

# Departmental Offices - S & E

FY 2015

President's Budget

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## Section 1 – Purpose

### 1A – Mission Statement

Maintain a strong economy and create economic and job opportunities by promoting conditions that enable economic growth and stability at home and abroad; strengthen national security by combating threats and protecting the integrity of the financial system; and manage the U.S. Government's finances and resources effectively.

### 1.1 – Appropriations Detail Table

Dollars in Thousands

Departmental Offices S & E Appropriated Resources	FY 2013		FY 2014		FY 2015		FY 2014 to FY 2015			
	Operating Level		Enacted		Request		\$ Change		% Change	
<b>New Appropriated Resources:</b>	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>	<b>FTE</b>	<b>AMOUNT</b>
Executive Direction	151	35,763	148	36,738	153	37,934	5	1,196	3.38%	3.26%
International Affairs and Economic Policy	232	56,804	232	56,113	233	57,542	1	1,429	0.43%	2.55%
Domestic Finance and Tax Policy	261	68,351	255	80,956	252	68,703	(3)	(12,253)	-1.18%	-15.14%
Terrorism and Financial Intelligence	418	96,116	413	102,000	422	105,930	9	3,930	2.18%	3.85%
Treasury-wide Management and Programs	125	35,223	123	36,593	128	38,625	5	2,032	4.07%	5.55%
<b>Subtotal New Appropriated Resources</b>	<b>1,187</b>	<b>\$292,257</b>	<b>1,171</b>	<b>\$312,400</b>	<b>1,188</b>	<b>\$308,734</b>	<b>17</b>	<b>(\$3,666)</b>	<b>1.45%</b>	<b>-1.17%</b>
<b>Other Resources:</b>										
Reimbursables	132	69,502	132	69,502	132	69,502	0	0	0.00%	0.00%
<b>Subtotal Other Resources</b>	<b>132</b>	<b>\$69,502</b>	<b>132</b>	<b>\$69,502</b>	<b>132</b>	<b>\$69,502</b>	<b>0</b>	<b>\$0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total Budgetary Resources</b>	<b>1,319</b>	<b>\$361,759</b>	<b>1,303</b>	<b>\$381,902</b>	<b>1,320</b>	<b>\$378,236</b>	<b>17</b>	<b>(\$3,666)</b>	<b>1.30%</b>	<b>0.96%</b>

### 1B – Vision, Priorities and Context

Departmental Offices (DO) is the headquarters bureau for the Department of the Treasury. It provides leadership in economic and financial policy, financial intelligence and enforcement, and general management. Treasury utilizes effective management, policies, and leadership to protect our national security through targeted financial actions, by promoting the stability of the nation's financial markets, and by ensuring the Government's ability to collect revenue and fund its operations.

#### **FY 2013 Key Accomplishments, FY 2014 and FY 2015 Priorities:**

The Department's Strategic Plan for FY 2014-2017 guides program and budget decisions for the Departmental Offices (DO). The FY 2015 budget request supports DO's leading role in accomplishing the Treasury strategic goals:

- Promote domestic economic growth and stability while continuing reforms of the financial system
- Enhance U.S. competitiveness and job creation, and promote international financial stability and more balanced global growth
- Fairly and effectively reform and modernize Federal financial management, accounting, and tax systems
- Safeguard the financial system and use financial measures to counter national security threats
- Create a 21st-century approach to Government by improving efficiency, effectiveness and customer interaction

The Departmental Offices has several priorities for FY 2015 which impact the Department and Federal Government as a whole. These priorities include:

#### *Foreign Sanctions Implementation*

The Office of Terrorism and Financial Intelligence (TFI) implements sanctions (via Executive Order and legislation). These sanctions serve as both comprehensive and selective tools to accomplish U.S. foreign policy and national security goals by blocking assets or imposing trade restrictions. In FY 2013, the Office of Foreign Assets Control (OFAC) tallied over 500 designations under its sanctions authorities in its efforts against weapons of mass destruction proliferators, terrorists, narcotics traffickers, transnational organized crime, persons contributing to regional violence in Africa, individuals using technology to abuse human rights in Iran and Syria, foreign sanctions evaders, parties which were threatening the peace and stability of Burma, Libya, and Somalia, and those who support these entities. In FY 2013, TFI implemented a sustained sanctions campaign blocking property of Iran, its agents, and front companies, as well as restricting activity with Iranian financial and petroleum/petrochemical, in response to Iran's continued defiance of various United Nations Security Council resolutions. As a result, banks around the world have continued cutting off Iran from the international financial sector; this isolation has played an essential role in bringing Iran to negotiate with the international community. Additionally, OFAC increased the total number of designations, identifications, and removals by 36 percent from FY 2012. This included 153 designated individuals under the Kingpin Narcotics Program, including those involved in narcotics trafficking such as key leaders, operatives, and fronts for Mexico's drug cartels; networks in Iran, Central America, and Afghanistan; and Middle East and North African transnational criminal organizations. OFAC also designated 76 individuals and entities under the Counterterrorism Program for acting for, on behalf of, or providing support to terrorists, terrorist groups, or their support networks. In FY 2015, OFAC will continue pursuing these programs and work to address the Administration's priorities on cyber and intellectual property, atrocities prevention, and any new emerging issues.

#### *Affordable Care Act Implementation*

In FY 2013, the Office of Tax Policy continued to support the implementation of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (ACA). The office released guidance on over a dozen tax provisions of the ACA, including tax credits, revenue provisions, and insurance market reforms. The office is currently finalizing the initial round of guidance to implement the central coverage provisions of the ACA, and will develop additional guidance and legislative proposals in light of experience with these and other ACA provisions as they go into effect.

#### *RESTORE Act Implementation*

The Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act, P.L. 112-141, subtitle F, 1601 et seq.) gave Treasury various administrative and oversight responsibilities. Included among these responsibilities are several tasks to be carried out by DO, such as administering the civil and administrative penalties arising from the *Deep Water Horizon* oil spill; oversight and monitoring of fund expenditures; development of procedures to do such oversight; administration of the Direct Component and Centers of Excellence grant programs which will support the

environmental and economic restoration of the Gulf Coast region; and provision of independent, supplementary oversight for the states' use of funds under the Comprehensive Plan Component and the Spill Impact Component. The Bureau of the Fiscal Service and the Treasury Inspector General have additional responsibilities under the Act.

The FY 2014 Consolidated Appropriations Act (P.L. 113-076) provided \$7.4 million to DO to begin carrying out the administrative and oversight functions associated with the RESTORE Act. The FY 2015 Budget proposes non-recurring these funds in exchange for legislative language which will allow Treasury to draw \$9.5 million from the Gulf Coast Restoration Trust Fund for DO's responsibilities (discussed above).

