Message from the Secretary of the Treasury

Dear Member:

Over the last three years, the Department of the Treasury has played a critical role in support of President Obama’s efforts to help break the back of an historic financial crisis and restart economic growth. At the same time, Treasury has adapted more innovative and efficient ways to deliver its core services at lower costs to taxpayers.

The President’s FY 2013 Budget requests $14 billion to fund the Department’s operating bureaus and $2.9 billion to fund our International Programs. This proposal entails substantial savings across the Department, along with targeted investments in key areas that will help strengthen our nation’s long-term economic and fiscal position.

For FY 2013, Treasury has identified a number of additional ways to improve efficiency and cut costs. For example, Treasury is planning to consolidate the Bureau of the Public Debt and the Financial Management Service, which will result in administrative savings of $36 million over five years, starting in FY 2014. The Department is saving $500 million over five years by increasing its use of electronic payments and reducing the number of paper transactions it conducts. Building on our recent suspension of production of surplus circulating $1 coins—which will reduce costs by at least $50 million per year—we are proposing legislation and administrative measures to help the Department produce coinage and currency at lower costs.

We are also proposing targeted investments in key areas. The President’s proposal increases the IRS’s tax enforcement and compliance budget by $691 million through an amendment to the discretionary caps and a program integrity cap adjustment, an investment that will more than pay for itself. This investment will generate $1.5 billion in additional annual enforcement revenue, once fully implemented, and approximately $40 billion total over the budget window. The request for Treasury’s International Program will support initiatives to strengthen our national security and expand U.S. exports.

The FY 2013 Congressional Budget Justification includes the information required in the Annual Performance Report. We have validated the accuracy, completeness, and reliability of the performance data in this report.

Sincerely,

Timothy F. Geithner
February 13, 2012