

2023 USDA EXPLANATORY NOTES – WORKING CAPITAL FUND

Table of Contents

Agency-Wide	18
Purpose Statement	18
OIG and GAO Reports	19
Available Funds and FTEs	19
Permanent Positions by Grade and FTEs	19
Lead-Off Tabular Statement.....	20
Project Statement	21
Geographic Breakdown of Obligations and FTE	25
Classification by Objects.....	26
Status of Programs	27

AGENCY-WIDE**PURPOSE STATEMENT**

The U.S. Department of Agriculture (USDA) Working Capital Fund (WCF) was established in 1944, authorized under 7 U.S.C. 2235. The WCF mission is to provide a financing mechanism to support services that the Secretary, with the approval of the Office of Management and Budget, determines is more effective as central services within the Department's Agencies. The WCF is used to finance services provided to USDA and Non-USDA agencies on a reimbursement or fee-for-service basis. USDA services over 100 Non-USDA Agencies* which reduces USDA's share of fixed cost. Centrally managed operations provide efficient, cost-effective, reliable, and transparent services through economies of scale, extensive management oversight, and recurring Fund reviews. The WCF does not receive appropriated funds.

* Some of the Non-USDA agencies include: Department of Commerce, Department of Justice, Department of Labor, Department of Air Force, Department of Army, Department of Interior, Department of Treasury, Office of Personnel Management, Federal Election Commission, Government Accountability Office, United States Secret Service, and Library of Congress. Other Non-USDA Agencies serviced consist of numerous Independent Agencies, Boards, Commissions, and Foundations.

The WCF finances USDA Activity Centers under five functional categories as follows:

Administration:

- Materiel Management Service Center (MMSC)
- Mail and Reproduction Services (MRS)
- Integrated Procurement Systems (IPS)
- Human Resources Enterprise Systems Management (HRESM)
- Procurement Operations (POD)

Communications:

- Creative Media and Broadcast Center (CMBC)

Financial Management:

- National Finance Center (NFC)
- Financial Shared Services (FSS)
- Internal Control Support Services (ICSS)
- Financial Management Support Services (FMSS)

Information Technology:

- Digital Infrastructure Services Center (DISC)
- Department Administration Information Technology Office (DAITO)
- Client Experience Center (CEC)
- Enterprise Network Services (ENS)

Correspondence Management:

- Office of the Executive Secretariat (OES)

As of September 30, 2021, there were 2,644 permanent full-time employees, including 341 in Washington, D.C., and 2,241 in field offices.

OIG AND GAO REPORTS

Table WCF-1. In-Progress OIG Reports (audits pending closure)

ID	Title
50601-0004-23	USDA Controls over Departmental Shared Cost Programs and Working Capital Fund

AVAILABLE FUNDS AND FTEs

Table WCF-2. Available Funds and FTEs (thousands of dollars, FTEs)

Item	2020 Actual	FTE	2021 Actual	FTE	2022 Estimated	FTE	2023 Estimated	FTE
USDA Fee for Service:								
Administration	\$46,097	139	\$47,849	150	\$48,060	173	\$48,657	181
Communications	2,968	9	6,004	9	4,430	11	5,399	13
Correspondence Management	4,281	21	2,636	8	3,965	17	3,965	17
Financial Management	144,163	477	145,598	519	147,901	533	151,259	535
Information Technology	691,628	925	803,340	1,273	797,330	1,485	801,667	1,488
Subtotal	889,137	1,571	1,005,428	1,961	1,001,686	2,219	1,010,947	2,234
Capital Funding Availability.....	22,008	-	15,513	-	45,656	-	52,296	-
Purchase Card Rebate Proceeds	8,108	-	-	-	25,119	-	10,000	-
Unobligated Balances Transfers	17,998	-	4,391	-	17,290	-	-	-
Technology Modernization	8,485	-	1,545	-	-	-	-	-
Subtotal (USDA).....	945,735	1,571	1,026,877	1,961	1,089,751	2,219	1,073,243	2,234
Non-USDA Fee for Service:								
Administration	1,232	6	1,254	3	1,486	5	1,544	6
Communications	652	-	675	0	577	-	700	-
Financial Management	168,392	671	173,241	593	176,458	679	180,725	680
Information Technology	-	-	54,609	24	53,374	27	49,210	28
Subtotal (Non-USDA).....	170,276	677	229,779	621	231,895	711	232,179	714
Total Available, WCF.....	1,116,011	2,248	1,256,656	2,582	1,321,646	2,930	1,305,422	2,948

PERMANENT POSITIONS BY GRADE AND FTEs

Table WCF-3. Permanent Positions by Grade and FTEs

Item	2020 Actual			2021 Actual			2022 Estimated			2023 Estimated		
	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total	D.C.	Field	Total
SES.....	9	2	11	9	4	13	10	4	14	10	4	14
GS-15.....	32	45	77	31	55	86	31	50	81	32	51	83
GS-14.....	64	168	232	66	195	261	81	210	291	80	211	291
GS-13.....	114	471	585	118	565	683	124	546	670	127	548	676
GS-12.....	50	557	607	40	645	685	58	857	915	60	860	920
GS-11.....	21	306	327	22	409	431	22	420	442	21	418	440
GS-10.....	4	1	5	6	1	7	5	2	7	5	2	7
GS-9.....	12	79	91	10	123	133	11	124	134	11	126	136
GS-8.....	7	33	40	5	35	40	4	32	36	4	32	36
GS-7.....	14	182	196	10	190	200	11	226	237	11	226	237
GS-6.....	21	12	33	13	17	30	9	16	25	9	16	25
GS-5.....	18	14	32	17	30	47	16	28	43	16	28	43
GS-4.....	4	8	12	2	5	7	2	6	8	2	6	8
GS-3.....	1	-	1	1	-	1	1	-	1	1	-	1

2023 USDA EXPLANATORY NOTES – WORKING CAPITAL FUND

Other Graded	-	-	-	10	10	20	13	13	26	16	16	32
Total Permanent....	368	1,880	2,248	360	2,284	2,644	398	2,532	2,930	404	2,544	2,948
Unfilled, EOY.....	-	-	-	19	43	62	-	-	-	-	-	-
Total Perm. FT EOY.	368	1,880	2,248	341	2,241	2,582	398	2,532	2,930	404	2,544	2,948
FTE.....	368	1,880	2,248	341	2,241	2,582	398	2,532	2,930	404	2,544	2,948

LEAD-OFF TABULAR STATEMENT

Table WCF-4. Lead-Off Tabular Statement

Item	Amount
Recurring Operations Estimate, 2022 1/	\$1,233,004,000
Change in Estimate	+ 10,122,000
Budget Estimate, 2023	1,243,126,000
Capital Availability, 2022	\$45,656,000
Change in Availability	+ 6,640,000
Capital Availability, 2023	52,296,000
Purchase Card Rebate Proceeds Availability, 2022 2/	\$25,119,000
Change in Availability	-15,119,000
Purchase Card Rebate Proceeds Availability, 2023	10,000,000
Unobligated Balances Transfer Availability, 2022 3/	\$17,290,000
Change in Availability	17,290,000
Unobligated Balances Transfer Availability, 2022	-

NOTES

- 1/ This amount includes both USDA and non-USDA fee for service activities.
- 2/ Under 7 U.S.C. 2235a, refunds or rebates received on an on-going basis from a credit card services provider under the Department of Agriculture's charge card programs may be deposited to and retained without fiscal year limitation in the Department's Working Capital Fund to fund management initiatives of general benefit to the Department of Agriculture bureaus and offices as determined by the Secretary of Agriculture or the Secretary's designee, subject to further limitations under general provisions of annual appropriations acts that funds be spent on capital investments.
- 3/ The Secretary has authority to transfer unobligated balances to the WCF for acquisition of plant and capital equipment for financial, administrative, and information technology services of general benefit to agencies of the Department of Agriculture. The amount for 2023 (unobligated 2022 funds) will not be known until the end of 2022.
- 4/ Funds available for investment under authority of the Modernizing Government Technology Act; the USDA Working Capital Fund is designated as the Department's information technology working capital under this authority.

PROJECT STATEMENT**Table WCF-5. Project Statement (thousands of dollars, FTEs)**

Item	2020 Actual	FTE	2021 Actual	FTE	2022 Estimated	FTE	2023 Estimated	FTE	Inc. or Dec.	FTE Inc. or Dec.	Chg Key
Fee for Service:											
Administration	\$46,097	139	\$47,849	150	\$48,060	173	\$48,657	181	+\$597	+8	
Communications .	2,968	9	6,004	9	4,430	11	5,399	13	+969	+2	
Correspondence Management	4,281	21	2,636	8	3,965	17	3,965	17	-	-	
Financial Management ...	144,163	477	145,598	519	147,901	533	151,259	535	+3,358	+2	
Information Technology..	691,628	925	803,340	1,273	797,330	1,485	801,667	1,488	+4,337	+3	
Subtotal	889,137	1,571	1,005,428	1,961	1,001,686	2,219	1,010,947	2,234	+9,261	+15	(1)
Capital Funding Availability..	22,008	-	15,513	-	45,656	-	52,296	-	+6,640	-	(2)
Purchase Card Rebate Proceeds.	8,108	-	-	-	25,119	-	10,000	-	-15,119	-	(3)
Unobligated Balances Transfers	17,998	-	4,391	-	17,290	-	-	-	-17,290	-	(4)
Technology Modernization.....	8,485	-	1,545	-	-	-	-	-	-	-	
Subtotal (USDA).....	945,735	1,571	1,026,877	1,961	1,089,751	2,219	1,073,243	2,234	-16,508	+15	
Non-USDA Fee for Service:											
Administration	1,232	6	1,254	3	1,486	5	1,544	6	+58	+1	
Communications	652	-	675	0	577	-	700	-	+123	-	
Financial Management	168,392	671	173,241	593	176,458	679	180,725	680	+4,267	+1	
Information Technology	-	-	54,609	24	53,374	27	49,210	28	-4,164	+1	
Subtotal (Non-USDA)	170,276	677	229,779	621	231,895	711	232,179	714	+284	+3	(1)
Total WCF	1,116,011	2,248	1,256,656	2,582	1,321,646	2,930	1,305,422	2,948	-16,224	+18	

Working Capital Fund

The Working Capital Fund (WCF) serves as the Department's financing mechanism for provision of centralized financial, information technology, administrative, and communications services. The WCF also serves as the principal financing mechanism for investment in corporate-level systems and as the Department's information technology working capital fund under the authority of the Modernizing Government Technology Act.

- 1) A net decrease of \$16,224,000 and a net increase of 18 FTEs for reoccurring operations (\$1,321,646,000 and 2,930 FTEs available in 2022).

The increase reflects estimates of costs in response to anticipated levels in service demand from USDA and non-USDA agencies for WCF-supported services. Amounts shown for 2022 are estimates of costs only, and USDA and non-USDA agencies will be billed their share of actual costs. The staff years represent activity centers' best estimate of the most economical use of human resources to deliver expected demand for goods and services.

- 2) An increase of \$6,640,000 for purchase of equipment availability (\$45,656,000 available in 2022).

The amount available in 2023 represents capital resources available to the WCF to support the purchase of capital assets defined as those assets with an acquisition cost of at least \$25,000 for equipment and at least \$100,000 for software, with a useful life of at least 24 months. Allocations are made to WCF-supported activities up to the limits of availability in support of the provision of services with amounts allocated to be repaid to the fund to preserve available capital.

- 3) A decrease of \$15,119,000 for purchase card rebate proceeds availability (\$25,119,000 available in 2022).

The amount available in 2023 represents the estimated proceeds to be deposited in the WCF under existing legislative authority, plus any residual unallocated amounts from prior years. Amounts are allocated up to the

limits of availability for management initiatives of general benefit to the agencies of the Department, subject to further limitations that might be imposed by Congress limiting spending to capital items.

Expenditures under this section are deemed a high priority by the Department and are estimated as follows:

Item	2022	2023
Amount Available.....	\$25,119,000	\$10,000,000
Allocated.....	24,939,663	0
Unallocated.....	179,337	0

USDA plans to utilize this funding flexibility to pay for critical investments that would otherwise not be possible due to constrained budgets. Notification is herein provided to the Committees on Appropriations of the intent to make the following investments, including a request to obligate funds transferred to the Working Capital Fund in FY 2022 of the following allocation (\$24,939,663).