#### *International Monetary Fund Reform*

The International Monetary Fund (IMF) is responsible for promoting the stability of the international monetary and financial system. Since 2008, the IMF has been at the center of global crisis response efforts, and has helped mitigate the impact of the crisis in its member countries and prevent contagion, while advancing U.S. strategic interests abroad. The United States was instrumental in creating the IMF and remains its largest shareholder. As the only country with veto power over major IMF decisions, the U.S. uses its influence to shape the IMF's activities in ways that enhance our economic and national security interests. In 2010, G-20 leaders and the IMF membership decided on a set of quota and governance reforms designed to strengthen the IMF's critical role within the international system. The 2010 reforms are an important step in modernizing IMF governance to better reflect countries' economic weights in the global economy, while preserving U.S. leadership and veto power. All other major countries, including those in the G-20, have acted to ratify the 2010 quota and governance reforms. The Office of International Affairs will continue to work constructively to clear any remaining hurdles to the implementation of these important reforms, which will strengthen the IMF's role as the first-responder to financial crises and preserve U.S. influence at the IMF.

#### *Dodd-Frank Act Implementation*

In FY 2014, the Office of Domestic Finance (DF) continues to implement the Dodd-Frank Act, including finalizing rules that Treasury was responsible for issuing and coordinating, assessing the impact of new rules on financial markets and institutions, and monitoring potential threats to the financial system. DF also issued several reports required by Dodd-Frank. With DF, the Office of International Affairs (IA) will continue to coordinate these reforms with international counterparts, both bilaterally and through multilateral venues like the Financial Stability Board and the G-20.

#### *Comprehensive Tax and Fiscal Reform*

The Office of Tax Policy works with the IRS in support of Treasury's priority goal to "Increase Voluntary Tax Compliance" by promulgating regulations and proposing legislation that seeks to streamline and modernize existing rules and procedures. The office negotiates comprehensive bilateral tax treaties with significant trading partners of the United States to avoid double taxation and prevent fiscal evasion. The office also negotiates tax information exchange agreements that allow the IRS to improve compliance by exchanging tax information with revenue authorities of other countries.

FY 2013 accomplishments and select FY 2014 and FY 2015 priorities by office are as follows:

Office of Terrorism and Financial Intelligence (TFI)

The Office of Intelligence Analysis (OIA) within TFI supports Treasury program offices and bureaus with critical intelligence support and unique analysis. OIA focuses on enhancing Intelligence Community (IC) efforts to address the impact of targeted financial measures, security threats to the international financial system, and efforts to diminish the potential to be a target for internal and external threats to national security.

The Office of Terrorist Financing and Financial Crimes (TFFC), worked to strengthen global standards to combat and prevent financial crimes and terrorist financing. In FY 2013, TFFC participated in or reviewed 18 mutual assessment reports of Financial Action Task Force (FATF) countries' compliance with international anti-money laundering and counter-terrorist financing (AML/CFT) standards. TFFC also provided training to its counterparts abroad, which focused on creating effective AML/CFT frameworks and financial regulations capable of combating terrorist financing. During the next fiscal year, the office will continue efforts to develop conduct-based sanctions and executive orders targeting illicit actors that support narco-traffickers, weapons of mass destruction proliferators, and transnational criminal organizations. TFFC will also develop regulatory AML/CFT initiatives and collaborate with Federal law enforcement on financial crime investigations and third party money laundering (3PML) coordination and efforts. Additionally, TFFC will participate in or review mutual assessment reports conducted to evaluate FATF members' adoption of international AML/CFT standards.

FY 2014 and FY 2015 priorities for the Office of Terrorism and Financial Intelligence include:

- Increasing focus on Transnational Criminal Organizations (TCO) and illegal activities including arms and narcotics trafficking, human smuggling, and weapons proliferation.
- Increased focus on Cybersecurity and Intellectual Property activities.
- Collecting, analyzing, and disseminating information concerning illicit financing and national security threats.
- Assisting partner countries in the development and implementation of AML/CFT standards. TFI provides direct support and assistance ensuring compliance with these internationally approved standards.
- Identifying opportunities for Treasury to use its authorities to combat and counter terrorist financing in Africa, the Middle East, Afghanistan, and Pakistan.
- Establishing a program for deterring, detecting, and mitigating insider threats by leveraging counterintelligence, security, information assurance, and other relevant resources.

### Office of Domestic Finance (DF)

The Office of Domestic Finance (DF) continued work to preserve confidence in the U.S. Treasury market in FY 2013 by effectively managing Federal fiscal operations, strengthening financial institutions and markets, promoting access to credit, and improving financial access and education in service of America's long-term economic strength and stability.

From October 1, 2013, through February 1, 2014, the Office of Debt Management conducted 88 auctions, issuing over \$2.45 trillion in marketable securities, and raising more than \$171 billion in new cash to fund the U.S. Government's operations.

The Federal Insurance Office (FIO), housed within Domestic Finance, represents the United States on prudential aspects of international insurance matters and in various fora around the world. FIO monitors all aspects of the insurance industry, including its regulation, and its Director serves on the Financial Stability Oversight Council.

FY 2014 and FY 2015 priorities for the Office of Domestic Finance include:

- Developing a sustainable housing finance system that meets the needs of a diverse population of borrowers while also developing and executing a transition strategy to wind down Government-Sponsored Enterprises while assuring the continued flow of mortgage credit.
- Administering and advising on new initiatives to improve financial education and access.
- Improving the access and availability of credit needed to create small businesses, jobs, and economic growth by identifying new, and enhancing existing, avenues for capital.
- Strengthening risk management, governance, and performance of Federal credit programs through Treasury's Credit Committee and Office of Risk Management.
- Strengthening the capabilities of the Office of Critical Infrastructure Protection to keep pace with growing cyber threats by developing and implementing the Financial Sector Cyber Intelligence Group to review all-source intelligence on cyber threats to the financial sector and coordinating public-private information sharing programs.
- Modernizing the Bureau of the Fiscal Service so that it can collect debts and make payments as efficiently as possible by leveraging shared services and paperless delivery.

### Office of Tax Policy

In FY 2013, Tax Policy continued implementation of the Foreign Account Tax Compliance Act (FATCA), which requires foreign financial institutions to identify and report to the IRS information about U.S.-owned accounts. The Office of Tax Policy signed eight FATCA intergovernmental agreements and negotiations continued with several additional countries. The last substantial package of regulations to implement FATCA also have been released. The office also released significant guidance pertaining to the Affordable Care Act. This included final regulations under the premium tax credit, proposed regulations under the employer responsibility provision, and proposed and final regulations under the individual responsibility provisions. The office also released guidance implementing the tax aspects of the Supreme Court's decision in *Windsor v. United States* and final regulations regarding the treatment of tangible property costs.

FY 2014 and FY 2015 priorities for the Office of Tax Policy include:

- Final regulations issued under 31 USC 330 (commonly referred to as "Circular 230") revising the standards for written tax advice.
- Final regulations regarding whistleblower awards.
- Releasing additional proposed regulations under the premium tax credit and the individual responsibility provision.
- Signing additional FATCA IGAs with up to 25 countries in FY 2014 and FY 2015.

