INFORMATION TECHNOLOGY FUND
2019 Summary Statement and Initiatives
(Dollars in Thousands)

INFORMATION TECHNOLOGY FUND	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2017 Appropriation	$257,000	$87,023	...	$344,023	$254,749	$239,651
2018 Annualized CR	257,000	92,080	-$1,745[a]	347,335	316,563	262,778
2019 Request	260,000	34,772	...	294,772	278,872	264,928
Change from 2018	+3,000	-57,308	+1,745	-52,563	-37,691	+2,150

a\ Public Law 115-56 requires a reduction of 0.6791 percent from the fiscal year 2017 enacted budget authority.

1. Program Purpose and Fiscal Year 2019 Budget Overview

The Information Technology (IT) Fund provides for the infrastructure, systems, and services that support all Department of Housing and Urban Development (HUD) programs, which include all of HUD's mortgage insurance liabilities, rental subsidies, formula and competitive grants. The 2019 request of $260,000,000, along with funds that will be carried over from fiscal year 2018, supports Operations and Maintenance (O&M) activities (sustaining current systems and applications), and some continuation of Development, Modernization, and Enhancement (DME) initiatives.

2. Request

HUD is pursuing strategic realignment to maximize the impact of operational resources to deliver on its mission, and smart IT investment is a critical component to finding and realizing necessary efficiencies. HUD is committed to using technology to better serve our citizens, giving them the tools and information they need to more readily access HUD services. Requested funds provide for the operation of current IT systems and applications that support HUD's business, administrative functions, and the IT infrastructure (such as computer hardware, network and communications, support services, enterprise software licenses, and cybersecurity).

The Office of the Chief Information Officer (OCIO) will continue to improve upon HUD's IT infrastructure by consolidating systems, providing enterprise capabilities, and improving the effectiveness and efficiency of programs and operations through modernization and automation. This includes a selective review of modernization investments to support public housing

authorities and managing risk in the Federal Housing Administration's (FHA) mortgage liability portfolio. In accordance with Federal Information Technology Acquisition Reform Act (FITARA), the CIO continues to expand oversight and improve HUD's management of IT spending by working with offices to define program needs, re-platforming legacy systems, and scrubbing IT contracts and systems. HUD will continue to pursue development and modernization initiatives that leverage enterprise technology to support HUD's multiple mission areas promoting decent, safe, and affordable housing for Americans and providing access to homeownership opportunities. HUD will continue to capitalize on opportunities to digitize manual processes and end-user experiences with improved functionality.

3. Justification

Prior to 2017, the IT Fund had operated at a $250,000,000 level for several years. This funding supported current operations with limited upgrades and enhancements. The OCIO has thoroughly reviewed current systems contract requirements to reduce contract scope and service levels as much as possible, and has consolidated or eliminated contracts. About two-thirds of the O&M funds are used for the IT infrastructure and operations that support the entire Department. The remainder is needed for individual systems and applications that are directly used by core mission programs and by enterprise administrative areas.

At the $260,000,000 requested level, HUD will transition to and maintain an enterprise approach for common functionality (such as case management, workflow management, records management, data management, and reporting/business intelligence) and expand its cybersecurity program. The request also includes moving applications and infrastructure to the cloud. HUD is expanding its capacity in areas such as architecture design and implementation, in-house solution engineering, and continuous integration and delivery of new products into operations. In these ways, OCIO is investing in modernization, security upgrades, and leveraging the cloud and emerging technology across its programs to replace standalone capabilities within each mission area. This will gradually lower technology costs by achieving economies of scale and streamlined technology, driven by integration and consolidation of IT systems and greater use of enterprise shared services. The migration to the cloud will significantly reduce future data center costs beginning in fiscal year 2021. HUD continues to assess and streamline current operating needs to prioritize enhancements to the IT infrastructure by modernizing and consolidating the existing operating platforms of outdated legacy systems. This will reduce the security vulnerabilities of IT applications and will reduce long-term IT costs.