▪ **FSA Financial Improvement Program (FFIP) - \$6,376,303**

Due to financial management weaknesses within Farm Service Agency (FSA)/Commodity Credit Corporation (CCC), USDA failed to meet the requisites necessary to achieve a full scope financial statement audit opinion in 2015 and continues to have high risk. The Department needs to be aggressive in showing progress in its remediation efforts. Financial management improvement is critical to ensuring that taxpayer funds are used wisely and meeting the intended needs of the programs. USDA continues to work on the migration of the Farm Production and Conservation (FPAC) Business Center accounting into the USDA’s Financial Management Modernization Initiative (FMMI) system. The FPAC’s program financial accounting is not integrated with the rest of USDA in FMMI, creating reconciliation and other issues, additional costs to maintain a separate set of systems, and the inability to achieve a clean accounting audit. As a result, material weaknesses were identified during the audit cycle for the areas of accounting estimates and the maintenance of accounting records. This project will help resolve these issues and facilitate a clean audit opinion. This will be a multiphase multi-year project that will ultimately move federal financial management processes from FPAC Accounting Systems to FMMI. Simultaneously, FPAC FSA will remediate the program application feeder systems to create auditable financial data to integrate with FMMI.

▪ **Rural Housing Service Robotic Process Automation - \$2,000,000**

The Direct Loan Program origination programs include both financial and non-financial actions necessary to ensure pre qualifications and applications comply with all applicable laws, and Departmental and agency policies, procedures, and regulations. The Single-Family Housing (SFH) programs process thousands of loans and loan guarantees each month. Monthly application volume increase in the months prior to the current Fiscal Year end and in the first months of the new Fiscal Year. In FY 2020, SFH experienced the highest loan and loan guarantees in the program’s recent history. Since both programs rely on technology solutions built in the 1990s and early 2000s, each program will benefit from Robotic Process Automation.

The current technology solutions require substantial manual intervention and date re-entry to support the program’s mission. They perform these activities on 27,000 loan applications, with each loan having potentially dozens of documents for processing using this manual method. The current technology solutions require substantial manual intervention and date re-entry to support the program’s mission. By providing funding necessary to implement Robotic Process Automation for the 9 processes listed, the public will have an improved customer experience: SFH Government Loan Program Chatbot, Appraisal Ordering, Payment Past Due Notice, 15-B Checklist Preparation, Reconciliation of Loan Closing Documents, Reconciliation of Lender-Submitted Forms, Grant Reapplications (523 Process), Electronic Customer File Upload, SFH Direct Chatbot and Loan Limit Reviews.

▪ **Support for UniFi Replacement Providing an Advanced Streamlined System (SURPASS) - \$9,500,000**

The SURPASS initiative will replace Unifi Pro Mortgage (UniFi) and enable automation and future modernization and integration efforts to support the direct loan/grant processes. The new system will support a highly automated online application intake and origination system for 502, 504, and 306C

loan/grant programs; collect complete data attributes needed by the Agency, including those identified in the industry-mandated Uniform Residential Loan Application (URLA) changes necessary to make eligibility and underwriting decisions; and process the loan applications through the closing of the loan and construction management and conversion, when applicable. The system will provide a standard web-based loan origination platform that allows consumers to complete and submit a loan application using modern browsers. It will include the ability for applicants to pay credit report fees from the browser or mobile device and the ability for the applicant to electronically submit required documents and sign any required forms in a legally enforceable digital/electronic format. Applicants will not be required to visit a local Rural Development office to obtain access to the web-based loan origination system.

▪ **Equity in Delivery of Agriculture Statistics - \$2,000,000**

National Agricultural Statistic Services (NASS) has observed an increasing divide in how key agricultural data is accessed. Many large media and NASS brokerage firms have created subscription services which aggregate publicly accessible data and repackage it so that it is more readily consumed by farmers and agricultural producers. This inherently creates a disadvantage for small producers who are often minority operators. Restructuring our data, improving access, and better documenting available data will benefit all data users. The Evidence-Based Policy Act of 2019 has mandated that federal agencies improve accessibility to public data sources. This modernization and enhancement will also lessen the digital divide between small and large producers, lower the need for producers to pay for publicly available data, and create more equitable markets by allowing all participants to easily gain insights from the key agricultural information NASS provides. NASS conducts Census of Agriculture every five years and prepares reports covering virtually every facet of U.S. agriculture. NASS' processing and release systems employ several outdated technology components. This investment will facilitate enhancement and modernization of NASS data release and publications of the Census of Agriculture.

▪ **Integrated Modeling and Geospatial Estimation System (IMAGES) - \$2,000,000**

Climate change has increased the number and severity of extreme weather events that impact agricultural productivity, supply chains, and the larger economy. As a net exporter of agricultural commodities, the impacts are truly global. The USDA developed a robust data and analytics platform to enable timelier assessments of climate impacts. Stronger computing infrastructure and tools enable NASS to integrate administrative records, remote sensing, geospatial, environmental, economic, and survey data. NASS has typically taken a survey-mostly approach to producing official statistics through surveys, censuses, and some applications of the cropland data layer (CDL). Investing in this capacity with NASS ensures the Department will have new, timelier, and more specific insights about weather events and related impacts on the sector through integration of its own and public data assets. This investment helps NASS provide new data layers for climate analysis across the department, expand its data portfolio beyond data tables, and make new insights equally available to producers and stakeholders. It also supports cost resilience and adaptive solutions to existing data collection programs.

▪ **Agricultural Trade Licensing and Attestation Solution (ATLAS) - \$1,263,360**

The European Union (EU) Market for US dairy exports is estimated to be around \$100 million annually. EU Market estimates for non-dairy composite products could be up to \$250 million annually. USDA's Agricultural Marketing Service (AMS) will use the investment to make modifications and enhancements to the ATLAS system to handle additional certificates and commodities. Additions will be made for composite product export certificates needed to meet EU export certificate modifications and a January 2022 deadline. The funds will be used to retain the services of an existing contractor (Steampunk) to continue programming the AMS ATLAS system to modify electronic health certificates required to export composite products and maintain market access to the EU and allied European Market members.

▪ **Safe Return to Work (COVID Response) - \$1,800,000**

The Biden Administration's Safer Federal Workforce guidance requires the implementation of COVID-19 testing at every federal agency to meet specific requirements. By acquiring this system, it will facilitate the efforts to track federal requirements for screening and testing federal employees not fully vaccinated and diagnostic testing for any federal employees who have been exposed to persons with COVID-19 at work. The application will also manage and track employee reasonable accommodations and allow for a robust implementation for contact tracing. The investment will allow USDA to develop, ingest, track, and communicate critical health and safety information to government officials, leadership, employees, and contractors.

4) A decrease of \$17,290,000 for unobligated balances transfer availability (\$17,290,000 available in 2022).

No funds are included in the 2023 estimate. The estimate may change should Congress renew authority provided in general provisions of the FY 2023 annual appropriations to implement transfers of discretionary unobligated balances. Allocations would be made up to the amount available, consisting of amount transferred plus any residual unallocated amounts from prior years.

Expenditures under this section are deemed a high priority by the Department and are estimated as follows:

Item	2022	2023
Amount Available.....	\$17,290,000	\$0
Allocated.....	17,221,459	0
Unallocated.....	68,541	0

USDA plans to utilize this funding flexibility to pay for critical investments that would otherwise not be possible. Notification is herein provided to the Committees on Appropriations of the intent to make the following investments, including a request to partially obligate funds transferred to the Working Capital Fund in FY 2022 of the following allocations (\$17,221,459):

- **Civil Rights Management System (CRMS) – \$471,459**

The CRMS Initiative will unify Civil Rights complaints systems across the Department, providing all USDA customers with a transparent, timely, accountable, and comprehensive management system. This initiative will bring shared platform solutions to Mission Areas, agencies, stakeholders, and partnerships with external customers; provide secure, reliable, and cost-effective IT application solutions to achieve effective mission performance and program delivery for customers; as well as provide integrated enterprise web services, custom desktop, and mobile applications.

- **FMMI Financial Intelligent Enterprise Transformation (FEIT) – \$16,000,000**

FMMI is the USDA financial system of record that provides online, real-time transaction capabilities, allowing agencies to be financially accountable and transparent in their spending. With over 6,700 users across 29 USDA agencies, FMMI is essential to providing financial services to Financial Management Services customers. The current system is based on a Systems Applications and Products High Performance Analytical Appliance (SAP HANA) database with an end-of-life scheduled for 2027. FIET will transition FMMI to a state-of-the-art S/4HANA based platform including a full life cycle integrated budget solution and S/4HANA based grantor solution.

- **Reimaging Public Engagement with Ag Data Collection – \$750,000**

NASS is the primary supplier of statistics covering U.S. agriculture. NASS conducts over 400 surveys per year and the Census of Agriculture every five years and prepares reports covering virtually every facet of U.S. agriculture. NASS’ current processing systems employ several outdated technology components, including the user interface, compute, and persistence layers. This investment will facilitate a large-scale enhancement and modernization of NASS Survey and Census of Agriculture processing systems and applications. While the statistical algorithms and code used to process the data is sound, this enhancement initiative would completely replace the user interface, port the batch processing code from a midrange Unix system to a cloud-friendly containerized platform, update the record persistence layer, and integrate cutting edge machine learning and statistical modeling capabilities to improve accuracy and reduce manual review of record level and aggregate data. These system enhancements will also incorporate lessons learned from the decennial population census conducted by the Department of Commerce.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FTEs**Table WCF-6. Geographic Breakdown of Obligations and FTEs (thousands of dollars, FTEs)**

State/Territory/Country	2020 Actuals	FTE	2021 Actuals	FTE	2022 Estimated	FTE	2023 Estimated	FTE
Alabama.....	\$3,597	7	\$3,399	8	\$3,374	9	\$3,477	9
Alaska.....	1,028	2	3,398	6	2,625	7	2,704	7
Arizona.....	2,569	5	5,715	12	3,957	11	4,460	12
Arkansas.....	3,597	7	4,556	11	4,874	13	5,022	13
California.....	6,202	12	17,191	36	14,623	39	15,067	39
Colorado.....	162,586	169	91,842	164	145,122	264	141,729	269
Connecticut.....	1,028	2	692	2	375	1	386	1
Delaware.....	2,055	4	1,533	3	1,500	4	1,545	4
District of Columbia.....	127,400	314	194,942	340	187,718	423	183,570	431
Florida.....	4,468	7	13,283	27	10,384	25	10,656	25
Georgia.....	5,138	10	10,409	23	8,624	23	8,885	23
Guam.....	514	1	991	2	750	2	773	2
Hawaii.....	1,028	2	2,107	4	1,875	5	1,932	5
Idaho.....	4,110	8	6,383	15	5,624	15	5,795	15
Illinois.....	9,285	18	8,687	19	6,749	18	6,954	18
Indiana.....	6,202	12	5,921	13	6,260	14	6,407	14
Iowa.....	8,771	17	12,423	29	11,248	30	11,590	30
Kansas.....	8,257	16	9,670	21	7,124	19	7,340	19
Kentucky.....	5,652	11	5,713	11	4,973	13	5,120	13
Louisiana.....	221,056	861	395,978	915	355,197	1,002	361,379	1,005
Maine.....	2,306	5	1,970	4	1,500	4	1,545	4
Maryland.....	32,530	48	41,981	82	30,013	85	30,160	85
Massachusetts.....	1,028	2	2,613	5	1,875	5	1,932	5
Michigan.....	4,624	9	4,322	10	3,749	10	3,863	10
Minnesota.....	6,716	13	9,662	20	8,485	23	8,739	23
Mississippi.....	4,110		7,260	18	6,374	17	6,567	17
Missouri.....	289,317	392	170,200	339	239,362	407	242,224	407
Montana.....	5,138	10	7,726	18	9,037	20	8,919	20
Nebraska.....	7,230	14	7,244	17	6,374	17	6,567	17
Nevada.....	1,028	2	2,286	5	1,875	5	1,932	5
New Hampshire.....	-	-	161	0	-			
New Jersey.....	1,541	3	2,720	5	1,875	5	1,932	5
New Mexico.....	2,293	5	11,834	27	10,873	29	11,203	29
New York.....	3,597	7	7,223	16	5,624	15	5,795	15
North Carolina.....	8,257	16	16,155	34	11,998	32	12,362	32
North Dakota.....	4,624	9	5,817	13	4,874	13	5,022	13
Ohio.....	6,716	13	5,951	12	4,874	13	5,022	13
Oklahoma.....	4,624	9	4,707	11	4,124	11	4,250	11
Oregon.....	3,597	7	7,628	17	6,749	18	6,954	18
Pennsylvania.....	3,796	8	5,416	12	4,874	13	5,022	13
Puerto Rico.....	1,541	3	2,431	5	1,875	5	1,932	5
South Carolina.....	3,597	7	5,283	11	3,749	10	3,863	10
South Dakota.....	5,652	11	4,099	9	3,374	9	3,477	9
Tennessee.....	6,202	12	5,169	11	4,499	12	4,636	12
Texas.....	39,080	108	62,551	137	39,940	133	41,160	133
Utah.....	5,652	11	6,510	13	5,249	14	5,409	14
Vermont.....	1,541	3	1,463	3	1,125	3	1,159	3
Virginia.....	3,597	7	8,185	16	4,874	13	5,022	13
Washington.....	4,110	8	7,030	15	5,999	16	6,181	16