### Office of Economic Policy

During FY 2013, the Office of Economic Policy continued to participate in the development and implementation of housing policy, including the Making Home Affordable program. Economic Policy continued to produce the corporate bond yield curve, used by pension plans to discount their pension liabilities, and in FY 2013 extended the curve back to the mid-1980s to allow the calculation of 25-year average segment rates, as mandated by Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21). In FY 2014, Economic Policy will construct a new series of Zero-Coupon Spot Interest Rates on Treasury Securities for use by Federal agencies in calculating their associated annual pension liabilities.

### Office of International Affairs (IA)

In FY 2013, the Office of International Affairs (IA) helped ensure the most favorable external environment for sustained job growth and financial stability in the U.S. by prioritizing its work around five themes: Trade and Investment; Global Rebalancing; International Financial Stability; Post-conflict Transitions; and International Development.

With a special emphasis on the Asia Pacific region, Treasury prioritized trade and investment in FY 2013 to continue supporting the Cross-Agency Priority Goal to double exports by 2014. As co-lead on financial services negotiations, Treasury is working to complete the Trans-Pacific Partnership (TPP) agreement during five rounds of negotiations. With the completion of U.S. bilateral consultations with Japan this year and the country's subsequent entry into TPP negotiations, the final agreement would cover one-third of global trade. Treasury also supported the Administration in launching negotiations of a Transatlantic Trade and Investment Partnership (T-TIP) with the European Union and a Trade in Services Agreement with 23 other like-minded countries to liberalize services trade.

Large and persistent imbalances between countries threaten sustainable U.S. economic growth. Treasury addresses this challenge through activities like the U.S.-China Strategic & Economic Dialogue (S&ED). At last year's S&ED, held in July 2013, China reaffirmed its commitment to move to a more market-determined exchange rate and committed to undertake negotiations for a high-standard U.S.-China Bilateral Investment Treaty that would aim to cover all phases of investment in all sectors. Since June 2010, China's currency appreciated by more than 18 percent against the dollar in real terms.

In FY 2013, Treasury continued to mitigate the threat to the U.S. economy from financial instability in the Eurozone and pursued international financial regulatory harmonization. This included working with European counterparts to help maintain long-term sustainability of the euro, encouraging the establishment of a centralized European banking union, and working with the IMF and others to monitor Greece's progress towards economic stabilization.

Treasury aims to help achieve economic stability and inclusive growth in Arab countries transitioning to open societies and in fragile states, in order to create new export markets for U.S. businesses and to reinforce national security interests by reducing the dangers inherent in economic instability. In FY 2013, IA staff increased engagement with new policymakers in transition countries, and led the formation of the Deauville Partnership, a collaboration between the G-7, the Gulf countries, and Arab transition economies to promote collective action. IA is particularly engaged in transition activities in Egypt, and established a Financial Attaché position in Cairo in FY 2013 in association with TFI.

Treasury leverages its leadership position in the Multilateral Development Banks (MDBs) to advance U.S. national security and economic policy goals. Treasury is currently prioritizing MDB investments in Africa's energy sector, and is addressing challenges such as food insecurity and the environment.

## Section 2 – Budget Adjustments and Appropriation Language

### 2.1 – Budget Adjustments Table

Departmental Offices S & E	FTE	Amount
<b>FY 2014 Enacted</b>	<b>1,171</b>	<b>\$312,400</b>
Changes to Base:		
Maintaining Current Levels (MCLs):	-	\$5,812
Pay-Raise	-	\$2,192
FERS Contribution Increase	-	\$1,703
Non-Pay	-	\$1,917
Non-Recurring Costs:	-	(\$16,975)
RESTORE Act	-	(\$7,400)
Financial Capability Innovation Fund	-	(\$5,000)
State Small Business Credit Initiative	-	(\$2,000)
Treasury Evidence and Evaluation (incl. Intl Affairs Evaluator)	-	(\$1,500)
Recovery Act Program	-	(\$1,075)
Efficiency Savings:	-	(\$2,960)
Management and Administrative Savings and Reductions	-	(\$1,573)
TFI Contracts and Background Investigations	-	(\$714)
Policy Office Savings and Reductions	-	(\$486)
Policy Office Workforce Optimization	-	(\$187)
Transfers:	7	\$3,340
Insider Threat Monitoring	7	\$3,340
Subtotal Changes to Base	7	(\$10,783)
<b>Total FY 2015 Base</b>	<b>1,178</b>	<b>\$301,617</b>
Program Changes:		
Program Increases:	10	\$7,117
Treasury Attaché increasing ICASS Fees	-	\$1,017
Government Security Operations Center	4	\$3,500
DO LAN Cybersecurity Improvements	6	\$2,600
<b>Total FY 2015 Request</b>	<b>1,188</b>	<b>\$308,734</b>

### 2A – Budget Increases and Decreases Description

**Maintaining Current Levels (MCLs) ..... +\$5,812,000 / +0 FTE**

*Pay-Raise +\$2,192,000 / +0 FTE*

Funds are requested for the January 2015 pay-raise and the annualization of the 2014 pay-raise.

*FERS Increase +\$1,703,000 / +0 FTE*

Funds are requested for increases in agency contributions to the Federal Employee Retirement System based on updated actuarial estimates.

*Non-Pay +\$1,917,000 / +0 FTE*

Funds are requested for non-labor expenses such as GSA rent adjustments, postage, supplies, and equipment.

**Non-Recurring Costs ..... -\$16,975,000 / +0 FTE**  
*RESTORE Act -\$7,400,000 / +0 FTE*

In FY 2015, the Department proposes legislative language to allow Treasury to draw \$9.5 million from the Gulf Coast Restoration Trust Fund for management of the fund, including administering the civil and administrative penalties arising from the *Deep Water Horizon* oil spill, supporting environmental and economic restoration of the Gulf Coast region, and standing up grants, compliance, and audit programs.

*Financial Capability Innovation Fund -\$5,000,000 / +0 FTE*

Non-recurrence of a one-time FY 2014 investment in financial access and financial capabilities tool development targeted to low- and moderate-income persons.

*State Small Business Credit Initiative -\$2,000,000 / +0 FTE*

Non-recurrence of funds for the State Small Business Credit Initiative that were reprogrammed in FY 2014 in order to fund TFI at the appropriated level.

*Treasury Evidence and Evaluation (incl. Intl Affairs Evaluator) -\$1,500,000 / +0 FTE*

Non-recurrence of a one-time investment in research, evidence, and evaluation in the areas of financial education, financial access, and performance improvement.

*Recovery Act Program -\$1,075,000 / +0 FTE*

Non-recurrence of contract costs for processing applications associated with Section 1603 of the Recovery Act. This program provides grants in lieu of tax credits for qualified energy properties. The application window closed in FY 2013, but applicants have until December 2016 to finish construction and claim a payment. Starting in FY 2015, Treasury will incrementally wind down this program resulting in funding reductions.

