Department of Education

INFORMATION TECHNOLOGY SYSTEM MODERNIZATION
AND WORKING CAPITAL

Fiscal Year 2020 Budget Request

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SEC. 308. Notwithstanding section 302, the Secretary of Education may transfer up to 10 percent of any amounts that are made available to the “Program Administration”, “Office for Civil Rights”, or “Office of Inspector General” accounts in this Act to the “Information Technology System Modernization and Working Capital Fund” (IT WCF), as authorized by section 1077(b)(1) of title X of division A of the National Defense Authorization Act for Fiscal Year 2018. Provided, That any amounts transferred to the IT WCF shall remain available for 3 fiscal years; Provided further, That the Secretary shall notify the Committees on Appropriations of the Senate and the House of Representatives at least 15 days in advance of any such transfer.

NOTE

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document, which follows the appropriation language.
## Analysis of Language Provisions and Changes

<table>
<thead>
<tr>
<th>Language Provision</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TITLE III GENERAL PROVISIONS</strong></td>
<td>This language provides authority to transfer up to 10 percent of any amounts that are available from administrative funds to an Information Technology System Modernization and IT Working Capital Fund.</td>
</tr>
<tr>
<td>1 <strong>SEC. 308.</strong> Notwithstanding section 302, the Secretary of Education may transfer up to 10 percent of any amounts that are made available to the Program Administration, Office for Civil Rights, or Office of Inspector General accounts in this or any other Act to the “Information Technology System Modernization and Working Capital Fund” (IT WCF), as authorized by section 1077(b)(1) of title X of division A of the National Defense Authorization Act for Fiscal Year 2018:</td>
<td></td>
</tr>
<tr>
<td>2 <strong>Provided,</strong> That any amounts transferred to the IT WCF shall remain available for 3 fiscal years:</td>
<td>This language makes funds transferred to the IT Working Capital Fund available for 3 fiscal years.</td>
</tr>
<tr>
<td>3 <strong>Provided further,</strong> That the Secretary shall notify the Committees on Appropriations of the Senate and the House of Representatives at least 15 days in advance of any such transfer.</td>
<td>This language requires the Secretary to notify the Committees on Appropriations at least 15 days before funds are transferred.</td>
</tr>
</tbody>
</table>
**INFORMATION TECHNOLOGY SYSTEM MODERNIZATION AND WORKING CAPITAL**

**Amounts Available for Obligation**  
(dollars in thousands)

<table>
<thead>
<tr>
<th>Appropriation and Adjustments</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary budget authority:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer from Department of Education, Program Administration, for IT System Modernization and Working Capital</td>
<td>0</td>
<td>0</td>
<td>$5,000</td>
</tr>
<tr>
<td>Subtotal, adjusted discretionary appropriation</td>
<td>0</td>
<td>0</td>
<td>5,000</td>
</tr>
</tbody>
</table>

BB-3
Information Technology System Modernization and Working Capital

(Proposed Legislation)

(dollars in thousands)

FY 2020 Authorization: Proposed Legislation

Budget Authority:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Personnel Costs</td>
<td>0</td>
<td>$5,000</td>
<td>+$5,000</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>5,000</td>
<td>+5,000</td>
</tr>
</tbody>
</table>

PROGRAM DESCRIPTION

The Administration requests that the Program Administration, Office for Civil Rights, and the Office of Inspector General Salaries and Expenses accounts be allowed the flexibility to use the authority of the IT Working Capital Funds (IT WCF) authorized by the Modernizing Government Technology (MGT) Act in 2018. The authority would enable the Department to transfer one-year administrative funds to an account with a three year period of availability for use on IT modernization.

FY 2020 BUDGET REQUEST

The Administration is requesting $5.0 million for the fiscal year 2020 IT Systems Modernization and IT Working Capital Fund, $5.0 million more than the fiscal year 2019 Appropriation.

The Administration requests that it is allowed the flexibility to use the authority of the IT WCF authorized by the Modernizing Government Technology Act in 2018. The authority would enable the Department to transfer one-year administrative funds to an account with a 3-year period of availability for use on IT modernization.

The IT Working Capital Fund authority would allow the Department to make the best use of limited administrative funds. The three year availability would permit more time to appropriately consider all risks, merits, and alternatives with IT investments, reducing risk and maximizing the effectiveness. Currently, when circumstances like a contract postponement or lower-than-anticipated FTE costs leave unexpected funds available at the end of a fiscal year, the Department takes strategic steps to ensure funds are placed on operational procurements.

Thirty percent of the Program Administration account funds major contracts such as the Department’s IT infrastructure and security and financial management systems. These major
procurements are not routine in nature, but rather have become more complex; requiring for example, additional layers of integration with security requirements. Contract actions, particularly those that are complex, are often subject to protests, which can impact the timing of funding needs --in many cases crossing over fiscal years. The IT Working Capital Fund will give the Department the flexibility to align the availability of funds with these complex procurement actions.

Consistent with the Federal Information Technology Acquisition Reform Act (FITARA), the Secretary shall ensure that the Department’s Chief Information Officer, at a minimum, be the principal advisor to the Secretary and a member on any board or governance structure of the Department responsible for advising and setting Departmentwide information technology budgets to include the IT Working Capital Fund. Furthermore, funds transferred to the IT Working Capital may not be obligated without authorization from the Department’s Chief Information Officer.

**G5 Technology Refresh**

As part of its modernization efforts, the Department plans to gather and analyze system requirements and identify a solution to support a G5 Technology Refresh. The G5 grants management system supports the full lifecycle of the Department’s grant-making business process. G5 customers include grant program staff and external customers who apply for and receive grant funds. This includes individuals, colleges and universities, states, counties, school districts, tribal organizations, non-profit organizations, and other potential applicants and grantees that use the G5 system to apply for grants and, when the grant is awarded, to draw down funds. Refreshing the G5 system would improve service to external customers by providing a secured way for applicants and grantees to communicate and manage grants. G5 allows applicants and grantees to see and maintain their grant data electronically in one place, while eliminating data entry errors.

G5 services end-to-end grants management activities (from intake of applications, peer reviews, awards, payments, performance monitoring to final closeout of the grant award). G5 also processes payments for Federal Student Aid programs, such as Pell and campus-based grants. In addition to processing payments for these feeder systems, G5 is seamlessly integrated with the Financial Management Support System; the Department’s general ledger.

The technology that supports G5 is aging and increasingly unable to meet the expanded grants management needs of Department staff. As part of the G5 Technology Refresh effort, a number of Department office-specific systems have been identified for consolidation into G5 to increase efficiency and decrease costs. The funds are necessary to continue to provide grants management system services to Department personnel and external G5 customers.