2023 USDA EXPLANATORY NOTES – WORKING CAPITAL FUND

State/Territory/Country	2020 Actuals	FTE	2021 Actuals	FTE	2022 Estimated	FTE	2023 Estimated	FTE
West Virginia.....	2,055	4	2,617	6	2,250	6	2,318	6
Wisconsin.....	6,716	13	9,878	22	10,912	25	10,850	25
Wyoming.....	2,055	4	2,280	5	2,250	6	2,318	6
Total, Obligations.....	1,059,412	2,248	1,235,207	2,582	1,233,581	2,930	1,243,126	2,948
Capital Funding Available.....	56,599	-	21,449	-	88,065	-	62,296	-
Total, Available.....	1,116,011	2,248	1,256,656	2,582	1,321,646	2,930	1,305,422	2,948

CLASSIFICATION BY OBJECTS

Table WCF-7 Classification by Objects (thousands of dollars)

Item No.	Item	2020 Actual	2021 Actual	2022 Estimated	2023 Estimated
	Personnel Compensation:				
	Washington D.C.....	\$35,867	\$41,355	\$44,124	\$43,374
	Personnel Compensation, Field.....	190,598	220,685	246,225	250,353
11	Total personnel compensation.....	226,465	262,040	290,349	293,728
12	Personal benefits.....	79,995	95,234	107,452	112,105
13.0	Benefits for former personnel.....	129	54	129	144
	Total, personnel comp. and benefits.....	306,589	357,328	397,930	405,977
	Other Objects:				
21.0	Travel and transportation of persons.....	2,095	1,116	4,722	4,783
22.0	Transportation of things.....	929	1,344	744	746
23.1	Rental payments to GSA.....	6,618	6,051	6,706	6,957
23.2	Rental payments to others.....	2,497	2,479	2,935	3,174
23.3	Communications, utilities, and misc. charges.....	161,243	163,769	185,693	175,608
24.0	Printing and reproduction.....	293	262	341	365
25.1	Advisory and assistance services.....	33	2,859	2,393	3,284
25.2	Other services from non-Federal sources.....	282,153	328,296	257,102	253,321
25.3	Other goods and services from Federal sources.....	95,559	141,238	129,248	132,855
25.4	Operation and maintenance of facilities.....	2,034	1,956	2,394	2,193
25.7	Operation and maintenance of equipment.....	175,532	202,315	208,520	225,243
26.0	Supplies and materials	7,263	4,760	5,191	5,200
31.0	Equipment	16,575	21,434	29,662	23,418
	Total, Other Objects	752,823	877,879	835,651	837,149
99.9	Total, new obligations	1,059,412	1,235,207	1,233,581	1,243,126

STATUS OF PROGRAMS

The Working Capital Fund (WCF) is a financing mechanism that provides support in five functional categories of Activity Centers (Administration, Communication, Correspondence Management, Financial Management, and Information Technology) across seven Departmental organizations. The Office of the Chief Financial Officer (OCFO), in addition to its responsibilities in financial policy and operations, is responsible for the administration and fulfilling the mission of the WCF.

Administration

Activities under this heading are managed under the Assistant Secretary for Administration and include the following (all activities are in Washington, D.C. unless otherwise noted):

Current Activities

The Human Resources Enterprise Systems Management (HRESM) provides human resources (HR) enterprise system management to support USDA's strategic goals. The Office of Personnel Management's (OPM) Human Resources Line of Business (HRLob) vision is to create government-wide, modern, cost-effective, standardized, and interoperable HR solutions, providing standard core functionality to support the strategic management of human capital. USDA has moved to a Shared Service Center delivery model where HR information system operations reside to realize this vision. The vision of HRESM is to improve mission delivery through the deployment of an integrated workforce system, which facilitates strategic and advisory HR service delivery and streamlined HR transaction execution.

Integrated Procurement Systems (IPS) provides modern, integrated procurement automation tools to the USDA acquisition community through the Integrated Acquisition System (IAS). IAS serves as the enterprise-wide administrative procurement system for the Department and continues to prove its value daily. In addition, the Credit Card Service Center (CCSC) has responsibilities to plan, develop, and implement its charge card program under SmartPay3 and provide consolidated, Department-wide governance in this program to further USDA's mission.

Materiel Management Service Center (MMSC) is responsible for the general management and coordination of Departmental logistics operations and activities, including personal property acquisition, use and disposal, transportation systems, products and services, warehousing, and program support systems, as well as maintaining unified, coordinated supply support systems that meet the ongoing and numerous emergencies needs of various programs of the Department. MMSC provides on-demand customer services to all USDA agencies and activities and specific non-USDA Federal customers. MMSC operates the USDA Sales Center, which is part of the Federal Asset Sales Program. This center allows MMSC to sell surplus personal property to the public. Operating this center generates revenue that offsets the cost of MMSC services to USDA agencies. The center provides a central unit for surplus personal property disposal used by USDA agencies, staff offices, and divisions in the Washington DC Metropolitan area. It effectively creates cost avoidance to USDA agencies by rehabilitating office furniture and reusing as-is furniture excess equipment.

Mail and Reproduction Services (MRS) is responsible for managing and directing for analysis, development, evaluation, and promotion of improvements in the policies, plans, methods, procedures, and systems of the USDA Mail Management Program, Departmental Mailing List System, Transportation Operations, and Copier/Duplicating Operations. MRS has responsibility for directing centralized printing and copier/duplicating systems, automated systems providing mailing list services, package delivery, and chauffeur services, and a staff support system in the areas of divisional financial management, program analysis, and administration. MRS has established excellent mail management and print-on-demand programs by implementing the latest technology and has achieved cost savings through best practices, postal discount programs, and centralized services.

Procurement Operations Division (POD) (Washington, DC and Fort Collins, CO) provides the full range of cradle-to-grave procurement support (acquisition planning, market research, solicitation, evaluation, negotiation, source selection, contract award, contract administration, and contract closeout) to the Office of the Secretary of Agriculture, Departmental Administration (DA) and its Staff Offices, and other USDA agencies in support of Information Technology services and other Department-wide procurement actions.

Selected Examples of Recent Progress

HRESM completed the implementation of the new Government Retirement and Benefits Enterprise Retirement Calculator that all USDA agencies use. This new platform supports over 3,000 USDA retirements that occur

each year and enables informed decision-making for 18,000 retirement-eligible employees. Last year, HRESM rolled out the new calculator, established reliable connectivity with USDA employee databases, and trained over 250 HR Specialists in its use. This year, HRESM provided agencies to deploy the calculator to all 100,000+ USDA employees to determine preliminary retirement calculations. This effort enables employees to predict and forecast retirement readiness before engaging their Human Resources Benefit Specialists. Therefore, it reduced the number of retirements estimate requests submitted to HR offices from previous years.

HRESM team also developed and implemented a new automated SF-52 tool for Executive employees to submit, track and enhance the timeliness and effectiveness of the personnel action requests submitted for processing. This project was implemented in a short four-month time frame and provided the agency with a cost savings of \$173,000. This effort also consolidated all requests for Executives and Non-Executives into one tool utilized by the Department for its servicing population.

On January 4, 2021, IAS Release 10.0 (IAS R10.0), a major upgrade, which was in progress in FY2020, went live. IAS R10.0 achieved the objective of a true end-to-end procurement solution from procurement forecasting, to requisitioning, to contracting, all in one COTS solution. All the transactions are housed in one application, thus allowing greater data visibility to all authorized users, unlocking a new functionality, and eliminating errors caused by having two applications. Program offices and contracting have become engaged in streamlining the processes and improving collaboration. IAS R10.0 transitioned IAS from a two-COTS to one-COTS solution, resulting in the decommissioning of Oracle E-Business Suite. The decommissioning of Oracle E-Business resulted in cost avoidance of \$864,644, which was used to offset the cost for licensing additional users, the increase cost for Oracle license, and obtaining additional Unison features such as Acquisition Planning.

The Office of Contracting and Procurement (OCP) initiative of onboarding new staff, engaging and upskilling the workforce, and instituting best practices aligns with USDA's strategic plan. The focus is to ensure that USDA meets the Office of Federal Procurement Policy objectives. The IAS Program made available the Virtual Acquisition Office (VAO) subscriptions to the acquisition community. VAO provides acquisition professionals with access to a suite of tools, education, and resources that enable the Federal acquisition workforce to leverage relevant knowledge, maximize productivity, and increase compliance and results. At the end of FY 2021, there were 3,498 active Mission Areas acquisition workforce users and 4,406 continuous learning points earned, which are mandatory to maintain certification and valued at over half of the enterprise license cost. In FY 2021, OCP continued to implement Robotic Process Automation (RPA) to automate procurement processes to reduce procurement administrative lead time.

The IAS Training Program offered 110 sessions issuing approximately 4,000 certificates for training on IAS Release 10.0, compared to 900 in FY 2020. In addition, the IAS annual training survey produced positive results with a 98 percent customer satisfaction rate, indicating that IAS Training continues to be a valuable tool to the user community.

The CCSC launched its partnership with the General Service Administration (GSA) Commercial Platform Initiative in June 2021. The partnership enables participating agencies to purchase routine, commercial products through GSA's e-marketplace platform providers, Amazon Business, Fisher Scientific, and Overstock.com, Inc, as part of the implementation of the Commercial Platforms program and Section 846 of the 2018 National Defense Authorization Act. This government-wide effort is to modernize the buying experiences for agencies and help gain insight into open market online spending occurring outside of existing contracts. This effort will also reduce the current cost of Amazon individual accounts by converting and merging them into the new USDA Amazon Business Accounts to achieve initial savings to the mission areas of \$ 0.5 million with the consolidation of prime subscriptions.

The CCSC and OCFO commissioned a feasibility study called Payment Plus Proof of Concept (PPPOC). The PPOC determines the viability of implementing the US Bank Payment Plus automated payment solution as an additional contract payment option for USDA vendors. The feasibility study included assessing the current environment, interviewing stakeholders, conducting market research, learning lessons, etc. The team will perform additional analysis to project a new solution's business process, technical, and financial impacts. Additional studies will be conducted to assess the financial implications, develop formal requirements, and engage stakeholders in formulating the final e-Payable Payment Plus solution. Increased use of the purchase card could result in increased rebates to USDA.

MMSC recycling and re-use programs fully supported Executive Order (EO) 13514, Federal Leadership in Environmental, Energy, and Economic Performance, dated October 5, 2009. This EO establishes an integrated strategy towards sustainability in the Federal Government and to make reducing greenhouse gas emissions a priority

for Federal agencies. MMSC's staff tracks the reduction of greenhouse gases by using the EPA waste reduction models and Greenhouse Gases Emissions Analysis Reports. MMSC recycling efforts that support this EO include paper recycling, furniture reuse, and scrap metal recycling. In FY 2021, we recycled 107,520 pounds or 48.77 metric tons of carbon equivalents which relates to the reduction of greenhouse gases released into the environment.