**Efficiency Savings.....-\$2,960,000 / +0 FTE**

*Management and Administrative Savings and Reductions -\$1,573,000 / +0 FTE*

DO Management has streamlined contracts in its emergency preparedness program, resulting in \$456,000 in savings. Management also expects an \$828,000 reduction in building support services, largely from savings realized as a result of proactive infrastructure investments. These include utility savings from installing energy efficient heating and ventilation equipment in the Main Treasury and Treasury Annex buildings and building-related maintenance contract savings. Management will also save \$133,000 from a reduced Federal Employees' Compensation Act payment to the Department of Labor, and a \$156,000 reduction to training, subscriptions, and other contractual efficiencies.

*TFI Contracts -\$714,000 / +0 FTE*

DO will achieve cost savings and efficiencies in TFI contract services through more efficient oversight of all TFI contracts, consolidating contracts where appropriate, and partnering with other agencies and DO components to leverage common technology or administrative support needs.

Policy Office Savings and Reductions -\$486,000 / +0 FTE

The Office of Terrorism and Financial Intelligence and the Office of Domestic Finance will achieve efficiencies through adjustments to travel and operational costs. This reduction can be taken with no significant mission impact.

Policy Office Workforce Optimization -\$187,000 / +0 FTE

The Office of International Affairs and the Office of Domestic Finance will achieve savings through re-structuring to include filling positions at lower grade levels and expanding use of term appointments. These reductions can be taken with no significant mission impact.

**Transfer ..... +\$3,340,000 / +7 FTE**

Insider Threat Monitoring +\$3,340,000 / +7 FTE

Funds will be transferred from the Office of the Director of National Intelligence to the Office of Terrorism and Financial Intelligence to support an Insider Threat Monitoring program.

Executive Order 13587 and the President’s Insider Threat Policy and Minimum Standards signed in November 2012 requires that agencies establish a program for deterring, detecting, and mitigating insider threats by leveraging counterintelligence, security, information assurance, and other relevant functions and resources to identify and counter the insider threat.

**Program Increases ..... +\$7,117,000 / +10 FTE**

Treasury Attaché increasing ICASS Fees +\$1,017,000 / +0 FTE

This investment will fund the increase in fees for International Cooperative Administrative Support Services (ICASS) program, including new mandatory participation in the ICASS furniture and appliance pools, beginning in FY 2015. Treasury currently has several locations that will be required to subscribe to this ICASS service at the projected cost of \$513,000. In addition, the cost of maintaining a Treasury Financial Attaché in Iraq will increase by an estimated \$504,000 from FY 2014 as ICASS will be fully established at the U.S. Embassy in Baghdad. Funding this request in full will allow Treasury to retain its Financial Attaché presence overseas.

Government Security Operations Center +\$3,500,000 / +4 FTE

Government Security Operations Center (GSOC) currently serves as the Department-wide cyber incident response organization, responsible for monitoring, detecting, and addressing incidents, which includes monitoring the Department’s Trusted Internet Connections and Managed Trusted Internet Protocol Service gateways. It works in coordination with Bureau security organizations to defend against traditional and advanced cyber attacks directed at the Department’s systems and users; most notably advanced phishing-type attacks. GSOC serves as the coordination point for threat data sharing with other Federal agency Security Operations Centers. Funds will be used, in part, to recruit technical analysts focused on data mining, who will analyze the technical aspects of cyber attacks in order to formulate detection, actionable defense, and mitigation strategies, which are generally outside the scope of the analytical work performed elsewhere in the Department. Funds will also support security intelligence analysis and advance cyber threat detection.

DO LAN Cybersecurity Improvements +\$2,600,000 / +6 FTE

This investment will provide comprehensive network access control to mitigate cybersecurity risks against the DO Local Area Network (LAN). The DO LAN is the primary computing network used by DO. It does not contain classified information, but it does contain a high volume of sensitive information. The DO LAN is also connected to the Internet, which makes it a susceptible target for cyber-criminals. Its current cybersecurity features are robust, but they require improvement to address the ever-increasing worldwide cyber threat. Funds will support hardware, system audit and monitoring software, password management software, and FTEs.

## 2.2 – Operating Levels Table

Dollars in Thousands

Departmental Offices S & E Object Classification	FY 2013 Actual	FY 2014 Enacted	FY 2015 Request
11.1 - Full-time permanent	134,661	138,077	142,890
11.3 - Other than full-time permanent	1,716	1,760	1,821
11.5 - Other personnel compensation	3,113	3,192	3,303
11.8 - Special personal services payments	55	56	58
<b>11.9 - Personnel Compensation (Total)</b>	<b>139,545</b>	<b>143,085</b>	<b>148,072</b>
12.0 - Personnel benefits	40,237	41,579	43,028
13.0 - Benefits for former personnel	314	0	0
<b>Total Personnel and Compensation Benefits</b>	<b>\$180,096</b>	<b>\$184,664</b>	<b>\$191,100</b>
21.0 - Travel and transportation of persons	5,127	5,762	5,552
22.0 - Transportation of things	411	332	383
23.1 - Rental payments to GSA	5,827	5,634	5,522
23.2 - Rental payments to others	1,305	965	973
23.3 - Communication, utilities, and misc charges	4,260	3,969	3,909
24.0 - Printing and reproduction	261	241	238
25.1 - Advisory and assistance services	20,361	21,138	14,241
25.2 - Other services	15,554	31,713	30,596
25.3 - Other purchases of goods & serv frm Govt accounts	40,496	41,698	35,317
25.4 - Operation and maintenance of facilities	256	220	189
25.5 - Research and development contracts	20	0	0
25.7 - Operation and maintenance of equip	2,943	2,877	2,951
26.0 - Supplies and materials	6,161	6,018	6,332
31.0 - Equipment	7,970	6,823	11,085
41.0 - Grants, subsidies, and contributions	3	0	0
42.0 - Insurance claims and indemnities	0	346	346
43.0 - Interest and dividends	3	0	0
<b>Total Non-Personnel</b>	<b>110,958</b>	<b>127,736</b>	<b>117,634</b>
<b>Subtotal New Appropriated Resources</b>	<b>\$291,054</b>	<b>\$312,400</b>	<b>\$308,734</b>
<b>Budget Activities:</b>			
Executive Direction	37,077	41,268	42,464
International Affairs and Economic Policy	57,448	57,860	59,289
Domestic Finance and Tax Policy	88,776	98,516	86,263
Terrorism and Financial Intelligence	130,096	133,992	137,922
Treasury-wide Management and Programs	43,579	50,266	52,298
<b>Total Budgetary Resources</b>	<b>\$356,976</b>	<b>\$381,902</b>	<b>\$378,236</b>
<b>FTE</b>	<b>1,318</b>	<b>1,303</b>	<b>1,320</b>

Note: Budget Activities table and FTEs reflect direct and reimbursable resources.