HUD is strengthening its cybersecurity programs to further reduce enterprise-wide vulnerabilities and risk. This includes a phased transition of the Re-Authorization of HUD's General Support Systems and Major Applications to Continuous Authorization/Ongoing Authorization to provide risk determinations and risk acceptance decisions more frequently to keep pace with mission/business requirements and organizational risk tolerance. The increase in the cybersecurity budget also reflects the Department's commitment to strengthen its identify, detect, respond, and recover capabilities with the following services:

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- Penetration Testing - security testing in which assessors mimic real-world attacks to identify methods for circumventing the security features of an application, system, or network.
- Cyber Hunt - these activities are responses to crises or urgent situations within the pertinent domain to mitigate immediate and potential threats. Cyber Hunt activities start with the premise that threat actors known to target some organizations in a specific industry, or specific systems, are likely to also target other organizations in the same industry or with the same systems. OCIO is also enhancing the following areas:

  - Incident Response services help organizations impacted by a Cybersecurity compromise determine the extent of the incident, remove the adversary from their systems, and restore their networks to a more secure state.

  - Risk and Vulnerability Assessment conducts assessments of threats and vulnerabilities, determines deviations from acceptable configurations, enterprise or local policy, assesses the level of risk, and develops and/or recommends appropriate mitigation countermeasures in operational and non-operational situations.

By 2019, HUD will have completed reforming its IT infrastructure to a more agile, modern, mobile-friendly environment, utilizing a federal shared service provider. This initiative is known as the HUD Enterprise and Architecture Transformation (HEAT), and includes the transition to enterprise software agreements and FedRamp cloud solutions, implementation of GSA strategic sourcing contracts, migration of all computer hardware into two multi-tenant shared data centers and of enterprise applications to the Cloud. This will provide increased efficiencies, augmented internal monitoring and management capabilities, and optimized IT Infrastructure services.

OCIO continues to evaluate the best approaches to new developments. HUD is committed to using technology to the fullest, to better serve our citizens, retire obsolete and inefficient IT systems, and reduce the cost and complexity of its applications. OCIO's goal is to "build systems once and use them many times," reforming HUD's IT infrastructure through consolidation, utilizing enterprise capabilities, and improving the effectiveness and efficiency of programs and operations. As HUD begins to incorporate its infrastructure improvements and new capabilities into its operations, it will pursue contractual and operational adjustments to maximize efficiencies. Going forward, carryover will be maintained at minimum levels for unanticipated needs.

IT Resource Statement

In accordance with OMB Circular A-11, Section 51.3, the Department of Housing and Urban Development (HUD) provides the following statements:

(a) The Chief Information Officer (CIO) has reviewed, and had significant input in approving all IT Investments included in this budget request.

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(b) The Chief Financial Officer (CFO) and CIO state that the CIO had a significant role in reviewing planned IT support for major programs and for significant increases and decreases in IT resources reflected in this budget.

(c) The FITARA common baseline rating for Element D, that the CIO reviews and approves major IT Investment portion of budget request, is at Level 3 (Fully Implemented.) HUD has developed and implemented a plan to ensure that all common baseline FITARA responsibilities are in place.

(d) The CIO certifies the use of incremental development practices for current and proposed new IT investments in all programs throughout HUD.

General Provisions

The President's Budget proposes the following General Provision for the Information Technology Fund:

Allows for the transfer of up to $10 million from Salaries and expenses to the Information Technology Fund (Sec. 250).

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Summary of Resources by Program
(Dollars in Thousands)

Budget Activity	2017 Budget Authority	2016 Carryover Into 2017	2017 Total Resources	2017 Obligations	2018 Annualized CR	2017 Carryover Into 2018	2018 Total Resources	2019 Request
Operations, Maintenance, Development, Modernization and Enhancements	$257,000	$87,023	$344,023	$254,749	$255,255	$92,080	$347,335	$260,000
Total	257,000	87,023	344,023	254,749	255,255	92,080	347,335	260,000

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Appropriations Language

The fiscal year 2019 President's Budget includes proposed changes in the appropriation language listed below.

For the development, modernization, and enhancement of, modifications to, and infrastructure for Department-wide and program-specific information technology systems, for the continuing operation and maintenance of both Department-wide and program-specific information systems, and for program-related maintenance activities, $260,000,000, shall remain available until September 30, 2020: Provided, That any amounts transferred to this Fund under this Act shall remain available until expended: Provided further, That any amounts transferred to this Fund from amounts appropriated by previously enacted appropriations Acts may be used for the purposes specified under this Fund, in addition to any other information technology purposes for which such amounts were appropriated.

Note.—A full-year 2018 Annualized CR for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.