MMSC's Consolidated Forms and Publication Distribution Center (CFPDC) took advantage of the web ordering and inventory management system and used a new cloud-based system. CFPDC continued to provide expanded services to Food Safety and Inspection Service (FSIS) to support the COVID-19 pandemic relief effort, delivery of specialty items, and new PPE. CFPDC provided over \$2.6 million in sales and administrative PPE supplies to FSIS nationwide. The total number of packages filled was 36,717, which included 550,663 units (number of items per package) filled for FSIS only. Additionally, CFPDC oversaw the Base Supply Center (Online Retail Supply Store), processed and shipped 11,299 supply orders -which included 44,256-line items filled, and 123,460 units filled.

In FY 2021, MMSC's Centralized Excess Property Operation (CEPO) contributed over 653 units of recyclable electronics valued at \$0.5 million with no reuse or re-sale value to UNICOR Federal Prison Industries, Inc. recycling program managed by the Department of Justice. Under the Federal Electronics Challenge program, Agencies are encouraged to purchase greener electronic products; reduce impacts of electronic products during use and manage obsolete electronics in an environmentally safe way. CEPO sold 243.5 tons of scrap metal for \$43,000 in revenue. CFPDC staff recycled 90 pallets or 45 tons of forms and publications in support of USDA's environmental objectives. CEPO completed its eighth full year as a Federal Asset Sales Center. Sales were suspended in FY 2021 in response to the COVID-19 pandemic. However, sales resumed in August 2021 and rendered proceeds of \$0.3 million.

During FY 2021, MMSC and OCIO undertook a partnership and is now the new home of the Enterprise Depot, which will service the USDA customers. Specifically, this partnership will include the use of warehouse/office space and shipping services at the Office of Operations (OO) MMSC located in Beltsville, Maryland to support Enterprise Depot operations. With this partnership, MMSC will support the Enterprise Depot in increasing CEC's computer deployment capacity to 35,000 devices per year.

Excess supply support was provided to USDA and 11 non-USDA Agencies in the Washington, D.C. metropolitan area to ensure proper accountability and disposal for over 1,545 units of extra personal property. In FY 2021, income from all non-USDA Agencies was more than \$1.3 million. Income from non-USDA agencies helps reduce overall costs to USDA agencies for CEPO services by distributing operating costs over a larger population of users.

CEPO works diligently to provide excess computer equipment to schools and non-profit organizations. This program was created in response to Presidential Order #12999 Computers for Learning Program (CFL), empowering America's children for the 21st century. This program allows federal agencies to transfer used or excess computers to schools and nonprofit organizations for education.

CEPO receives and screens an estimated 1,500 pieces of computer equipment daily. The equipment selected for the CFL program is placed in a holding area for testing and repair prior to donation to educational institutions. It is paramount that we test and repair the equipment prior to donating it so that the schools can put it into immediate use. We focused on the CFL program since we could not host sales in FY 2021, and schools and children were distance learning due to COVID-19. As a result, in FY 2021, CEPO reissued 3,301 computers to educational institutions saving approximately \$3.1 million.

CEPO continued to provide USDA agencies with reusable excess flat-screen monitors. Monitors are tested, adjusted, and cleaned. CEPO makes these monitors available for transfer at no cost to USDA agencies (agencies outside the Washington DC area pay shipping costs). In FY 2021, 270 monitors were reused, resulting in over \$48,000 cost avoidance.

MRS completed the acquisition of the TZ SMARt Mail Locker System for the USDA Headquarters Complex and GWCC. As a result, USDA now has a state-of-the-art mail management system that will help improve security, functionality, and the way MRS delivers mail to its USDA customers. These are state-of-the-art SMARt locking devices that will provide unique security to USDA mail customers with real-time monitoring, reporting, and management capability for mail locker administrators. In addition, USDA customers will see locker banks live through one portal hosted on the USDA Intranet. Finally, this upgrade offers software modifications over the next five years to meet specific workflow and integration requirements in "real-time," which helps MRS staff assist customers better.

After much planning and coordination, the OO, MRS Copier Leasing Program, was successfully decommissioned as of September 30, 2021. Dismantling the program entailed removing 427 copiers from USDA leased and owned buildings/offices throughout the National Capital Region (NCR) and 22 out-of-state sites. The exit clearance process also included extracting and destroying hard drives, reconciling last invoice payments and disposal of copiers via vendor return, and utilizing the OO, CEPO services. The decommissioning of the MRS Copier Leasing Program will help MRS reduce its annual budget by approximately \$1.6 million.

POD supported its customers with over \$1.1 billion in new FY 2021 contract obligations for construction, information technology solutions, civil rights, human resources, and financial systems support services. 52.8percent of the obligations were set aside for small businesses, exceeding the USDA small business goal of 49.5percent. The Small Business Administration (SBA) recognized POD for being among a small handful of offices that greatly expanded small business contracting during FY 2021. POD increased small business participation through virtual outreach and introductory meet and greeted sessions with over 200 new and emerging small business vendors interested in doing business with the Department. Noteworthy contract awards are highlighted in the following paragraphs.

USDA committed in FY 2016 to use the GSA's Enterprise Infrastructure Solutions (EIS) Contract to transform and modernize its telecommunications services to better serve its critical mission and internal and external customers. USDA's Enterprise Network Services (ENS) invested over \$6 million across multiple POD-awarded contracts to aid in solicitation preparation and development. Further, ENS invested \$11.5 million in POD-awarded contracts to design and deploy the Noblis AcquServe and AcquTrack systems used for soliciting and evaluating the USDANet contract. The Noblis systems were essential in evaluating 416,000 contract line items with over 6 million pricing entries. EIS vendors were required to provide pricing for each mandatory and optional USDANet requirement and enter their prices into the provided Bid Demand Model, also called the Traffic Model (TM). The price evaluation teams leveraged the Noblis systems to validate prices and enable price reasonableness determinations. The teams completed a 10-month evaluation that paves the way for the USDANet award in November 2021.

POD supported the Digital Infrastructure Services Center (DISC) requirement to relocate the secondary USDA Enterprise Data Center (EDC) and Disaster Recovery Center located in St. Louis, Missouri. The center was utilized as an ammunitions manufacturing facility during WWII, and due to health and safety concerns, the GSA announced its intent to vacate the complex by September 30, 2022. As a result, POD awarded an emergency planning contract to assist with data collection and requirements planning. POD then conducted two engagement sessions with industry partners to align the project with current commercial practices. The teamwork and collaboration between DISC, POD, and industry paved the way for defining the entire strategy. POD is on target to award the new data center contract and associated supporting contracts by December 2021. This will enable USDA to maintain disaster recovery and active hosting functionality of applications and data while enabling compliance and enterprise stability of USDA operations.

POD awarded a contract for operation and maintenance of the Supplemental Nutrition Assistance Program (SNAP) Policy Wiki Tool in support of the Food and Nutrition Service (FNS) Office of Information Technology (OIT). This tool is the source for all SNAP legislation, regulations, and policies used in administering the SNAP Program by National and Regional offices and Department users. SNAP is the largest program in the domestic hunger safety net. This tool provides SNAP the ability to improve program administration and ensure integrity with technology to support the use of advanced data analytics, evidence-based analysis, and business process re-engineering at the State/local level.

POD expanded its Procurement Innovation Effort (PIE) in FY 2021, supporting contracting staff and program officials with consultations, document feedback, guidance, and encouraging the use of new innovative techniques in acquisition planning and evaluations. PIE also captured best practices and created an interactive guide of well-tested techniques with links to numerous sample documents, videos, and web resources to support innovation, help seek efficiencies in evaluation, and improve overall outcomes for USDA procurements. These innovative techniques have helped to lower entry barriers for vendors with no prior Government contracts. PIE also created learning content on vendor engagement, encouraging small business interaction in requirements development and market research. PIE successfully increased POD's level of comfort and use of acquisition innovation and the techniques found on the Federal Acquisition Institute's Periodic Table of Acquisition Innovation.

POD awarded a contract for IT Governance and Portfolio Management Oversight to support the FNS OIT with a multi-phased effort to modernize and upgrade automated applications. The OIT Portfolio Management Division

(PMD) manages the agency's IT Portfolio, which consists of 11 OMB reportable IT investments valued at approximately \$87 million. The investments consist of high-value applications that support FNS programs, including the Store Tracking and Redemption System (STARS) and Anti-Fraud Locator using Electronic Benefit Transfer (EBT) Retailer Transactions (ALERT), which support the administration of retailers in the SNAP and are essential to reconciliation of billions of dollars in SNAP benefit redemptions.

POD partnered with the ENS to post the USDANet solicitation and spent ten months completing evaluations. The USDANet contract, projected at an estimated \$2.5 billion over 13 years, will provide comprehensive telecommunications and information technology services for integrated voice and data network connectivity across multiple sites in the U.S. and its territories. In addition, it supports USDA's strategic commitment to transforming its information technology (IT) services from a component-agency-based model to a more flexible, cost-effective integrated, and consolidated model, enabling USDA to meet today and tomorrow's challenges and opportunities. The USDA will complete the final award in November 2021.

POD awarded a \$232 million Enterprise Application Services (EAS) task order contract for enterprise application and development, enabling all USDA agencies and other Government agencies to achieve their missions by providing innovative, cost-effective, and secure information technology solutions on a reimbursable cost basis. EAS offers a full spectrum of professional services for developing, maintaining, and supporting enterprise-class Business Applications, Cloud Services, Geospatial management, and Distance Learning Services. In addition, the new contract allows agencies to onboard up to \$572 million in future projects as either fixed-price projects through a capacity model based on established team increments or labor-hour depending on the type of project.

POD made several awards valued at approximately \$4 million for RPA/Bot Development and Implementation. In the fourth quarter alone, four RPA Bot Developments were awarded to support two agencies, FPAC and OCFO. The bot development for FPAC will permit achieving efficiencies where staff can be redeployed to other functions, have greater accuracy from shifting away from manual duties, allow for improvement on the timeliness of service delivery, increase cost savings, make available opportunities for greater transparency in reporting, improve customer services, and focus on the progress of employee morale by eliminating less desirable job functions. The bot development for OCFO was in support of three different bots. The first BOT enables systems required to automate account reconciliation to the Financial Statement Data Warehouse, the platform from which external reports to Treasury originate. The second Bot automates reconciling two systems, freeing the accountants to focus on the discrepancies generated from the reconciled report rather than performing both functions. The third Bot will combine information from four different systems in centralizing the Government-wide Treasury Account Symbol Adjusted Trial Balance System, which is hosted by the Bureau of the Fiscal Service. Accomplishing these awards and further supporting RPA usage ensures streamlined processes, consistency, enhanced compliance, improved productivity, and data integrity while allowing personnel to focus on proactive efforts and better time management.

POD provided contract administration, oversight, and support for the \$75 million GWCC Modernization project during phase 1 construction which was substantially complete on September 30, 2021. Phase 1 involved the complete interior renovation of buildings 1 and 2 of the GWCC complex and infrastructure replacement and updated for the entire complex. The work involved multiple contracts, including the contract for construction work, a task order for post-design support, and a contract for construction management and cost estimating.

POD worked with the USDA's Office of Tribal Relations to collaborate with the Department of Interior to partner with Oklahoma State University (OSU) to enhance their Treaties Database content. OSU maintains a website of their compilation that features Kappler's Indian Affairs: Law & Treaties Volume II, covering U.S. Government treaties with Native Americans from 1778-1883. The volume in its current state is in a scanned image format and does not have search capability or related functionality. Work was needed to digitize content; ensure accessibility; and provide searchability of Kappler's Indian Affairs: Law & Treaties Volume II and other related treaties and land content. In addition, the OSU website will be made publicly available, user-friendly, easy to navigate/search, and housed in an open-source content management system. Users will be able to copy and paste content and use enhanced subject matter indexing to search for treaties by city, state, tribe, and key words. POD made an award in time for Secretary Vilsack's announcement of USDA's Treaty Initiative to the President's Cabinet on August 6, 2021.

POD worked with the Office of Property and Environmental Management in their partnership with the Defense Logistics Agency to annually acquire all Renewable Energy Credits (RECs), which bundled include Solar, Wind, Landfill gas, Biomass, LEED Certified, Green-e Certified (any REC) Solar, Green-e certified/Wind, Green-e Certified/Landfill Gas, and Green-e Certified/Biomass. RECs are market-based instruments used to claim the

consumption of one megawatt-hour of energy produced. USDA recently claimed 23,952 RECs, which allow USDA to reduce the environmental impact of Scope emission by matching electricity use with RECs. Investments help to encourage new renewable energy project development. RECs can be used to meet voluntary goals or compliance obligations, such as renewable portfolio standards.