**2B – Appropriations Language and Explanation of Changes**

Appropriations Language	Explanation of Changes
<p style="text-align: center;">DEPARTMENT OF THE TREASURY DEPARTMENTAL OFFICES Federal Funds SALARIES AND EXPENSES (INCLUDING TRANSFER OF FUNDS)</p> <p>For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business[, including for]; terrorism and financial intelligence activities; executive direction program activities; international affairs and economic policy activities; domestic finance and tax policy activities; and Treasury-wide management policies and programs activities, [\$312,400,000]\$308,734,000: <i>Provided</i>, That, of the amount appropriated under this heading—</p> <p>(1) the following amounts shall be available as provided:</p> <p>    [(A) \$102,000,000 for the Office of Terrorism and Financial Intelligence, of which not to exceed \$26,000,000 is available for administrative expenses;]</p> <p>    [(B)]A) not to exceed \$350,000 for official reception and representation expenses;</p> <p>    [(C)]B) not to exceed \$258,000 for unforeseen emergencies of a confidential nature to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on the Secretary's certificate; and</p> <p>    [(D)]C) notwithstanding any other provision of law, up to \$1,000,000 may be contributed to the Organization for Economic Cooperation and Development for the Department's participation in programs related to global tax administration;</p> <p>(2) [\$19,187,000]up to \$12,000,000 shall remain available until September 30, [2015, of which \$8,287,000 is available]2016 for the Treasury-wide Financial Statement Audit and Internal Control Program; [\$3,000,000 is for] information technology modernization requirements; [\$500,000 is for]and secure space requirements; [and \$7,400,000 is for audit, oversight, and administration of the Gulf Coast Restoration Trust Fund;] and</p> <p>(3) up to \$3,400,000 shall remain available until September 30, [2016]2017, to develop and implement programs within the Office of Critical Infrastructure Protection and Compliance Policy, including entering into cooperative agreements:</p>	<p>Treasury proposes to remove language designating a set funding level for TFI, one of four budget activities within the DO S&amp;E account.</p> <p>Treasury proposes to revise language detailing funding levels for specific activities as available for two years. Instead, Treasury proposes replacing this language with language which establishes a maximum level of funding as available for two years.</p>

Appropriations Language (cont.)	Explanation of Changes
<p><i>Provided further, That, in addition to the amount otherwise made available</i>  <i>under this heading, \$9,500,000 shall remain available until September 30, 2016, for necessary expenses for carrying out subtitle F of title I of division A of Public Law 112–141, to be derived from the trust fund established under section 1602 of such Public Law, without altering the percentages of funds made available for other purposes from the remaining balance of the trust fund. (Department of the Treasury Appropriations Act, 2014.)</i></p>	<p>Treasury proposes language to fund the DOs’ administration and oversight responsibilities under the RESTORE Act from the trust fund established by that act rather than annual discretionary appropriations.</p>

**2C – Legislative Proposals**

Departmental Offices has no legislative proposals.

**2D – Mandatory Program Proposals**

*Pay for Success*

Treasury proposes \$300 million in one-time funding for a mandatory Pay for Success Incentive Fund, which non-profit intermediaries and state and local governments will be able to leverage to provide credit enhancements and success-based payments to investors in public programs. Pay for Success leverages philanthropic and private dollars to fund services up front, with the Government paying after they generate results. The Fund is designed to encourage innovation and evidence-based approaches to improve outcomes and reduce Government costs across a range of program areas.

*Terrorism Risk Insurance Program*

In order to preserve the long-term availability and affordability of property and casualty insurance for terrorism risk, the Budget proposes to extend the Terrorism Risk Insurance Program and to implement programmatic reforms to limit taxpayer exposure and achieve cost neutrality. The Administration will work with Congress to identify appropriate adjustments to program terms to achieve budget neutrality and, over the longer term, full transition of the program to the private sector. Building on previously enacted reforms to the program, this extension may include changes to the size of the deductible, the threshold for a certified terrorist event, or the loss-sharing percentages for the Government and covered firms after the deductible is exceeded.

## Section 3 – Budget and Performance Plan

### 3A – Executive Direction

*(\$37,934,000 from direct appropriations, and \$4,530,000 from reimbursable resources):*

The Executive Direction program area provides direction and policy formulation to the Department and Departmental Offices and interacts with Congress and the public on Departmental policy matters.

No specific performance goals/measures are presented for this budget activity as the work of these offices is captured within the other budget activities.

#### 3.1.1 – Executive Direction Budget and Performance Plan

Dollars in Thousands

Executive Direction Budget Activity	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Resource Level	Enacted	Enacted	Enacted	Enacted	Enacted	Op. Plan	Enacted	Request
Appropriated Resources	\$20,273	\$21,170	\$24,709	\$37,272	\$37,219	\$35,763	\$36,738	\$37,934
Reimbursable Resources	\$599	\$1,188	\$1,656	\$3,494	\$3,587	\$3,587	\$4,530	\$4,530
<b>Budget Activity Total</b>	<b>\$20,872</b>	<b>\$22,358</b>	<b>\$26,365</b>	<b>\$40,766</b>	<b>\$40,806</b>	<b>\$39,350</b>	<b>\$41,268</b>	<b>\$42,464</b>

\*FY 2011 through FY 2015 resources reflect the allocation of administrative expenses across all DO programmatic budget activities.

### 3B – International Affairs and Economic Policy

*(\$57,542,000 from direct appropriations, and \$1,747,000 from reimbursable resources):*

The offices in this budget activity promote economic growth in the U.S. by producing technical economic analyses for the Secretary and advancing U.S. economic and financial policy priorities around the world.

#### Office of Economic Policy (EP)

This office supports the following strategic objectives for Strategic Goal #1, to promote domestic economic growth and stability while continuing reforms of the financial system:

- Objective 1.1: Promote savings and increased access to credit and affordable housing options.
- Objective 1.3: Complete implementation of financial regulatory reform initiatives, continue monitoring capital markets, and address threats to stability.

This office also supports the following strategic objective for Strategic Goal #2, to Enhance U.S. competitiveness and job creation, and promote international financial stability and more balanced global growth.

- Objective 2.1: Promote free trade, open markets, and foreign investment opportunities.

#### Description of Performance:

During the past year, Economic Policy (EP) staff extended the corporate bond yield curve back 25 years, to the mid-1980s, as required by the Moving Ahead for Progress in the 21st Century Act (MAP-21) passed in mid-2012. EP staff also began to construct a new model to generate a series of Zero-Coupon Spot Interest Rates on Treasury Securities. These data will be used by Federal agencies that administer Federal pension programs to calculate their annual pension

liabilities. Economic Policy also produced an estimate of state Total Taxable Resources, which estimates the relative fiscal capacity of states and is used in determining the allocation of funds for the Community Mental Health Service and Substance Abuse Prevention and Treatment block grant programs.

Office of International Affairs (IA)

This office supports the following strategic objective for Strategic Goal #1, to promote domestic economic growth and stability while continuing reforms of the financial system:

- Objective 1.3: Complete implementation of financial regulatory reform initiatives, continue monitoring capital markets, and address threats to stability.

