

## WORKING CAPITAL FUND

**LOCATION:** The 17 Western States in Reclamation's Service Area.

**DESCRIPTION/JUSTIFICATION:** The Reclamation Working Capital Fund (WCF) is comprised of various activities designed to provide more efficient financing, accounting, cost recovery, management, and budgeting for support services, facilities, and equipment. The activities covered within the WCF are automated data processing (ADP) computer systems, transportation vehicles, aircraft, drilling equipment, centralized finance services, water quality laboratories, geographic information systems, ADP capital investments, underwater inspection team, construction support office, accessibility data management systems, heavy and mobile equipment, photogrammetry and surveys, common services activities, information resource infrastructure support, information technology investment, engineering support services, and the employee leave account.

The WCF is available without fiscal year limitation for expenses necessary for furnishing materials, supplies, equipment, facilities, work, and services in support of Reclamation programs. It is credited with appropriations made for the purpose of providing or increasing capital. By design, the fund operates on a self-supporting basis through user charges deposited in the fund. Charges to users are based on rates approximately equal to the costs of furnishing the materials, supplies, equipment, facilities, and services, including labor and related costs.

The Department undertook significant information technology reforms to improve the management of IT investments, to improve the security of systems and information, and to realize short and long-term efficiencies and savings. The Department's corporate approach includes consolidated purchases of hardware and software; consolidations of support functions that include help desks, email support, and web services; and coordination of training.

The \$3.9 million increase in the Bureau of Reclamation's IT Portfolio (see Exhibit 53 summary table) from FY 2004 to FY 2005 is primarily due to the more effective identification of IT investments. This more comprehensive identification resulted from improved guidance from OMB and DOI in defining and quantifying IT investments. In addition, system investments principally funded by Working Capital Funds that increased significantly (over \$200,000) from FY 2004 to FY 2005 include the Denver Office General Support System (DOGSS) that increased by \$230,000; the Lower Colorado General Support System (LCGSS) that increased by \$220,000; the Upper Colorado General Support System (UCGSS) that increased by \$740,000; Reclamation Geographic Information System (BORGIS) that increased by \$280,000; Enterprise Geographic Information System (EGIS) that increased by \$250,000, and Enterprise Services Network that is funded at \$819,400.

Of these six systems, BORGIS, DOGSS, LCGSS, and UCGSS are infrastructure systems undergoing technology refreshment. The purpose of this refreshment is to maintain infrastructure that is consistent with industry standards and ensures the effectiveness, safety and security of Reclamation's IT resources in meeting mission objectives. The other two systems, Enterprise GIS and Enterprise Services Network, are Department-wide initiatives in the development stage. Costs incurred in support of these Enterprise systems are expected to increase as these efforts are ramped up Interior-wide.

**AUTHORIZATION:** P.L. 99-141, Appropriations for Energy and Water Development for the Fiscal Year Ending September 30, 1986, Title II: Department of the Interior, November 1, 1985.

**SUMMARIZED FINANCIAL DATA**

**Program Financial Data**

Activity	FY 2004	FY 2005
Revenue	\$336,355,000	\$346,367,000
Prior Year Funds	21,922,000	13,700,000
Reduction	(4,525,000)	0
Unobligated Balance, End of Year	(13,700,000)	(13,883,000)
Total Program	\$340,052,000	\$346,184,000

The follow is a list of various components of the President’s Management agenda that are funded through Reclamation’s Working Capital Fund.

**E-Government Projects**

**E-Travel \$52,000:**

This E-government project provides a government-wide web-based service to consolidate travel functions, provide improved services to government employees, and minimize costs. From travel planning and authorization through the employee reimbursement process, E-Travel combines administrative, financial, and information technology best practices to produce cost savings and improved employee productivity. E-Travel leverages proven industry practices with new technologies to provide a common, automated approach for managing government travel. Efficiencies are expected by eliminating paper-based processes, replacing fragmented systems, expanding travel-related services that are available to Federal employees, providing on-line transaction processing, and creating a self-service environment that is easy to use.

**E-Authentication \$32,000:**

Federal services are available on-line, but many require some form of identify verification before a transaction can take place. The E-Authentication project will provide a secure, easy-to-use and consistent method of proving identity to the government minimizing the burden on businesses, the public, and government.

The project will establish uniform processes for establishing electronic identity and allow citizens and businesses to use non-government issued credentials to conduct transactions with the government. E-Authentication will eliminate the potential development of electronic identify authentication systems by multiple agencies and allow businesses to use a single registration process.

**E-Training \$102,000:**

The E-Training project creates a training environment that is more efficient and provides improved services and learning management support to the Federal government. E-Training provides learning management system functionality and a simplified process to learn about training opportunities with one-stop access to e-products and services -- thus, advances the accomplishment of agency missions. The Gov Online Learning Center houses a repository of products and services and performance support tools that meet the needs of the workforce. The E-Training approach avoids the need for multiple Federal agencies to host and maintain duplicate systems.

**E-Records Management \$3,000:**

The management of electronic records is a statutory mandate and a necessity for accountability. Agencies have largely developed individual solutions to fit their records management needs and have not focused on long-term management issues and interagency sharing. The E-Records Management project helps agencies to better manage their electronic records, so that records information can be effectively used to support timely and effective decision making, enhance service delivery, and ensure accountability. It establishes consistent policies, models, requirements, and standards to guide agencies in the implementation of electronic records management systems.