POD awarded an IT End User Support Services contract supporting the Client Experience Center (CEC). CEC is the Tier 2 “boots on the ground” for customer support. Customers requiring support contact the CEC National Helpdesk via phone and/or chat, submit self-service tickets or emails. Tier 1 staff members handle initial contacts to the National Helpdesk. Support requests that Tier 1 is unable to resolve are routed to Tier-2. The Tier-2 technicians provide full end-user support and attempt to resolve issues remotely but will make an onsite visit if unable to do so.

POD awarded a contract to support FPAC’s Farm Loan Modernization effort via a modernization roadmap action which is working to develop a roadmap that will guide the Farm Loan Program (FLP) development effort to modernize how farmers interact with the Government in obtaining support through Farm Loans. In addition, POD executed a development contract that will provide continuing development support of the existing development backlog within the FLP.

POD awarded a contract for the FNS that provides them with the much-needed IT support and collaboration between the FNS and the USDA Customer Experience Center (CEC). The CEC covers most of the needed mainstream IT support activities for USDA Agencies; however, as a USDA enterprise entity, the CEC cannot cover all the required IT support needs for the FNS because of the agency-specific nature of these needs. The work primarily involves the contractor providing technical expertise to define, design, and implement the IT solution to support agency mission and business objectives for each business line and support area and ensure communication and coordination with CEC on IT support matters pertinent to the support of agency programs.

POD assisted with the development and USDA-wide deployment of the IAS Release 10.0 in FY 2021, which consisted of two significant initiatives: IAS Consolidation and IAS Acquisition Planning. Release 10.0 consolidated two COTS products into one and integrated acquisition planning functionality into the IAS platform. POD set up access rights for all customer and mission area users in the IAS application, aided with standardizing USDA templates, established acquisition plan workflows for each Mission Area, mapped workflows for assignment of acquisition packages, and assisted with the development of the procurement forecast function and data calls. POD addressed user concerns and worked with them to help generate accurate acquisition planning documents and create a more concise forecast of requirements in IAS. In addition, POD organized and managed IAS Release 10.0 training for Departmental Administration staff and provided one-on-one virtual assistance to new users.

Communications

Current Activities

The USDA Office of Communications manages activities under this heading. The Creative Media and Broadcast Center (CMBC) provides creative design, video, multimedia, and radio production studios, allowing agencies access to technology and content development with shared cost efficiencies. CMBC clients can reduce travel costs by delivering mission outreach and training to field offices and the public. CMBC helps ensure the USDA brand value of “One USDA” guidelines and Department regulations. CMBC promotes content marketing development and the growth of social media outreach. CMBC’s creative services include field video production, publication layout, illustrations, public service outreach, posters, brochures, websites, infographics, podcasts, banners, trade-show exhibits, visitor centers, special media events, and creative development and delivery of information campaigns.

CMBC’s Core Services team provides USDA enterprise-wide benefits with maintenance and support of the www.USDA.gov web portal and a variety of USDA websites, social media tools, and platform accounts, such as USDA Facebook, USDA YouTube, USDA Twitter, USDA Instagram, and more.

Selected Examples of Recent Progress

CMBC’s Core communications team provided key support for continuity for the Coronavirus Response of government operations. By developing social media and virtual platform strategies and prioritization, CMBC provided immediate responses for USDA coronavirus-related activities. Specific activities included Employee Town Halls, Stakeholder calls, pandemic-related messaging, and improving information delivery and user experience. In addition, CMBC reviewed and cleared all website posts and social media across all of USDA’s digital channels.

Using a centralized communications approach to coronavirus response provided accurate and timely information from the Department vs. response from all 29 agencies and offices.

The Office of the Secretary (OSEC) and Office of Customer Experience partnered with OCIO on the USDA's Web Modernization initiative to create strategies, develop project plans, web design, and technical migration for a common EWAPS (Enterprise Web Application Platform & Services) platform. The Web Modernization successfully transferred most Staff Office websites from their separate hosting environments to USDA.gov, saving hundreds of thousands of dollars for design and development, maintenance, security, and adherence to USDA look and feel. In addition, USDA Web modernization is reducing future costs for hosting, security, operations, and maintenance.

The development and administration of the OneUSDA is a cross-agency Intranet, providing a one-stop for internal communications to USDA employees. CMBC worked with USDA Mission Areas and Agencies to co-develop an employee intranet based on user needs. Content included Employee Spotlights, Secretary messaging, Agency, and Staff office Intranet development, and strategic planning.

The CMBC Creative Leadership and Agency Mission Support provided location and virtual creative production services for USDA leadership and 25 agencies.

CMBC's initial phase of the USDA TV studio upgrade was completed in FY 2021. New sets were designed and installed, increasing options for video outreach and training programs.

Financial Management

Current Activities

In addition to its responsibilities for the administration of the WCF, the OCFO manages the following WCF activities (all activities are in Washington, D.C. unless otherwise noted):

- Associate CFO Shared Services:
 - Financial Shared Services (FSS)
 - Pegasys Financial Services (PFS) Washington, DC, Fort Worth, TX, and Kansas City, MO)
 - National Finance Center (NFC) (New Orleans, LA; Denver, CO)
- Associate CFO Financial Policy and Planning:
 - Financial Management Support Services (FMSS)
 - Internal Control Support Services (ICSS)

Designated by the Department of Treasury (Treasury) as a Federal Shared Services (FSS) Provider, FSS administers the Financial Management Modernization Initiative (FMMI) system to provide financial management services to USDA agencies. FSS is responsible for providing accounting services; administrative payments processing and disbursement certification; standard financial systems; Intragovernmental Payment and Collection (IPAC) Suspense Clearing; Property Suspense Clearing and Inventories; Fund Balance with Treasury (Net); and Treasury reporting. In addition, FSS maintains the Department-wide master data file for vendor payments and issues Internal Revenue Service Form 1099 to government contractors. FSS also administers several other financial management systems to support USDA agencies and organizations, including travel, personal property, real property, telephones, utilities, miscellaneous income (1099 reporting), Automated Cash Reconciliation Worksheet System, Corporate Property Automated Information System (CPAIS) Real Property management system, and the Online Tracking and Reconciliation System for intergovernmental financial transactions. In addition, FSS supports the processing of USDA data through other organization-owned systems, including domestic travel, purchase card transactions, and procurement activity using the IAS.

PFS was established to serve the financial management needs of multiple agencies as a shared service provider with the GSA as its largest client. PFS currently operates the Enterprise Financial Management Systems for GSA. This includes Pegasys Financials, Financial Management Information System (FMIS), Central Contractor Registry Connector, Vendor Customer Self Service portal, and 20 support applications. In addition, PFS also maintains 40 interfaces to GSA-managed systems that feed transactions to the core financials. The systems that PFS supports and maintains currently process 100 percent of the collections and record 100 percent of the disbursements for GSA.

NFC processes payroll for over 600,000 Federal employees on a bi-weekly basis. Additionally, NFC provides back-end processing and reconciliation for OPM government programs, including the temporary continuation of health care coverage, balancing Federal employees' election of health benefits with insurance carriers, and providing back-end processing of insurance elections allowed under the Health Care Reform Act. NFC is an OPM-designated Human Resources Shared Services Provider and continues to support Federal initiatives by fully participating with OPM in executing its shared services role providing human resources, payroll, and data center services to Federal agencies.

FMSS provides financial management administration, fiscal reporting, and budget execution services to WCF Activity Centers and staff offices. It provides a combination of timely, reliable, and relevant funds execution, financial analysis, financial advice, the status of funds reporting, budget formulation, and forecasting, as well as a dedicated response to ad-hoc requests that allows its customers to make sound fiscal decisions in managing and maximizing their own resources.

ICSS promotes and supports the USDA's internal control program by assisting USDA agencies in their internal control compliance efforts. As part of its services, ICSS plans and manages the Department's annual assessment of internal control over financial reporting and promotes best practices across the Department to gain consistencies and efficiencies related to internal control for financial processes, administrative processes, and information technology. ICSS also provides training programs, group presentations, and other support services to improve the Department's internal control program and increase the Department's awareness of emerging events and current trends related to internal control.

Selected Examples of Recent Progress

FSS successfully migrated the CPAIS Real and Personal Property application server software to a supportable version, Oracle Fusion Middleware 12c. The previous CPAIS application server software, Oracle Fusion Middleware 11g, reached end-of-life for extended support at the end of 2018. Additionally, the upgrade allowed FMS to remedy security vulnerabilities recently identified. All related components of Oracle Fusion Middleware were successfully upgraded and configured to work with CPAIS Real and Personal Property. This upgrade improved the stability, security, and efficiency of the systems while securing future vendor support. This is evident by FMS resolving 313 CPAIS Personal Property Service Requests (SRQs). Users will initiate an SRQ to resolve data fixes. In the past few years, the user community has experienced long waiting periods due to the lack of resources and the bandwidth to work both scheduled software releases and SRQs. This migration to Oracle Fusion Middleware reduced the average number of Service Requests for CPAIS Personal Property by 75percent, which resulted in the elimination of the long-standing SRQs backlog, increased accuracy of data in the system, increased reliability of reports, a reduced number of security/access issues, and increased customer satisfaction.0

FSS implemented the Onapsis platform into FMMI environment. This system tracks vulnerabilities, missing patches and monitors the best practice configuration of Standard Applications and Products (SAP) systems. Onapsis identified and tracked several systems containing multiple missing patches and improper configurations. In addition, the Onapsis bundled all SAP notes (technical, functional, and security fixes) and regression tested for inter/intra-system/component compatibility. This accomplished the mandatory SAP Service Level Agreement license support requirement for quarterly upgrades and the FMS FMMI System Security Plan and Continuity of Operations policies requiring mitigation of known/published vulnerabilities. Additionally, the Onapsis Security scan tool identified and remedied existing vulnerabilities within the landscape at risk of exploitation.

FSS upgraded the FMMI Governance, Risk, and Compliance (GRC) system. This upgrade gives GRC the ability to interface with the new components in the SAP intelligent business suite. Also, this adds Enterprise Asset Management functionality in the S/4 HANA database systems allowing for the monitoring of privileged use in the HANA database systems.

FSS implemented numerous system changes related to two significant relocation tax law changes and the associated quality assurance checks to comply with the associated laws and regulations and improve W-2 data quality. The laws enacted affected the tax treatment of relocation expenses and eligibility of employees for the Withholding Tax Allowance (WTA). Public Law 115-97, referred to as the *Tax Cut and Jobs Act (TCJA) of 2017*, requires employers to include additional moving expense reimbursements as taxable supplemental income (wages) from 2018 through 2025 and to withhold Federal, State, social security, and Medicare taxes paid based on taxable moving expenses. Public Law 116-92, referred to as The National Defense Authorization Act (NDAA) for the FY 2021, made all employees eligible for WTA, specifically, new hires and Senior Executive Service members the last move and was retroactive to January 1, 2018. FMS successfully provided the required, corrected travel relocation data relevant to

W-2s to the National Finance Center to start Internal Revenue Service W-2 processing for Calendar Year 2021, resulting in issuing IRS W-2s on time.

FSS supported the Consolidated Financial Statement Audit by the Office of Inspector General (OIG) and the Statement on Standards for Attestation Engagements 18 System and Organization Controls I Type II Audit moderated by Conrad Limited License Partnership. FMS provided complete and timely information to the various auditors to complete the testing of their assigned controls. Artifacts and test data were provided to both sets of auditors, and FMS achieved a 100percent submission rate of all requested items. Both audits support the Consolidated Financial Statement Audit by the OIG.

PFS completed a significant upgrade of the Department’s financial management systems, Pegasys, and the Multitenant Shared Application to v7.8 on May 18, 2021, and June 19, 2021, respectively. The upgrade allowed PFS customers to utilize new functionality, comply with federal standards, and stay current on supported software releases. This major upgrade of the financial systems supports 41 clients was successfully completed on time and within budget. PFS successfully tracked, tested, and implemented database and application changes related to the upgrade, validated security reporting, lead cycles, and systems interfaces testing, reviewed project deliverables, and jointly managed and supported post-go-live issues identification. PFS provided Virtual Post Go-Live sessions to clients and the PFS Finance Divisions.