This office supports the following strategic objectives for Strategic Goal #2, to enhance U.S. competitiveness and job creation, and promote international financial stability and more balanced global growth:

- Objective 2.1: Promote free trade, open markets, and foreign investment opportunities.
- Objective 2.2: Protect global economic and financial stability and press for market-determined foreign exchange rates.
- Objective 2.3: Advance U.S. economic, financial, and national security goals by leveraging multilateral mechanisms.
- Objective 2.4: Provide technical assistance to developing countries working to improve public financial management and strengthen their financial systems.

Description of Performance:

As chair of the Committee on Foreign Investment in the United States (CFIUS), Treasury coordinates an interagency process to review certain foreign investments for national security risks in accordance with the procedures and tight deadlines specified in law and regulation.

- Timely Review of CFIUS Cases: This measure tracks compliance with statutory deadlines for completing national security reviews of transactions notified to the CFIUS to ensure that the CFIUS process is timely and efficient. The target (100.0) was met in FY 2013. IA's target for this measure in FY 2014 and 2015 is 100 percent.

Treasury promotes economic growth by managing U.S. participation and leveraging U.S. leadership positions in the International Financial Institutions in order to mitigate emerging threats to the U.S. and global economies; support international trade and investment; and reinforce U.S. national security interests in key countries around the world.

- Monitor Quality and Enhance Effectiveness of International Monetary Fund (IMF) Lending through Review of IMF Country Programs: This measure tracks efforts by IA staff to monitor the quality of IMF country programs and ensure the application of appropriately high standards for the use of IMF resources. The target (100.0) was met in FY 2013. In FY 2014 and 2015, IA's target for this measure remains 100 percent.
- Monitor Quality and Enhance Effectiveness of MDB Lending through Timely Review of MDB Grant and Loan Proposals: IA reviews MDB loan and grant proposals to ensure that funded projects meet several key goals, which include having a measurable development impact, supporting long-term U.S. objectives, and being consistent with congressional

mandates. The target (100.0) was met in FY 2013. In FY 2014 and 2015, IA aims to review 100 percent of MDB loan and grant proposals prior to the date of the relevant Executive Board meeting.

- Percentage of MDB Grant and Loan Proposals Containing Satisfactory Framework for Results Measurement: This measure monitors the percentage of project proposals containing satisfactory performance measures in order to help ensure accountability in the lending and grant making of the MDBs. IA’s target for this measure is 92 percent in FY 2013 and 94 percent in FY 2014.

Finance ministries and central banks of developing countries that have demonstrated strong commitments to reforming their financial systems or public financial management can receive direct assistance from the Office of Technical Assistance (OTA) through its cadre of expert advisors. The technical assistance team leverages its funding to increase transparency and accountability, reduce corruption, and strengthen the development of market-based policies and practices in these economies. In time, these countries can develop into new markets for U.S. exporters, thus promoting jobs and economic growth at home.

- Office of Technical Assistance (OTA): OTA uses measures it developed to assess the level of counterparty engagement (Traction) and the degree of positive change in achieving project objectives (Impact). These measures, scored on a 5-point scale, are averaged across all projects to provide one overall measure of OTA’s performance. In FY 2013, IA met its target for traction (3.6), but failed to meet its target for impact (3.1), with actual performance at 3.0. In FY 2014 and 2015, IA’s target for Traction is 3.6 and its target for Impact is 3.1.

### 3.1.2 – International Affairs and Economic Policy Budget and Performance Plan

Dollars in Thousands

International Affairs and Economic Policy Budget Activity	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Enacted	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Operating Plan	FY 2014 Enacted	FY 2015 Request
<b>Resource Level</b>								
Appropriated Resources	\$41,852	\$42,714	\$47,539	\$62,798	\$59,277	\$56,804	\$56,113	\$57,542
Reimbursable Resources	\$4,073	\$5,277	\$5,233	\$1,261	\$1,317	\$1,317	\$1,747	\$1,747
<b>Budget Activity Total</b>	<b>\$45,925</b>	<b>\$47,991</b>	<b>\$52,772</b>	<b>\$64,059</b>	<b>\$60,594</b>	<b>\$58,121</b>	<b>\$57,860</b>	<b>\$59,289</b>

\*FY 2011 through FY 2015 resources reflect the allocation of administrative expenses across all DO programmatic budget activities.

Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Target	FY 2015 Target
Monitor Quality and Enhance Effectiveness of International Monetary Fund (IMF) Lending Through Review of IMF Country Programs	N/A	N/A	97.0	100.0	100.0	100.0	100.0	100.0	100.0

Measure	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2013	FY 2014	FY 2015
	Actual	Actual	Actual	Actual	Actual	Target	Actual	Target	Target
Monitor Quality and Enhance Effectiveness of MDB Lending Through Timely Review of MDB Grant and Loan Proposals	N/A	N/A	N/A	N/A	N/A	B	100.0	100.0	100.0
OTA: Changes that Result from Project Engagement (Impact)	3.1	3.1	3	3.2	3.1	3.1	3.0	3.1	3.1
OTA: Scope and Intensity of Engagement (Traction)	3.6	3.7	3.5	3.7	3.9	3.6	3.8	3.6	3.6
Percentage of MDB Grant and Loan Proposals Containing Satisfactory Frameworks for Results Measurement	94.0	94.0	92.5	94.0	94.0	92.0	92.0	100.0	94.0
Timely Review of CFIUS Cases	N/A	N/A	N/A	N/A	N/A	B	100.0	100.0	100.0

B = Baseline Year

### 3C – Domestic Finance and Tax Policy

*(\$68,703,000 from direct appropriations, and \$17,560,000 from reimbursable resources):*

The offices within Domestic Finance and Tax Policy monitor and provide advice and assistance to the Secretary in their respective areas, as well as on financial markets and the regulation of financial institutions.

#### Office of Tax Policy

This office supports the following strategic objective for Strategic Goal #2, to enhance U.S. competitiveness and job creation, and promote international financial stability and more balanced global growth:

- Objective 2.1: Promote free trade, open markets, and foreign investment opportunities.

This office supports the following strategic objective for Strategic Goal #3, to fairly and effectively reform and modernize federal financial management, accounting, and tax systems:

- Objective 3.3: Pursue tax reform, implement the Patient Protection and Affordable Care Act and Foreign Account Tax Compliance Act, and improve the execution of the tax code.

#### Office of Domestic Finance (DF)

This office supports the following strategic objectives for Strategic Goal #1, to promote domestic economic growth and stability while continuing reforms of the financial system:

- Objective 1.1: Promote savings and increased access to credit and affordable housing options.
- Objective 1.2: Wind down emergency financial crisis response programs.
- Objective 1.3: Complete implementation of financial regulatory reform initiatives, continue monitoring capital markets, and address threats to stability.

This office supports the following strategic objectives for Strategic Goal #3, to fairly and effectively reform and modernize federal financial management, accounting, and tax systems:

- Objective 3.1: Improve the efficiency and transparency of federal financial management

and Government-wide accounting.

