalties Act
- Government Paperwork Elimination Act (GPEA)
- Government Performance and Results Act (GPRA)
- NARA's Federal Records Act
- Paper Reduction Act
- Technology obsolescence
- Government Paperwork Elimination Act (GPEA)

5.3.1.3 EDRM Performance:

The table below provides a summary of EDRM business performance improvement milestones and performance indicators ordered in planned delivery date order. The delivery of a performance improvement milestone represents a point in time that HUD can measure modernization results, return on investment or performance improvements. HUD uses these milestones to evaluate and control delivery of performance improvements on modernization projects. Detailed performance metrics and results can be found in HUD's EA Enterprise Performance Architecture.

Table 5-8: EDRM Performance Summary

Delivery Date	Milestone ID	Performance Improvement Milestone	Performance Indicator(s)
Q1/2007 Complete	HERS-M-01	Roll-out Correspondence Tracking System (CTS) for 300 users – Phase 1	<ul style="list-style-type: none"> • Volume of paper to process controlled correspondence • Processing time for directives prior to publication • Time to respond to FOIA requests • Reduce the number of document/record management systems • Productivity and accountability
Q1/2008 Complete	HERS-M-04	Implement Public Access Link (PAL), and online solution, in FMS2 to enable members of the public to check the status of pending FOIA requests	<ul style="list-style-type: none"> • User self-sufficiency and satisfaction • Reduce the backlog of FOIA requests
Q4/2007 Complete	HERS-M-05	Develop a formal FOIA Business Modernization Plan	<ul style="list-style-type: none"> • Improved collaboration and integration of business processes
Q3/2008	HERS-M-06	Migrate ACORN Unisys mainframe for FOIA processes to the new FOIA Management System (FMS2) COTS solution.	<ul style="list-style-type: none"> • Number of FOIA in annual backlog • Percentage of processed FOIA requests compared to number of new requests and pending requests
Q4/2008	HERS-M-07	Retire ACORN, CMS and FMS.	<ul style="list-style-type: none"> • Records retired on schedule
Q2/2009	HERS-M-08	Implement Electronic Signature in CTS and FMS2.	<ul style="list-style-type: none"> • Number of eSignature processed FOIAs • Staff workload • Time to delivery • Self sufficiency and satisfaction

Delivery Date	Milestone ID	Performance Improvement Milestone	Performance Indicator(s)
Q4/2009	HERS-M-09	Continue roll-out of CTS for 3000 users in the field offices.	<ul style="list-style-type: none"> • Percentage of actual CTS uses as compared to identified CTS users • Number of CTS users • OMB correspondence accuracy • Volume of paper to process controlled correspondence • Number of document / record management systems • Processing time for directives prior to publication • Productivity and accountability
Q4/2009	HERS-M-10	Roll-out of an additional 1000 FMS2 licenses for Documentum and CAT Express users.	<ul style="list-style-type: none"> • Number of FOIA in annual backlog • Percentage of processed FOIA requests compared to number of new requests and pending requests
Q4 /2010	HERS-M-03	Implement Enterprise Electronic Records and Document Management (HERS).	<ul style="list-style-type: none"> • Percentage of correspondence closed on schedule • Processing time for directives prior to publication • Volume of paper to process controlled correspondence • Total annual storage costs at NARA (paper files). • Number of document/record management systems.

EDRM performance goals are business improvements expected from modernization efforts. The list below offers a sample of EDRM expected business results from modernization efforts.

- Decrease the volume of paper used to process controlled correspondence
- Reduce the number of document/record management systems by 3
- Reduce total processing time for directives prior to publication
- Decrease the time to respond to FOIA requests
- Increase productivity and accountability
- Increase user's self-sufficiency and satisfaction
- Improved collaboration and integration of business processes
- Increase the percentage annually processed FOIA requests compared to the number of new requests and those pending at the beginning of the year
- Reduce the FOIA backlog by increasing the annual percentage of FOIA requests processed
- Increase the number of records retired on schedule
- Improve integration and collaboration of business processes
- Improve HUD's correspondence and FOIA processes by implementing eSignature capabilities

- Reduce staff workload
- Reduce time to respond to citizen, partner, congressional and management inquiries
- Increase accuracy of correspondence to OMB
- Reduce the number of document/record management systems
- Reduce the FOIA backlog by increasing the annual percentage of FOIA requests processed
- Increase the percentage of correspondence closed on schedule
- Reduce total processing time for directives prior to publication

5.3.1.4 EDM Funding Strategy:

HUD's EDRM initiative defined the following funding strategy to augment modernization resources currently available. Each element of the funding strategy is described below.

- **Develop IT Investment Business Case:** Incorporate relevant elements of the modernization plan into an IT investment business case. If possible, the EDRM modernization plan will be incorporated into an investment for one or more business services, aligned with enterprise segments defined by the agency
- **Consolidation of the following Investments:**

Investment
iManage
HERS

6 Appendix A: Modernization Stages

The graphic found on the following page describes the transition stages from systems / applications focused organization to a services and business focused organization. It depicts the transformation from rigidity to agility and improved business performance.