To comply with the financial reporting requirements of the Treasury and OMB, PFS supported client agencies working toward the goal of implementing the government-wide initiative of G-Invoicing by actively participating in planning and impact analysis meetings, reviewing and commenting on GSA’s implementation plan, and drafting a base template for the Boards and Commissions implementation plans.

NFC successfully demonstrated results to achieve its mission for executing shared services activities for human resources, personnel services, payroll services products, and programs. This year brought with it several unique, unexpected, and unprecedented challenges and changes. However, the NFC continued to provide premiere services to the more than 600,000 employees serviced through the portfolio of customer agencies. The performance of the NFC leadership team members exceeded expectations. Because of the close alignment between the Administrative, Operational, and Technical leaders within Administrative Management Services, Financial Management Office, Human Resources Management Service, Interna Audit and Compliance Group, Civil Rights and Conflict Management Office , Government Employees Services Division, and Information Technology Services Division (transferred to OCIO May 10, 2020), the functional teams who reported to these leaders were able to deliver services without interruption. The highly visible, critical, cross-cutting initiatives included:

- Implementation of the Families First Coronavirus Response Act: Employee Paid Leave
- Deferral, collection, and payment of Old Age Survivors and Disability Insurance (OASDI) Taxes
- Restoration of Leave Provisions Granted for COVID-19 Criteria
- Implementation of the American Rescue Plan Act (ARPA) Provisions for Emergency Paid Leave
- Upgrades to the Oracle Server Supporting the Tribal Insurance Program
- Implementation of Platform as a Service (PaaS) in partnership with DISC, which is FEDRAMP Certified
- Produced 2021 Personal Benefits Statements for all employees serviced by NFC
- Completed the 2021 Annual Pay Raise
- Incorporated CFC Payroll Deductions
- System Updates prompted by Legislation to extend higher COVID-19 premium pay cap
- Processed Enrollments Prompted by the Federal Employees Health Benefits Open Season
- Phase 1 Implementation of the ServiceNow Customer Relationship Management module
- Execution of a Continuity of Operations Deployment in response to Hurricane Ida
- Launched the Enterprise Performance Management System
- Completion of MD-715 and 462 Reporting

NFC is a premier shared services provider that is uniquely positioned to improve Federal retirement processing due to its integrated payroll/personnel system. For more than 30 years, the Agency has worked collaboratively with the Office of Personnel Management to carry out key services such as health insurance processing and payroll/personnel processing, including retirements. During FY 2021, NFC processed 22,349 retirement annuity cases exceeding the number in FY 2020 (19,972). However, the number of non-annuity cases processed in FY21 (9,980) is less than the number of non-annuity cases processed in FY20 (13,872).

The NFC team also sought to reimagine retirements processing by submitting a proposal to the Technology Modernization Fund. As imagined, in the new approach, NFC intends to implement a web-based end-to-end case management solution that uses optical character recognition software, robotics process automation, artificial intelligence, and systems integration to improve the customer experience and increase operational efficiency and productivity, thus minimizing manual, paper-based processing. In addition, the proposed solution will enable stakeholders, including retirees, Agency Human Resource offices, HRLOB providers, and OPM, to track applications in real-time while facilitating oversight and accountability.

The team has made significant strides in reviewing the “art of the possible” regarding NFC internal and external stakeholder needs by creating a roadmap for the future of ServiceNow. For example, the ServiceNow team has automated the NFC training service catalog in the test environment and is expected to move into production in June 2022. Also, they provided processes to automatically print retirement and military deposit packages, thus solving the problem created when the burden to print packages shifted to NFC with electronic submission. Additionally, the team has implemented workflow for provisioning/de-provisioning of the administrator role, implemented a new knowledge catalog for storing critical communications such as NFC’s customer notices, and implemented dashboards for use as planning tools.

In July 2021, NFC implemented FieldPrint, a commercial service that provides electronic collection and channeling for fingerprinting. FieldPrint is one of the few companies authorized by the FBI as a private channeler. It allows them to send fingerprints and receive results directly from the FBI, the ultimate arbitrator of background checks, including fingerprints. Since its implementation, the processing time for fingerprints has been reduced to one to two business days. SPO has reduced the number of days expended completing background checks which result in employees/contractors on-boarding faster.

NFC continues to offer PayCheck 8 as part of its time and attendance solution. During FY 2021, several key customers reached decisions that resulted in the implementation of the product for its employees or commitments to implement the product at a future date. Listed below are the major PayCheck 8 implementations for FY 2021:

- Department of Treasury, Internal Revenue Service: Completed 20 development sprints, continuing efforts to complete testing and 508 compliances, and working with the Treasury to revise the project schedule based on their peak production period
- Department of Commerce, U. S. Patent and Trade Office: Completed nine rounds of sprint testing, successfully mitigated 508 defects, and managing the final list of defects in advance of the next sprint
- Merit Systems Protection Board: Completed sprint development and testing. Initiated the acceptance testing and drafted plans for the go-live date

WebTA remains a significant portion of NFC’s portfolio of time and attendance solutions. In FY 2021, the vendor’s plans to transition GovTA accelerated, and many customers worked to outline the path ahead. As a result, key developments in webTA emerged for NFC’s most important customer, USDA, and its largest customer, the Department of Homeland Security. The statuses for these two customers are as follows:

- Department of Agriculture: The vendor continues to provide webTA 4.2 support and negotiate defect resolution for the product. Several executive-level discussions were held to address concerns about the current product and the newly proposed webTA 5.0. While a decision has not been reached within USDA, cost information, product demonstration, and discussions continue between USDA officials, Kronos, and NFC
- Department of Homeland Security: NFC provided information, conducted demonstrations and rendered support to DHS to assist with its decision regarding a time and attendance solution for the long-term. Ultimately, DHS decided to move forward with GovTA. NFC is working closely with DHS on drafting implementation plans which are expected to go well into FY 2022 and potentially FY 2023
- Government Accounting Office: NFC led discussions with GAO regarding the release of new GovTA product and held an implementation kick-off meeting
- Appalachian Regional Council: NFC provided product demonstrations and decisional information to allow ARC to decide on its T&A solution. ARC will move from a self-hosted environment to the NFC hosting environment as a new GovTA customer in FY 2022

Other Customer Support on Time and Attendance Solutions:

- Federal Communications Commission: NFC provided information, demonstrations, and support to FCC on T&A solutions
- webTA 3.8 upgrade to webTA v5/GovTA: From the start of FY 2021, NFC worked with NFC-hosted webTA 3.8 customers to upgrade to webTA v5. NFC also assisted customers in converting those plans to GovTA as it is the most recent version of the product. The NFC team also worked with customers to modify the requisite interagency agreements and associated costs as needed
- EmpowHR: NFC completed the implementation of SBA into EmpowHR. This implementation supports the seamless transition into NFC's integrated Payroll/Personnel System

NFC collaborated with the Federal Occupational Health Service to deliver seven health challenges and 25 webinars promoting employee health and wellness. Resumed on-site services from the occupational health nurse, serving employees who continue to work on-site during this period of maximum telework.

NFC exceeded USDA's small business goals for FY 2021. NFC dollars spent and results are:

- | | |
|---|---|
| • Small Business Concerns: | \$6,570,172.86 – 76.40 % (USDA Goal 58 %) |
| • Small Disadvantaged Businesses: | \$4,360,795.92 – 50.71 % (USDA Goal 5 %) |
| • 8(A): | \$1,119,626.52 – 13.02 % (USDA Goal N/A) |
| • Veteran-Owned Businesses: | \$2,270,562.01 – 26.40 % (USDA Goal N/A) |
| • Service to Disabled Veteran Small Businesses: | \$2,270,562.01 – 26.40 % (USDA Goal 3 %) |
| • Women-Owned Businesses: | \$2,024,071.36 – 23.53 % (USDA Goal 5 %) |
| • Hub Zone Small Business Concerns: | \$2,413,804.91 – 28.07 % (USDA Goal 3 %) |

NFC completed a number of advancements and achievements in technology that benefited both customer agencies and employees. More than 250 software change requests were completed providing new capabilities, improved efficiencies, and/or modern techniques for mainframe-based applications and web-based applications that utilized data hosted on the mainframe. Along with the software change requests, many projects centered around legislative/regulatory updates from OPM, the Thrift Savings Board, and other agencies who operate under their own authorities were carried out to facilitate changes related to salary, e.g., pay plans, localities, new allowances, and employee deductions such as taxes. Annual projects completed include the annual pay raise, personal benefit statements, FEHB open season, fiscal year-end changes, year-end calendar changes, W2s, Affordable Care Act reporting, and annual union dues updates.

- Data Masking/Elimination of Production Data in Test Environments: NFC presented a risk-based decision to USDA CIO to continue using production data in test environments. WCFs were approved to proceed with a project/procurement as needed to accomplish data masking within the NFC test environments. A contract was awarded, and NFC is actively working on the implementation strategy.
- USDA's RPA program provided NFC the opportunity to submit a request to automate processes that aligned with the capabilities of this initiative. Two of NFC's submissions were approved in FY 2021. The first request approved; Lock-in Letters automated a process that generates a required notification when changes to an employee's Federal income tax is restricted. Previously these notifications were received hard-copy and generated manually. The second request, Employee Personal Page (EPP) Password Reset notifications, also automated a process that generated required notification that are issued when an employee's EPP password changes. These advancements will eliminate reduce manual tasks and reduce the associated operational costs.
- NFC bolstered its cybersecurity posture by implementing multi-factor authentication for several systems, including the widely used Employee Personnel Page, the team also Implemented 2-factor authentication for the Intradepartmental Transactions Reconciliation system, Biennial Review of Charges for Things of Value system, the Financial Statements Data Exchange, Employee Personal Page, and Reporting Center.
- On August 8, 2020, the President signed an Executive Order to defer employees' OASDI tax deductions due to COVID-19. OPM and Office of Management and Budget instructed the Federal Shared Service Providers to implement this change in the second pay period in September. While this change was implemented last year this year, there were many process/systems changes required to handle the repayment of the deferred taxes. The impact of this was significant across the organization and impacted more than 350,000 employees who are serviced by NFC. A special process was devised to generate bills to be processed within the ABCO system for employees with insufficient pay, on leave without pay, and those separated from service to recoup the deferred taxes. Additionally, each pay period, NFC produced special journal vouchers for the repayment of the deferred taxes. There are also signification modifications required to the Wage and Tax Statement – Form 2 (W2) system to automate the adjustments required as part of the W2-Corrected process.

- American Rescue Act (ARA) Changes – COVID-19 produced legislation that required numerous system changes to accommodate the Congressional mandates, one of which was a modification to the limit on flexible spending accounts. This change needed to be implemented rapidly without the time normally allotted to develop system requirements and complete the necessary programming changes. The ARA also included a provision for Emergency Planned Leave and Paid Parental Leave. NFC modified various leave categories and identified tracking methods as it was necessary to track different types of pay and leave. These mandated changes impacted a large percentage of the NFC customer base. With guidance from OMB and OPM, the NFC accelerated this process and used advanced programming techniques and tools to ensure timely and accurate modifications in support of this legislative mandate.

FMSS provided financial management oversight, budget execution, and budget formulation services to Departmental Administration Staff Offices (DASO), OCIO, OCFO, Office of Partnership and Public Engagement (OPPE), Office of Homeland Security (OHS), and the Office of the Secretariat (OES) in support of the Department's strategic goals. Administered fiscal resource management practices, including timely, accurate, and effective, high-quality financial advice, funds execution analysis and reconciliation, budget forecasting, resource planning, program spending analysis, and fiscal reporting to include the monthly status of funds briefings. In FY 2021, FMSS executed approximately \$558 million across annual and multi-year funding sources to include annual appropriations at \$128 million, shared cost program at \$39 million, program reimbursements at \$72 million, administrative support cost at \$3 million, WCF at \$35 million, Farm Bill at \$17 million, and no year appropriation at \$264 million. In addition, provided financial management and oversight of approximately 208 newly developed to well-established complex programs and projects for DASO (130), OCIO (44), OCFO (5), OPPE (17), OHS (11), and OES (1). FMSS collected approximately \$73 million for FY 2021 and \$41 million for FYs 2016 – 2021 in resource-related revenue for shared cost program and program reimbursement projects and programs.