**Business Gateway \$33,000:**

Businesses, particularly small businesses, must comply with Federal, State, and local laws and regulations by applying for a series of permits and licenses. This can be a difficult and costly process that impacts their productivity. The Business Gateway will make it easier to find, understand, and comply with applicable laws and regulations by improving access to information, providing on-line tools, and accessible and easy-to-use forms. This project will also improve the ability of Federal agencies to automate business processes and comply with the Government Paperwork Reduction Act.

**Integrated Acquisition Environment \$25,000:**

The Federal government spends about \$200 billion per year on the acquisition of goods and services. This E-government project will facilitate the cost-effective acquisition of goods and services, while eliminating inefficiencies in the current acquisition process. The project integrates a number of inter-governmental data warehouse efforts such as agency systems that maintain information about supplier's capabilities, past performance, and services and makes them available throughout the government. The project will also streamline acquisition by providing a directory to facilitate ordering from interagency contracts and catalogs and will redesign the process for ordering, billing, and collection.

**E-Rulemaking \$2,000:**

The E-Rulemaking initiative transforms the current rulemaking process in order to allow the public to more easily access, search all publicly available regulatory material, and provide an easy and consistent way for the public to comment on proposed rules. The initial step of E-Rulemaking will be creation of Regulations.gov, a government-wide docket system to provide a single Internet access point to regulatory material.

**E-Rulemaking Transition \$16,000:**

Funding is requested to transition to an electronic system that will facilitate the Department's ability to comply with statutory requirements for ensuring public access to regulatory materials and to expand capabilities for partners and the public to comment on proposed rules.

***SAFECOM*****SAFECOM \$45,000:**

The nation's public safety wireless communications infrastructure is not equipped to meet the challenges that arise in emergency situations, primarily as a result of interoperability. SAFECOM provides a government-wide approach to help local, tribal, State and Federal public safety agencies improve interoperable wireless communications. SAFECOM is working with existing Federal communications initiatives and key public safety stakeholders to develop better technologies and processes for the cross-jurisdictional and cross-disciplinary coordination of existing systems and future networks.

### *Enterprise Services Network*

#### **Enterprise Services Network \$819,400:**

The ESN will provide an enterprise approach to its information technology infrastructure. Beginning with the development of a Department-wide intranet, Internet access and an operations center, the development of ESN will provide a secured, single network infrastructure that is centrally managed. The potential benefits gained by migrating to a single enterprise network include centralized, standardized and efficient network operations, enhanced accountability for network performance, a uniformly high level of security, the reduction of risks associated with the loss of knowledge capital due to high projected turnover rates for skilled staff, and improved technical support for network managers. ESN will be implemented in two phases. Phase 1 encompasses three objectives: 1) establishment of a Department-wide Intranet; 2) consolidation of all Internet connections across the Department; and 3) implementation of a Network Operations and Security Center to manage the network and provide customer support. Phase 2 will encompass the secure connection to the ESN of the bureaus' approximately 150 bureau hubs or sites that are located primarily in cities, as well as their approximately 1,500 remaining smaller sites.

### *Audit*

#### **Annual Audit \$726,100:**

In compliance with the Chief Financial Officers Act of 1990, the Department's consolidated financial statement and individual bureau financial statements are audited annually. In 2002 the Department began to contract with a private sector audit firm for the annual financial audits, and since then the Department has benefited significantly from these independent and objective evaluations of the Department's financial statements.

Beginning in 2002 funding was specifically appropriated for this purpose in the Office of the Inspector General. Due in large part to the Department's outdated financial system and the resultant delays in reporting, each year the Department used credit card rebate funding and additional bureau resources to fund the audit costs.

The 2005 request for audit funding identifies Reclamation's base cost of the annual audit, exclusive of the cost of the audit relative to unanticipated, unique, bureau-specific audit issues.

## Summary of Bureau of Reclamation Information Technology Investments Funded through the Working Capital Fund

(\$ millions)

		<b>2004 President's Budget</b>	<b>2005 Request</b>	<b>Change From 2004</b>
<b>Bureau Major Investments</b>				
*	Central Valley Automated Central System	\$1.520	\$1.620	\$0.100
	Corporate Data Warehouse (CDW)	0.980	0.540	-0.440
	General Support System (DOGSS) – Denver Office	6.480	6.710	0.230
	General Support System (GPGSS) – Great Plains	3.880	4.000	0.120
	General Support System (LCGSS) – Lower Colorado	5.150	5.370	0.220
	General Support System (MPGSS) – Mid-Pacific	5.760	5.850	0.090
	General Support System (PNGSS) – Pacific Northwest	3.260	3.310	0.050
	General Support System (UCGSS) – Upper Colorado	4.800	5.540	0.740
*	Grand Coulee Power Office Supervisory Control and Data Acquisition (SCADA)	0.600	0.940	0.340
	Program and Budget System (PABS)	0.900	1.000	0.100
*	Programmable Master Supervisory Control System - Hoover Dam (HPMSC)	0.600	0.400	-0.200
	Reclamation Electronic Document System (REDS)	3.330	3.170	-0.160
	<b>Subtotal - Major Investments</b>	<b>\$37.260</b>	<b>\$38.450</b>	<b>\$1.190</b>
<b>Other Investments - Total</b>				
		<b>\$38.941</b>	<b>\$41.666</b>	<b>\$2.725</b>
<b>Bureau Total IT Investment Portfolio</b>				
		<b>\$76.201</b>	<b>\$80.116</b>	<b>\$3.915</b>

\* Funding for these investments is from the Water and Related Resources Account.