DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Administrative Support Offices

Office of the Chief Information Officer

SALARIES AND EXPENSES

(Dollars in Thousands)

	2021*	2022			2023		
	Actuals	**Carry Over**	**Annualized CR**	**Total**	**Carry Over**	**President's Budget**	**Total**
Personnel Services:	$46,569	$7,736	$42,443	$50,179	$11,000	$50,000	$61,000
Non-Personnel Services:							
Travel	14	900	-	900	-	900	900
Transportation of Things	-	-	-	-	-	-	-
Rent and Utilities	-	-	-	-	-	-	-
Printing	-	1	-	1	-	1	1
Other Services/Contracts	6,871	6,003	10,000	16,003	-	15,096	15,096
Training	539	1,000	-	1,000	-	1,000	1,000
Supplies	11	100	-	100	-	100	100
Furniture and Equipment	-	-	-	-	-	-	-
Claims and Indemnities	-	-	-	-	-	-	-
Total, Non-Personnel Services	**$7,435**	**$8,004**	**$10,000**	**$18,004**	**-**	**$17,097**	**$17,097**
Working Capital Fund	2,813	-	-	-	-	3,103	3,103
Carryover	15,740	-	11,000	11,000	-	-	-
Grand Total	**$72,557**	**$15,740**	**$63,443**	**$79,183**	**$11,000**	**$70,200**	**$81,200**
FTEs	**251**	**39**	**216**	**255**	**54**	**245**	**299**

*Includes 2020 Carryover

PROGRAM PURPOSE

The mission of the Office of the Chief Information Officer (OCIO) is to enable delivery of HUD programs, services, and management processes by providing high-quality information technology (IT) solutions and services to its stakeholders. The OCIO is committed to modernizing HUD IT. The OCIO is focused on the accomplishment of our programmatic goals to:

- Enhance service delivery, assess IT workforce, and processes to align with HUD and OCIO mission;
- Create repeatable processes that streamline and improve OCIO through performance and innovation; and
- Strengthen customer collaboration to deliver customer focused outcomes.

HUD's mission is critical to achieving the President's vision to ensure that we build back better from the public health and economic challenges and address longstanding systemic challenges, including racial injustice, rising inequality, and the climate crisis. HUD's work is essential to improving the quality of life of the American people, and this investment in OCIO's salaries and expenses (S&E) will assist in ensuring that work can be done.

BUDGET OVERVIEW

The 2023 President's Budget requests $70.2 million for the OCIO, which is $6.8 million more than the 2022 annualized CR level. The Budget reflects total funding (carryover and new authority) of $81.2 million, $2 million above 2022 total funding. The 2023 Budget supports OCIO's S&E requirements to improve HUD's cybersecurity posture, support IT modernization, and increase infrastructure operational services and IT support in HUD field offices.

Personnel Services (PS)

The Budget assumes total funding (carryover and new authority) of $61 million for OCIO PS, $10.8 million above 2022 total funding, to support 299 full-time equivalents (FTEs), which reflects an overall increase of 44 FTEs from 2022. The Budget assumes 244 FTEs in Headquarters and 55 FTEs in the field offices. The funding also supports a 4.6 percent Federal pay raise. The FTE increases are primarily due to the full effect of the annualized costing for the hires expected in late 2022 and to improve HUD's cybersecurity posture to support:

- Headquarters Services for configuration management, incident response, continuous monitoring, escalation, and incident/problem management;
- Data Center for Engineering support services, incident response, DevOps support model across Tiers 1, 2, and 3 services in Development, Integration, Test, Staging, Production, and Disaster Recovery environments for associated Data Center and Cloud services;
- Operation Security for Continuous Diagnostic Monitoring (CDM) support services/incident response;
- Unified Communications for network security engineers and network administrators; and
- Acquisition Management Branch to support OCIO's IT and S&E requisition activities by balancing Contracting Officer's Representatives (CORs) workload and to improve OCIO's pre and post contract award work activities.

Non-Personnel Services (NPS)

The Budget assumes total funding of $17.1 million for OCIO NPS, $907 thousand below 2022 total funding. This funding level will maintain 2022 current services for contracts, travel, training, and supplies. The slight decrease is due to increased staffing, which reduces OCIO's reliance on contractor support to augment IT staff functions.