FMSS executed approximately \$20.1 million in support of the Department's FY 2021 Farm Bill 2501 Program, which includes OPPE grants for the Policy Center and the Outreach, Education, and Technical Assistance to Socially Disadvantaged Farmers and Ranchers programs.

FMSS spearheaded the FY 2021 interagency agreement (IAA) reimbursement process between USDA and the Department of Health and Human Services (HHS) for the Unoccupied Children's Program in support of the President's Executive Order Establishment of the Interagency Task Force on the Reunification of Families. Served as the primary USDA contact with HHS for all financial aspects related to the Unoccupied Children's Program. Established a workflow process that coordinated 34 fully executed IAAs for 21 USDA agencies totaling approximately \$19 million.

FMSS executed FY 2021 A-123 Internal Controls requirements for User Access, Grants - awards, modifications, closeout, IPAC Reconciliation, Unliquidated Obligations, and Reimbursements - authorizations, modifications, and closeout. Completed assessment deliverables for (1) Project Plan, (9) Risk Assessments, (22) Control Procedures and Design Assessments, (19) Operating Effectiveness Test Results, (16) Aggregated Deficiencies/Findings, (11) closed Corrective Action Plans (CAPs) and the overall Certification Statement. Closed 100percent of FMSS CAPs; exceeded anticipated closures by 75percent FY 2021 plan closures.

ICSS contracted the services of Guidehouse to assess USDA's maturity level in complying with the Office of Management and Budget guidance contained in the revised OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control and Appendix A to OMB Circular A-123, Management of Reporting and Data Integrity Risk. This assessment has resulted in several recommendations that ICSS is implementing to improve our assessed maturity level. ICSS is working through our existing governance structure to revise our governance oversight and charters to include assessment of more program operations instead of strictly financial reporting. We completed one pilot project to test out the revised framework for enterprise risk during the fiscal year. Working with the Office of Budget and Program Analysis, we have initiated integrating internal control with Enterprise Risk Management. The goal of the internal controls over reporting (ICOR) framework pertains to an entity-level risk is to identify significant reports and internal controls to assess potential gaps in generating meaningful data to manage/mitigate the risk.

With the assistance of Rural Development (RD), we conducted a pilot project to assess ICOR for an enterprise-level risk. The results were presented to RD management, and the Internal Control Division has tweaked the revised framework based on observations made throughout the pilot.

A second pilot project to assess the new framework for an end-to-end business process started in FY 2021. The goal for the ICOR framework for an end-to-end business process is to expand the annual assessment beyond financial reporting to include assessments of program risk and controls. This body of work will inform the future planning and scoping phase of the annual ICOR assessment. Scoping decisions will consider current requirements for financial reporting and a timeline for incorporating the non-financial aspects of business cycles. The intent is to include some non-financial business processes in the scoping for the FY 2022 assessment

ICSS continued to refine and implement risk-based scoping, utilizing both quantitative and qualitative factors to make scoping decisions for the FY 2021 annual assessment. This approach yielded risk ratings for business processes of low, moderate, or high risk. Business processes with a high-risk rating were required to be documented and tested for the annual assessment of ICOR.

ICSS performed annual spot testing of essential controls for business processes that passed testing in FY 2021. Spot testing is a quality assurance process performed by ICSS staff to validate the test results obtained by customer agencies and staff offices. Spot testing was performed on 62 methods as compared to 85 in FY 2020. The decrease in coverage can be attributed to fewer staff resources due to retirements and attrition. The processes subject to spot testing involved reperformance of control tests for 79 controls covering 17 agencies/staff offices. There were no exceptions that resulted in changes to test results based on ICSS reviews.

Information Technology

Current Activities

The following activities under this heading are managed by the Office of the Chief Information Officer (OCIO) and are managed in Washington, D.C., unless otherwise noted:

- Client Experience Center (CEC); (Washington, DC, and field operations nationwide)
- Departmental Administration Information Technology Office (DAITO); (Washington, DC)
- Digital Infrastructure Services Center (DISC), which includes:
 - National Information Technology Center (NITC); (Kansas City, MO and St. Louis, MO); and
 - Enterprise Application Services (EAS); (Fort Collins, CO)
- Enterprise Network Services (ENS); (Fort Collins, CO)

Client Experience Center (CEC); (Washington, DC, and field operations nationwide)

Current Activities

Under OCIO, CEC provides comprehensive IT associated operations and technical support services to more than 100,000 customer users and 70,000 devices throughout the USDA. These customers work in offices located across the United States, its territories, and protectorates around the globe. They are in more than 7,000 field, state, and headquarters offices across the United States its territories and protectorates. The number of customers grew in FY 2021 and will grow even more in FY 2022.

CEC continues to pursue modernization efforts, innovation, and enhanced IT Service Management (ITSM) aimed at optimizing IT resources, reducing costs, improving availability, tuning capacity and throughput, strengthening scalability, improving the quality of IT services delivery, and addressing the needs of stringent data security requirements and the evolving USDA computing environment. Moving customers from a decentralized to a centralized architecture provides added protections to secure confidence on the part of farmers and rural communities that USDA is trustworthy with personally identifiable information and financial data and protects the larger Federal community from cybersecurity attacks and penetrations by rogue nations and others. To that end, CEC will continue to provide the latest in IT advances to create an improved enterprise architecture while delivering enhanced customer satisfaction.

CEC also plans, acquires, implements, and manages IT resources, including software licensing and technical support. It provides file and print, remote access, desktop support, wireless messaging, and agency application services for OSEC and OCIO. In addition, CEC maintains and administers the USDA telecommunications equipment and services inventory in the D.C. Headquarters Complex, provides USDA locator and automated telephone directory employee locator services, administers the Departmental voice mail system service, and maintains and operates the USDA Secretary COOP site. CEC also provides technical and operations assistance on

data networking telecommunications systems, design, installation, operation, and management of shared services on Departmental Headquarters networks and platforms.

Selected Examples of Recent Progress

End-User Consolidation (EUC) project hit its stride in FY 2021. For 15 years, CEC and its predecessor organizations had supported the Service Center Agencies: Farm Service Agency, RD, and NRCS. In FY 2019, a few more agencies came to CEC for IT support. In FY 2021, however, the EUC project took many significant steps forward with National Agricultural Statistics Service Information (April), National Finance Center (May), Economic Research Service (June), Marketing and Regulatory Programs (July), and Agricultural Research Service (August). The onboarding of these agencies effectively doubled the size of the customer base of CEC. Additionally, significant work was pushed into the preparation and standardization activities for Food Safety and Inspection Service (FSIS), Food and Nutrition, and Consumer Services (FNCS), and Natural Resources & Environment (NRE), which each onboarded in the first month of FY 2021. With those final three mission areas, the USDA has done something genuinely historic by becoming the first federal government agency to centralize customer IT capabilities for the entire workforce (about 115,000 people).

Remote Support First was adapted to complete the transition to Microsoft Teams to better support collaboration. In addition, the CEC team identified creative solutions to work around expiring LincPass cards and a process to patch machines that no longer required the device to be physically in the office. And during the pandemic, unprecedented forest fires, and a hurricane season that never seemed to end, CEC continued to support the Department and - delivered End User Consolidation and Network Flattening, which is nearly impossible even in optimal conditions.

Customer Engagement is continuously improving the engagement with customers of the Identity, Credential, and Access Management (ICAM) Program. Identity Access Services Branch (IASB) has launched a new Customer Portal SharePoint site that serves as a 'one-stop shop' for learning about the ICAM Program and keeping up to date on important ICAM related policy, news, and guidance. Additionally, customers can find information, guidance, and documentation on implementing and connecting to ICAM services, as well as access forms to contact the ICAM Program to request services and support.

CEC completed the One Neighborhood Project by consolidating Mission Areas staff and resources into contiguous spaces within the South and Whitten building. Consolidation reduced the amount of space being leased from GSA. The office relocations consisted of intra-building moves between South, PPIII, and Whitten buildings. CEC flattened the networks that currently exist within the South/Whitten building which enabled the completion of the migration from the old building point of precedence (POP) to the new POP 3 which was required to support the flattening effort. Specifically, CEC migrated 6,600 data, voice, and video connections from the existing 205 telecommunication rooms (TRs) throughout the South and Whitten buildings to the new flattened network. This included the replacement of analog phones with VoIP phones. In addition to the migration of the 6,600 connections, all TR patch cables were replaced with new Category 6 patch cables, and all legacy switches were uninstalled and decommissioned.

Network Core Services team implemented command and control measures. It took operational ownership of approximately 3000 new network devices to include data center and field site routers and switches and Cisco Identity Service Engine deployments and Cisco Wireless Lan Controllers. Part of the command-and-control measures included touching each of these devices remotely to ensure only IOD staff could manage and monitor these devices.

USDA enterprise-wide depot services are under development to add additional efficiencies to our laptop and desktop delivery model. This model will resemble and eventually supplant the existing depot models currently in place within the FSIS and NRE mission areas but at a larger scale. The specific services provided will include:

- Warehousing and equipment distribution services
- Storing, shipping, and receiving IT equipment assets, including workstations, laptops, tablets, Chromebooks, wireless devices, and other devices and peripherals
- Imaging, installation, and configuration of operating systems and software
- Inventorying, monitoring, and tracking of customer deliveries and returns
- Equipment excessing and recycling
- Minor IT equipment repair and refurbishment
- Management of equipment warranty information

CEC centralized the mobility support services to enhance the service offering for customers. The new centralized mobility support covers all mobility processes, including order processing, deploying, changes, and disconnects of mobility services. This enhanced model creates efficiencies through a streamlined ordering process incorporating Agency approval requirements, accurate inventory of devices, timely processing of line disconnects with the wireless provider, and reduction in resolution times for mobile device issues. CEC deployed 414 mobile devices under this model since April 2021. CEC continues to work with Mission Areas to provide enhancements to services to meet the mission needs better. CEC will continue to offer centralized mobility support to Mission Areas throughout the upcoming FY.

CEC coordinated the Office of Operation (OO) print services to CEC Managed Print Services (MPS), resulting in inefficiencies and cost savings. Migration of devices resulted in cost savings for USDA of over \$2.3 million in FY 2021. Savings were achieved through the reduction of devices and volume discounts. Total FY 2021 OO costs ranged from \$423 to \$750 per month per device for consumables, paper, and IT support, with 507 devices managed under their lease program. The average cost per month per device for MPS is \$223 for consumables and onsite vendor support (excluding paper). The number of devices required for service by the Agencies decreased significantly during the true-up process and contributed to cost savings.

Departmental Administration Information Technology Office (DAITO); (Washington, DC)

Current Activities

DAITO provides centrally managed, value-added IT solutions to DASO to meet governing bodies and users' functionality, accessibility, and compliance requirements. DAITO ensures consolidated, streamlined, and comprehensive IT offerings to allow DASO to focus on its core mission and values through a suite of Investment Compliance, Security Compliance, Customer Service Compliance, and Service Delivery/Operations Support services.

Selected Examples of Recent Progress

DAITO implemented and aligned all DAITO IT System inventory with approved Cloud Services (FedRamp) packages. The benefit of this process allowed DAITO to align IT systems and services under approved FedRAMP packages review to ensure annual compliance and POAM tracking of FedRAMP application, systems, and services. This effort also allowed DAITO to meet USDA system definitions according to Systems and Application Authority to Operate (ATO) versus Authority to Use (ATU), aligning to 800-37 guidance. Activities included but were not limited to:

- Met PMA CAP goals obtaining 100% compliance (ATO/ATU) for all DAITO IT systems
- Recategorized applications to establish correct ATO/ATU designation for expired systems
- Consolidated and centralized assessments from Staff Offices under DAITO
- Prioritized ATO/ATU timelines
- Identified IT Assets and IT Security roles/responsibilities from Staff Offices
- Review and closed out 40 percent of delayed and outdated POAM's
- Consolidated DAITO Inventory of IT systems into EAVE
- Updated ATO/Documentation/Interconnection Security agreements (ISA's)

DAITO upgraded processes and procedures to align with OMB and USDA-mandated policy requirements. Provided support and Privacy Data Calls for DAITO Mission Areas and Staff Offices. Annually conducted privacy analysis for all systems to identify and update new privacy requirements (100percent complete). The Privacy Impact Assessment (PIA) documents to support how DAITO addressed the respective Privacy requirements conforming with Privacy Act, Computer Matching Act, and respective E-Government Act requirements.