- Objective 3.2: Improve the disbursement and collection of federal funds and reduce improper payments made by the U.S. Government.

This office supports the following strategic objectives for Strategic Goal #4, safeguard the financial system and use financial measures to counter national security threats:

- Objective 4.3: Improve the cybersecurity of our nation's financial sector critical infrastructure.

*Description of Performance:*

Implementation of Dodd-Frank continued to be a priority for the office in FY 2013. DF's FY 2013 priorities also focused on financial markets and institutions, housing finance, and debt management issues; execution of Treasury's small business initiatives; and modernization of operations and financial systems. In conjunction with these policy objectives, Domestic Finance focused on coordinating with other financial regulatory agencies through the Financial Stability Oversight Council, the Office of Financial Research, and winding down the Office of Financial Stability's investments.

Domestic Finance is making significant changes to increase the use of electronic transactions in Treasury operations. This initiative will save taxpayers more than \$500 million over five years. Treasury's FY 2013 target of 93 percent of collections performed electronically has already been exceeded; 97 percent of the dollar amount collected in FY 2012 was collected electronically. DF's performance metric is:

Variance between estimated and actual receipts (annual forecast) (percent):

- As part of managing the Government's central operating account and cash position, the Office of Fiscal Projections (OFP) forecasts net cash flows (e.g., Federal receipts, outlays, and other miscellaneous flows) to ensure that adequate funds are available daily to cover federal payments. To determine its overall effectiveness, one of OFP's metrics is to measure the variance between actual and projected Federal receipts. The actual variance for FY 2013 was 2.5 percent, significantly lower than the 4.5 percent target for FY 2013, and a 1.3 percentage point improvement over FY 2012. The target for FY 2014 and FY 2015 is 4.25 percent.

### 3.1.3 – Domestic Finance and Tax Policy Budget and Performance Plan

Dollars in Thousands

Domestic Finance and Tax Policy Budget Activity Resource Level	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Enacted	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Operating Plan	FY 2014 Enacted	FY 2015 Request
Appropriated Resources	\$29,134	\$29,942	\$44,373	\$64,201	\$71,451	\$68,351	\$80,956	\$68,703
Reimbursable Resources	\$4,261	\$4,204	\$10,889	\$30,940	\$31,415	\$31,415	\$17,560	\$17,560
<b>Budget Activity Total</b>	<b>\$33,395</b>	<b>\$34,146</b>	<b>\$55,262</b>	<b>\$95,141</b>	<b>\$102,866</b>	<b>\$99,766</b>	<b>\$98,516</b>	<b>\$86,263</b>

\*FY 2011 through FY 2015 resources reflect the allocation of administrative expenses across all DO programmatic budget activities.

Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Target	FY 2015 Target
Variance between estimated and actual receipts (annual forecast)(%)	4.6	5.5	5.8	4.4	3.8	4.5	2.5	4.25	4.25

Key: DISC - Discontinued and B – Baseline

### 3D – Terrorism and Financial Intelligence

*(\$105,930,000 from direct appropriations, and \$31,992,000 from reimbursable resources):*

This office supports the following strategic objective for Strategic Goal #2, to enhance U.S. competitiveness and job creation, and promote international financial stability and more balanced global growth:

- Objective 2.3: Advance U.S. economic, financial, and national security goals by leveraging multilateral mechanisms.

This office supports the following strategic objective for Strategic Goal #4, to safeguard the financial system and use financial measures to counter national security threats:

- Objective 4.1: Identify priority threats to the financial system using intelligence analysis and outreach to the financial sector.
- Objective 4.2: Develop, implement, and enforce sanctions and other targeted financial measures.
- Objective 4.3: Improve the cybersecurity of our nation’s financial sector critical infrastructure.
- Objective 4.4: Protect the integrity of the financial system by implementing, promoting, and enforcing anti-money laundering and counterterrorism financing standards.

#### Description of Performance:

In FY 2013, in keeping with its efforts to strengthen national security and protect the world’s financial systems, TFI continued to conducting anti-money laundering activities and combating the financing of terrorism (AML/CFT) actions to protect the integrity of markets and the global financial framework. TFI provided AML/CFT policy development, coordination, and coalition-building and ensured unique access to valuable financial information. TFI also conducted all-source analysis on financial and other illicit support. TFI administered and enforced economic and trade sanctions based on U.S. foreign policy and national security under Treasury authorities.

TFI's performance metric is:

- Impact of TFI Programs and Activities: In order to gauge its performance, TFI created a composite measure consisting of three program office focus areas related to its mission and strategic goals, including customer outreach, increasing budget production of intelligence products, and implementing IT modernization projects. TFI met its performance target (8.3) on this composite measure in FY 2013. The FY 2014 goal for this metric is 8.5. The FY 2015 goal is 8.5.

### 3.1.4 – Terrorism and Financial Intelligence Budget and Performance Plan

Dollars in Thousands

Terrorism and Financial Intelligence Budget Activity Resource Level	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Enacted	FY 2011 Enacted	FY 2012 Enacted	FY 2013 Operating Plan	FY 2014 Enacted	FY 2015 Request
Appropriated Resources	\$51,904	\$59,222	\$63,601	\$99,532	\$100,000	\$96,116	\$102,000	\$105,930
Reimbursable Resources	\$3,866	\$4,684	\$6,209	\$18,620	\$18,873	\$18,873	\$31,992	\$31,992
<b>Budget Activity Total</b>	<b>\$55,770</b>	<b>\$63,906</b>	<b>\$69,810</b>	<b>\$118,152</b>	<b>\$118,873</b>	<b>\$114,989</b>	<b>\$133,992</b>	<b>\$137,922</b>

\*FY 2011 through FY 2015 resources reflect the allocation of administrative expenses across all DO programmatic budget activities.

Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Target	FY 2013 Actual	FY 2014 Target	FY 2015 Target
Impact of TFI Programs and Activities	B	7.8	7.4	7.6	8.1	8.3	8.3	8.5	8.5

Key: DISC - Discontinued and B - Baseline

### 3E – Treasury-wide Management and Programs

*(\$38,625,000 from direct appropriations, and \$13,673,000 from reimbursable resources):*

This budget activity includes offices that are responsible for the internal management and policy of the Department: the Office of the Chief Information Officer; the Office of Privacy, Transparency, and Records; the Office of the Procurement Executive; the Office of Human Capital Officer; the Office of Emergency Programs; the Office of the Deputy Chief Financial Officer; and the office of the Deputy Assistant Secretary for Management and Budget.

This office supports the following strategic objective for Strategic Goal #5, to create a 21st-century approach to Government by improving efficiency, effectiveness and customer interaction

- Objective 5.1: Increase workforce engagement, performance, and diversity by instilling excellence, innovation, and inclusion in Treasury's organizational culture and business practices.
- Objective 5.2: Support effective, data-driven decision-making and encourage transparency through intelligent gathering, analysis, sharing, use, and dissemination of information.