Working Capital Fund (WCF)

The Budget assumes total funding of $3.1 million for OCIO's WCF requirements, which is $1.5 million above 2022 Annualized CR WCF requirements that were forward funded at the end of 2021. The WCF funding level reflects payments for baseline WCF services (including inflationary adjustments and changes in service utilization) and the additions of the End-User Devices business line, the Printing Services business line, HR platform licensing, and the full cost recovery of Financial Services Acquisition and Development Division (FSADD) Financial Management expenses.

KEY OPERATIONAL INITIATIVES

OCIO's 2023 Budget will directly support the HUD Strategic Goals listed below:

1. Support Underserved Communities:

    a. Enhance the quality, availability, and delivery of HUD information to citizens, employees, business partners, and government.

    b. Modernization efforts support both this priority and priority 2 below, as the Public and Indian Housing (PIH) and Federal Housing Administration (FHA) programs will be more effective and cost efficient as modernization initiatives are completed and become operational. This allows these programs to further expand their services to the public. The request also provides other areas to enhance the quality, availability, and delivery of HUD information to citizens, employees, business partners, and government.

2. Ensure Access to and Increase the Production of Affordable Housing:

    a. FHA Modernization, which is a multi-year investment, will modernize FHA's antiquated systems to align with industry technology improvements. While FHA has long delegated significant underwriting and servicing authority to lenders, technology now enables a "trust but verify" approach of granular monitoring and oversight that better protects the taxpayer without placing an undue burden on FHA personnel.

    b. Subsidies and Inspection Modernization involves the migration to cloud-based computing resources, automation of program-specific business rules, improved information sharing through use of a common database model, and development of inspection mobile application.

    c. Grants Modernization improves the grants-making process by streamlining, modernizing, and consolidating the legacy systems that support grant programs. Currently, HUD operates multiple grants management systems on the Agency's infrastructure. Additionally, HUD uses Grant Solutions, the shared software, as a service operated by the Grants Center of Excellence at the Department of Health and Human Services (HHS).

3. Strengthen HUD's internal capacity:

    a. Promote an enterprise approach to Information Technology that will foster innovation and collaboration.

    b. Achieve excellence in IT management practices.

    c. Transform the OCIO into a culture of operational excellence that can achieve current and future Departmental goals.

    d. Maintain the stability, quality, and availability of HUD's core enterprise services and the enterprise IT infrastructure supporting HUD's program offices, public facing systems, and internal operations used in facilitating the fulfillment of HUD's mission.

    e. Support the transition from maximum telework to hybrid and in-person work through space modifications and system reconfiguration.

4. OCIO's proposed 2023 Budget will help execute Executive Order 14028, Improving the Nation's Cybersecurity, by implementing new policies to protect the American people's security and privacy:

    a. <u>Modernize Federal Government Cybersecurity</u>: To keep pace with today's dynamic and increasingly sophisticated cyber threat environment, OCIO must take decisive steps to modernize its approach to cybersecurity, including increasing the visibility into threats, while protecting privacy and civil liberties. HUD must adopt security best practices, centralize and streamline access to cybersecurity data to drive analytics for identifying and managing cybersecurity risks, and invest in both technology and personnel to match these modernization goals.

    b. <u>Enhance Software Supply Chain Security</u>: There is a pressing need to implement more rigorous and predictable mechanisms for ensuring that products function

securely, and as intended. The security and integrity of "critical software" – software that performs functions critical to trust – is a particular concern.

    c. <u>Improve Detection of Cybersecurity Vulnerabilities and Incidents on HUD Networks</u>: HUD shall employ all appropriate resources and authorities to maximize the early detection of cybersecurity vulnerabilities and incidents on its networks. This approach shall include increasing the visibility into and detection of cybersecurity vulnerabilities and threats to agency networks in order to bolster HUD's cybersecurity efforts.

Operational Risk:

OCIO's S&E resources are critical to ensuring HUD can perform mission critical functions related to operations for IT systems and security. OCIO staff must be trained and aligned to fully support agile development processes. Business and program system owners must be trained to understand requirements for coordination/participation in the development of HUD systems. HUD programs may experience delays in implementation timelines and/or the development of IT systems that do not meet the organization's mission or operational requirements.