DAITO implemented new procedures to respond to DASO enterprise cyber security mandatory data calls. The Security Compliance team ensured 100 percent of responses were accurate and timely. DAITO provided consolidated reactions for the following critical data calls:

- Q2 & Q3 FISMA HVA Metrics
- FY 2021 Q4 CIO Metrics
- OIG Inspection of virtual Platforms
- Cyber EO Sensitive Data for HVA's and Non-HVA's

- CISA Cybersecurity Coordination Assessment and Response (C-CAR)
- OIG - Inspection: USDA's Security Over Web Applications and Websites Inspection (50801-0002-12)
- Zero Trust Compliance

DAITO restructured the Enterprise Vulnerability Patch Management Group to provide a single point of oversight for critical patch management activities across DASOs, aligned with the Information Security Centers' guidance. DAITO reviewed out-of-date NIST RA controlled for vulnerability management supporting DAITO IT Systems and completed an assessment to begin conducting access control, audit logging, and vulnerability management deliverables for DAITO systems. The team consolidated all vulnerability reports for systems within DAITO Inventory and scheduled bi-weekly meetings with Staff Offices POC and CEC ISSPM to review and determine remediation efforts.

On January 4, 2021, IAS Release 10.0 (IAS R10.0), a major upgrade, which was in progress in FY 2020, went live. IAS R10.0 achieved the objective of a true end-to-end procurement solution from procurement forecasting to requisitioning, to contracting, all in one COTS solution. All the transactions are housed in one application, thus allowing greater data visibility to all authorized users, unlocking a new functionality, and eliminating errors caused by having two applications. Program offices and Contracting have become engaged in streamlining the processes and improving collaboration. The decommission of Oracle E-Business Suite, IAS R10.0, resulted in cost avoidance of \$865 thousand, which was used to offset the cost for licensing additional users, the increased cost for Oracle license, and obtaining additional Unison features such as Acquisition Planning.

The Enterprise Web Application Platform Services (eWAPS) continued to innovate and modernize its platform to maintain advancements with technology and keep costs down. The eWAPS team upgraded the Drupal platform from Drupal 8 to Drupal 9 and moved eight staff-office sites to USDA.gov, resulting in \$400,000 cost savings for the staff offices. Launched Agricultural Marketing Service, FNS, National Institute of Food and Agriculture, and RD's Drupal sites and launched two new mobile apps on the platform. These migrations also focused on decommissioning all migrated sites for cost-avoidance related to maintaining them. eWAPS completed the Rancher upgrade from Version 1.6 to Version 2.5 to comply and avoid obsolete product stack. The eWAPS team manages the BPA for the Department to leverage the Secretary's Web Modernization initiative. DAITO manages 12 new modernization-related call orders for a total of \$3.1 million to meet the Departmental and mission areas' web modernization goals.

DAITO implemented an Information Technology Service Management (ITSM) tool for current and future applications. Following the enterprise focus and direction, DAITO implemented ITSM in phases. First, the team worked with Digital Services Center (DSC) to pilot services support in establishing a modernized, single instance of ServiceNow to serve the OCIO ITSM needs. IAS help desk incident processing and Multimedia Service requests management moved to the ServiceNow platform for process improvement. Considerations of client experience, procurement management, and cost, among others, were considered for this effort.

Digital Infrastructure Services Center (DISC), which includes:

- National Information Technology Center (NITC); (Kansas City, MO and St. Louis, MO); and Enterprise Application Services (EAS); (Fort Collins, CO)

Current Activities:

The Digital Infrastructure Services Center (DISC) office is a Departmental turnkey solution provider with cloud hosting and application development services that have aligned its strategy and operational execution with the objectives outlined in the USDA Strategic Plan and achieve excellence in the OCIO Strategic Initiatives.

The technologies available today from Enterprise Hosting Solutions (EHS) allow government users the ability to access business delivery applications on a 24X7 basis from a FedRamp approved, Impact Level 4 (IL4) data center. The EHS assures all applications and data's confidentiality, integrity, and availability via supported cloud architectures. EHS cloud architectures enable access from customer locations throughout the United States via secure private and public networks that support their business requirements and service needs.

The EHS Cloud Platforms include Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Professional Services (PS). Our Service Catalog defines these services as developed and managed within the ITILv4 Service

Management Framework. In addition, they are secured to align with NIST 800-53, FedRAMP Moderate, FISMA High, and DoD Impact Level 4 security controls.

Enterprise Applications Services (EAS) provides enterprise applications services to USDA and its partner agencies and has been doing so for nearly 40 years (since 1981). EAS is a fee-for-service organization operating solely on funds provided through Interagency Agreements (IAAs). Enterprise Applications Services (EAS) offers a full spectrum of professional services to custom build, launch and support world-class business applications. EAS supports numerous Software as a Service (SaaS) technologies such as Salesforce, SharePoint, Oracle, Java, .Net, and Drupal. Agile methodology provides flexibility to meet customer needs and provide quick product delivery. In addition, EAS streamlines these services to provide a direct and efficient resource for customers throughout the DevSecOps lifecycle.

As part of EAS, the Digital Service Center (DSC) group establishes and manages the enterprise processes, resources, tools, and best practices for Software as a Service (SaaS) platforms at the USDA to include Salesforce, ServiceNow, and Akamai. Managed platform services include Enterprise Management, Business & Technology Support, Release & Configuration Management, Operations & Maintenance, Platform Management Services, and Security.

Selected Examples of Recent Progress

Data Center Optimization Initiative received a final “A” rating on the FITARA scorecard and producing \$73.8 million in cost savings; \$10.7 million was realized in FY 2021.

DISC achieved staff integration to drive operational efficiencies and savings for IT Infrastructure Optimization – NFC vDC Migration to PaaS –. In October 2021, DISC will complete the systems integration effort to allow for FY 2022 PaaS service rate billing, eliminating dedicated labor costs for NFC. Software requirements have been consolidated between legacy NFC and DISC needs for products such as BMC Control-M, Broadcom, and SAS to save \$2.2 million on renewing licenses.

DISC achieved a 20 percent increase in Commercial Cloud Adoption with Agencies utilizing third-party service providers. DISC added a new commercial cloud offering to the Service Catalog with the addition of Google Cloud. Conducted a 90-day partnership with NRE for a CI-CD Pipeline Pilot, implemented an AgCloud/Enterprise General Support System in Amazon Web Services (AWS) and Azure, and formed the USDA Cloud Working Group.

DISC currently has more than 60 robotics deployed, resulting in \$4.59M in labor savings across the Department due to its increased adoption of RPA.

Enterprise Network Services (ENS); (Fort Collins, CO)

Current Activities:

ENS office in OCIO provides Department-wide telecommunications management support and a variety of enterprise services, in addition to an integrated information system for inventory management, billing, reporting, and validation. This enterprise system is used to engineer and streamline the Department-wide telecommunications network environment and ensure that agency telecommunications network solutions are compliant with Departmental program goals and objectives. In addition, ENS provides services to all USDA agencies to ensure the acceptable performance of applications on the USDA enterprise network, network access to the public Internet network and partner networks for mission delivery and allow application owners to manage risk and achieve cost avoidances.

Selected Examples of Recent Progress

USDA’s OCIO appointed a team to manage and award the USDA Enterprise Infrastructure Solutions (EIS) task order known as USDANet. USDANet will modernize and transform USDA’s entire wide-area network (WAN) service into a fully integrated network and cybersecurity service that is vendor owned, operated, and managed under a strong, centralized USDA oversight. Based on government and industry-developed cost savings estimates, USDANet will conservatively reduce USDA’s WAN expenditures by \$571M over the life of the General Services Administration (GSA) EIS Contract. Looking forward, USDA will partner with its EIS Contractor to ensure that USDANet remains state-of-the-art and cost-effective.

USDA EIS Team accomplishments:

- Completed USDA’s EIS Source Selection Board training. Given the complexities surrounding USDANet requirements, this training period extended three months

- Completed USDA’s Federal Acquisition Regulation-required consensus evaluations of EIS Offeror proposals. USDA utilized the GSA/Noblis AcquiServe and AcquiTrak procurement management service to ensure a fair, consistent, documented process
- Completed USDA’s final project proposal to secure USDANet funding assistance via the GSA Technology Modernization Fund (TMF). USDA’s TMF request focuses on transition-related costs USDA will experience over the initial three implementation years. USDA is confident that USDANet related savings will allow for TMF payback
- USDA issued a competitive range decision that resulted in a pre-award protest on September 3, 2021. After USDA’s protest response, the pre-award objection was withdrawn on October 14, 2021
- USDA is confident that it will make a GSA EIS task order award in Q1FY22

ENS continued leading a USDA-wide initiative to develop an ENS organizational transformation by developing a Concept of Operations (CONOPS) for an organization that will support the proposed Network Modernization activities (USDANet). ENS has been further developing the organizational transformation design working with a fully staffed management team. In addition, ENS has worked with HR staff to recruit and hire staff to reach an initial operating capability staffed by approximately 45 federal team members.

ENS continues to manage an enterprise wireless management program for USDA that enables improved administration of wireless services through centralized inventory, reporting, and invoicing at the Department level. By managing the centralized enterprise data pool, ENS was able to avoid overage charges of approximately \$0.9million for FY 2021

Under the Business Intelligence & Data Analytics Program, Enterprise Network Services (ENS) has created a new program to provide advanced business intelligence and data analytics capabilities for our Agency customers and senior management. Our program is built on the Office of the Chief Information Officer (OCIO) Chief Data Officer’s system known as the Enterprise Data Analytics and Toolset. ENS has delivered over 100 requests for data support and visualizations to help Agency understand how to use our vendors' services more effectively.

Enterprise Network Services upgraded the Trusted Internet Connection (TIC) equipment in Washington D.C and San Francisco, CA. Unified Telecommunication Network (UTN) is the name of the backbone network for USDA, and it relies on two internet connections for USDA’s mission areas' success. The current equipment was at the end of life. To prevent network outages, ENS worked with American Telephone and Telegraph to redesign and upgrade to newer technology and supporting equipment to accommodate faster network connections. This will ensure USDA mission areas have state-of-the-art equipment and are ready to meet mission area needs.

Correspondence Management

Current Activities

The following activities under this heading are managed by the Office of the Executive Secretariat (OES) and are managed in Washington, D.C., unless otherwise noted:

USDA’s OES serves the Office of the Secretary of Agriculture by facilitating the official correspondence of the Immediate Office of the Secretary, maintaining the official records of the Office of the Secretary, and assisting the Office of the Secretary with special projects.

OES receives and analyzes all correspondence received and addressed to the Secretary and Deputy Secretary, refers it to the appropriate agencies or staff offices to prepare a response, as appropriate, and coordinates and tracks the preparation, review, clearance, signature, dispatch, and archival filing of responses. In addition, OES works with USDA agencies to ensure prompt delivery of reports and other documents requested or legislatively mandated by Congress or the White House and provide editorial assistance as necessary to ensure optimal quality.

In response to requests by the Office of the Secretary, OES assists with the preparation of letters of thanks, congratulations, and condolences; preparation of briefing materials based on correspondence analysis; general writing and editorial services; and other projects as requested.

The COVID-19 Pandemic changed electronic document management from optional to mandatory across all USDA offices. Similarly, OES witnessed a sharp decline in hardcopy records over FY 2021 and anticipates that future archival procedures will differ significantly from the past as we lower the space and physical labor required to manage hardcopy files. Ironically, the Pandemic offered an opportunity for a paradigm shift to adapt to new space

needs, new skillsets, new communication methods and anticipate the positive impact of advanced technology such as digital signatures and cloud technology.

Selected Examples of Recent Progress

OES's efforts to upgrade the Enterprise Content Management (ECM) database in FY 2021 resulted in a two-phased procurement process. The first phase kicked off at the end of September 2021 and is with an expert project management company to define, research, analyze, and recommend the requirements for the ECM upgrade to the OCIO. The second phase will entail the solicitation and award processes to a vendor who can meet those requirements.