- Objective 5.3: Promote efficient use of resources through shared services, strategic sourcing, streamlined business processes, and accountability.
- Objective 5.4: Create a culture of service through relentless pursuit of customer value.

*Description of Performance:*

In FY 2013, Treasury increased its set of standard human resources metrics to align with four strategic pillars: 1) Recruit, Hire; 2) Develop, Retain; 3) Lead, Manage; and 4) Sustain a Fair, Inclusive Workplace. Treasury is on track to meet or exceed goals for veteran hiring (17 percent of new hires), disability hiring (10 percent), and manager/applicant satisfaction (8/10). Treasury achieved an overall average time-to-hire of 64 days in FY 2012, better than the Government-wide goal of 80 days, and has shifted its focus and established metrics to improve time-to-hire in mission-critical occupations, in support of the Cross Agency Priority (CAP) Goal: “Closing Skills Gaps.” Treasury successfully petitioned for OPM approval of direct-hire authority to enable the Internal Revenue Service to meet MCO staffing needs to implement the Affordable Care Act and Foreign Account Tax Compliance Act programs. Treasury also continued to implement its Diversity and Inclusion Plan, by holding trainings, creating new programs, and leveraging strategic sourcing.

To reduce the Department’s real property footprint and maximize the use of existing real property assets, the Department identified new real property cost savings and more efficiently used space by consolidating expiring leases.

To comply with the contractor diversity mandates of the Dodd-Frank Act, the Department focused on small business contracting and improved outreach to minority-owned and women-owned businesses. In FY 2013, Treasury attended outreach events and hosted vendor outreach sessions to connect with small, minority-owned, and women-owned businesses. This outreach work will continue in FY 2014 and FY 2015.

For FY 2013, the Department received its fourteenth consecutive unmodified audit opinion on its Treasury-wide financial statements and its fifth consecutive unmodified audit opinion on the Office of Financial Stability/TARP financial statements. Treasury made substantial progress in addressing its internal control deficiencies by downgrading the computer security material weakness at the Internal Revenue Service which is related to the Treasury consolidated material weakness. Management’s performance metrics are:

- Treasury-wide Footprint (Square Footage): This goal measures the total square footage occupied by Treasury’s owned and leased buildings. Management aims to generally reduce the total square footage over the course of several years in order to use space more efficiently and consume fewer resources.
- Treasury-wide Percentage of Procurement Dollars Spent on Small Business: This goal measures the percentage of procurement dollars obligated toward small businesses (or Treasury’s overall small business goal) and highlights Treasury’s efforts to ensure that small businesses have the maximum practicable opportunity to provide goods and services to the Federal Government. Based on preliminary data, Treasury achieved 39.15 percent on its overall small business goal, exceeding its FY 2013 target. Treasury will continue to employ

the successful strategies of targeted outreach, enhanced leadership accountability, new policies, new tools and resources, and increased intra-agency communication to achieve its overall small business goal in FY 2014 of 35.07 percent. The FY 2015 goal has not yet been set.

- Treasury-wide Results-Oriented Performance Culture Scores (Index of the Federal Employee Viewpoint Survey [FEVS]): The FEVS Results-Oriented Performance Culture Index denotes the extent to which employees believe their organizational culture promotes improvement in processes, products and services, and organizational outcomes. Treasury’s Results-Oriented index score in 2012 was 57 percent, and its goal for 2013 was 59 percent. Treasury achieved a score of 55 percent in 2013, two points below its 2012 result. In 2013 Treasury focused on improving results in the Results-Oriented Index. As a result of this special focus, Treasury’s two-point drop in 2013 for the Results-Oriented index was less than the four-to-six point drops for Treasury’s other indices and its FEVS scores, generally. Treasury requires all bureaus to adopt action plans based on analyses of FEVS data, and monitors execution of all plans through the HR STAT review process. Bureaus that have adopted long-term FEVS improvement plans have seen improved results. Treasury’s Results-Oriented index goal for 2014 is 57 percent.

### 3.1.5 – Treasury-wide Management and Programs Budget and Performance Plan

Dollars in Thousands

<b>Treasury-wide Management and Programs Budget Activity Resource Level</b>	<b>FY 2008 Enacted</b>	<b>FY 2009 Enacted</b>	<b>FY 2010 Enacted</b>	<b>FY 2011 Enacted</b>	<b>FY 2012 Enacted</b>	<b>FY 2013 Operating Plan</b>	<b>FY 2014 Enacted</b>	<b>FY 2015 Request</b>
Appropriated Resources	\$18,944	\$20,157	\$27,193	\$43,670	\$40,441	\$35,223	\$36,593	\$38,625
Reimbursable Resources	\$4,295	\$13,838	\$18,653	\$14,087	\$14,310	\$14,310	\$13,673	\$13,673
<b>Budget Activity Total</b>	<b>\$23,239</b>	<b>\$33,995</b>	<b>\$45,846</b>	<b>\$57,757</b>	<b>\$54,751</b>	<b>\$49,533</b>	<b>\$50,266</b>	<b>\$52,298</b>

\*FY 2011 through FY 2015 resources reflect the allocation of administrative expenses across all DO programmatic budget activities.

<b>Measure</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Actual</b>	<b>FY 2012 Actual</b>	<b>FY 2013 Target</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Target</b>	<b>FY 2015 Target</b>
Percent of Procurement Dollars Spent on Small Business	27.5	26.19	29.62	34.51	38.52	32.00	39.15	35.07	N/A
Treasury-wide Footprint (Square Footage)	35,792	36,559	37,088	37,596	37,998		37,320	35,514	36,031
Treasury-wide Results-oriented Performance Culture Scores (Index of the Federal Employee Viewpoint Survey [FEVS])	56.0	N/A	57.0	59.0	57.0		55.0	59.0	N/A

## **Section 4 – Supplemental Information**

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### **4A – Summary of Capital Investments**

#### ***Information Technology Capital Investments***

DO is focused on leveraging Treasury enterprise data centers to provide flexible, customized information technology support for its customers. This strategy will securely facilitate enterprise mobile applications, increase support for telework, and drive long term cost efficiencies through data center consolidation and expanded implementation of shared services.

DO continues to strengthen its governance through DO and enterprise-wide investment review boards (IRBs). The IRBs are comprised of both senior business and technology leaders who help to ensure that all technology investment decisions align with the mission and goals of the Department. The IRBs help the CIO prioritize opportunities for commodity IT and improved mission outcomes.

#### ***Non-Information Technology Capital Investments***

The Main Treasury Building and Treasury Annex are the recipients of DO's major non-IT capital investments. The Treasury Building is the oldest departmental building and the third oldest federally occupied building in Washington, preceded only by the Capitol and the White House. The Main Treasury Building covers five stories and a raised basement and sits on five acres of ground. It was dedicated as a National Historic Landmark on October 18, 1972. The Treasury Annex building, also owned by the Department, is part of the Lafayette Square National Register Historic District.

A summary of capital investment resources, including major information technology and non-technology investments, can be viewed/downloaded at: <http://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx>