

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.

Executive Summary

FY 2019 President's Budget Discretionary Appropriation Request

Dollars in Thousands

	FY 2017 Enacted	FY 2018 Annualized CR Rate	FY 2019 Request	FY 2017 Enacted to FY 2019	
				Increase/ Decrease	Percent Change
Management & Financial	\$1,473,456	\$1,463,449	\$1,181,636	(\$291,820)	-19.81%
Departmental Offices Salaries and Expenses	\$224,376	\$222,852	\$201,751	(\$22,625)	-10.08%
Terrorism and Financial Intelligence	\$123,000	\$122,165	\$159,000	\$36,000	29.27%
Cybersecurity Enhancement	\$47,743	\$47,419	\$25,208	(\$22,535)	-47.20%
Department-wide Systems and Capital Investments Program	\$3,000	\$2,980	\$4,000	\$1,000	33.33%
Office of Inspector General	\$37,044	\$36,792	\$36,000	(\$1,044)	-2.82%
Treasury IG for Tax Administration	\$169,634	\$168,482	\$161,113	(\$8,521)	-5.02%
Special Inspector General for TARP	\$41,160	\$40,880	\$17,500	(\$23,660)	-57.48%
Community Development Financial Institutions Fund	\$248,000	\$246,316	\$14,000	(\$234,000)	-94.35%
Financial Crimes Enforcement Network	\$115,003	\$114,222	\$117,800	\$2,797	2.43%
Alcohol and Tobacco Tax and Trade Bureau	\$111,439	\$110,682	\$114,427	\$2,988	2.68%
Bureau of the Fiscal Service	\$353,057	\$350,659	\$330,837	(\$22,220)	-6.29%
Tax Administration¹	\$11,235,000	\$11,158,703	\$11,135,000	(\$100,000)	-0.89%
IRS Taxpayer Services	\$2,455,754	\$2,349,688	\$2,241,000	(\$214,754)	-8.74%
IRS Enforcement	\$4,640,000	\$4,606,996	\$4,628,204	(\$11,796)	-0.25%
IRS Operations Support	\$3,849,246	\$3,913,988	\$4,155,796	\$306,550	7.96%
IRS Business Systems Modernization	\$290,000	\$288,031	\$110,000	(\$180,000)	-62.07%
IRS Cap Adjustment ²	\$0	\$0	\$361,571	\$361,571	NA
IRS Total, Including Cap Adjustment	\$11,235,000	\$11,158,703	\$11,496,571	\$261,571	2.33%
Subtotal, Treasury Appropriations excluding Cap Adjustment and TEOAF	\$12,708,456	\$12,622,152	\$12,316,636	(\$391,820)	-3.08%
Treasury Forfeiture Fund Total³	(\$1,302,000)	(\$1,302,000)	(\$400,000)	\$902,000	-69.28%
Temporary Rescission	(\$988,000)	(\$988,000)		\$988,000	-100.00%
Permanent Rescission	(\$314,000)	(\$314,000)	(\$400,000)	(\$86,000)	27.39%
Subtotal, Treasury Appropriations including TEOAF	\$11,406,456	\$11,320,152	\$11,916,636	\$510,180	4.47%
Treasury International Programs	\$1,800,577	\$1,788,349	\$1,446,422	(\$354,155)	-19.67%
Multilateral Development Banks	\$1,571,014	\$1,560,345	\$1,348,122	(\$222,892)	-14.19%
Food Security	\$53,000	\$52,640	\$0	(\$53,000)	-100.00%
Environmental Trust Funds	\$146,563	\$145,568	\$68,300	(\$78,263)	-53.40%
Office of Technical Assistance	\$30,000	\$29,796	\$30,000	\$0	0.00%
Total, Treasury Appropriations	\$13,207,033	\$13,108,501	\$13,363,058	\$156,025	1.18%

1/ IRS FY 2017 Enacted levels include \$220 million transfer from Enforcement to Taxpayer Services (\$90 million) and Operations Support (\$130 million). IRS FY 2018 Annualized CR levels include notional \$220 million transfer from Enforcement to Operations Support.

2/ IRS Program Integrity Cap Adjustment includes \$205 million for Enforcement and \$157 million for Operations Support.

3/ In FY 2017 and FY 2018, it includes (\$187,000,000) of the DHS Rescission (temporary).

OVERVIEW OF REQUEST

The Budget requests \$12.3 billion in base discretionary resources for the Department of the Treasury's domestic programs, a \$392 million or 3 percent decrease from the FY 2017 enacted level. It also requests \$1.4 billion for Treasury's international programs, a \$354 million or 19.7 percent decrease from the FY 2017 enacted level. The Budget:

- Provides \$159 million for Treasury's Office of Terrorism and Financial Intelligence (TFI), a \$36 million increase over the FY 2017 enacted level; and \$118 million for the Financial Crimes Enforcement Network (FinCEN), a \$3 million increase over the FY 2017 enacted level. These increases will allow TFI and FinCEN to continue their critical work safeguarding the financial system from abuse and combating other national security threats using non-kinetic economic tools. These additional resources will be deployed to economically isolate North Korea, stand up the Terrorist Financing Targeting Center in Saudi Arabia, implement the Countering America's Adversaries Through Sanctions Act, and counter the financial networks that support terrorists, organized transnational crime, weapons of mass destruction proliferators, and other threats.
- Provides \$11.1 billion for the Internal Revenue Service (IRS) from base discretionary appropriations to collect more than \$3 trillion in revenue and continue administering the first comprehensive tax reform legislation in over 30 years. This funding includes \$199 million to further invest in cybersecurity safeguards for taxpayer data and empower taxpayers with modern customer service options.
 - In addition to base discretionary resources, the Budget proposes a program integrity initiative to support deficit reduction and narrow the gap between taxes owed and taxes paid. The FY 2019 Budget investment is \$362 million. Additional resources will be provided in later years. These investments will generate approximately \$43.8 billion in additional revenue and will cost approximately \$15 billion, yielding estimated net savings of \$28.8 billion over ten years.
- Provides \$25 million to proactively and strategically protect the Treasury information technology (IT) systems that carry out these activities as well as those that account for, and process, trillions of dollars in revenue and payments from cybersecurity threats.
- Proposes to impose appropriate Congressional oversight of the Treasury Financial Stability Oversight Council and Office of Financial Research (OFR) by subjecting their activities to the normal appropriations process. The Budget reflects continued reductions in OFR spending commensurate with the renewed fiscal discipline being applied across the Federal Government.

- Eliminates funding for the Community Development Financial Institutions (CDFI) Fund's discretionary grant and direct loan programs, a savings of \$234 million from the FY 2017 enacted level. The CDFI Fund was created more than 20 years ago to increase access to capital and financial services in communities characterized by high rates of poverty and unemployment, low incomes, and other economic challenges. The Budget assumes that CDFIs have access to other sources of capital. However, the Budget maintains funding for administrative expenses to support ongoing CDFI Fund program activities, including the New Markets Tax Credit program, and proposes to extend the CDFI Bond Guarantee Program, which offers CDFIs low-cost, long-term financing at no cost to taxpayers, because the program requires no credit subsidy.
- Proposes to provide the Bureau of Engraving and Printing (BEP) with the authority to vacate its aging production facility, purchase land, and construct a new facility in the National Capital Region, which would result in an estimated 10-year savings of \$579 million in lower project costs, ultimately lowering operating costs.
- Provides \$1.4 billion for Treasury's International Programs to support the most critical investments in multilateral development institutions, while ensuring that U.S. contributions are set at an appropriate level relative to our partner countries. The proposed funding level meets current year U.S. commitments to international financial institutions and maintains funding for the Office of Technical Assistance.

REFORM PROPOSALS

Treasury's reform plan includes proposals that will drive efficiency and effectiveness within the Department and across government.

- Treasury proposes consolidating coordination of the federal government's financial education programs, which are currently spread across more than 20 executive agencies.
- In coordination with the Department of Justice's Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), Treasury's Alcohol and Tobacco Tax and Trade Bureau (TTB) proposes to assume responsibility for federal tobacco and alcohol tax jurisdiction.
- Treasury proposes to merge certain functions currently performed by both BEP and United States Mint, such as the sales and marketing of collectible products and non-IT procurement.
- In light of a declining number of private American printing firms providing secure printing for official documents (birth, marriage, and death certificates), Treasury will offer intaglio printing services to states and local governments using BEP's secure printing technology.

Fiscal Year Comparison of Full-Time Equivalent (FTE) Staffing (Direct and Reimbursable)

Appropriation	2017 Actual			2018 Annualized CR Rate			2019 President's Budget		
	Direct	Reimb.	Total	Direct	Reimb.	Total	Direct	Reimb.	Total
Departmental Offices Salaries and Expenses	856	99	955	856	100	956	646	58	704
Terrorism and Financial Intelligence	395	33	428	421	36	457	518	36	554
Cybersecurity Enhancement	-	-	-	19	-	19	19	-	19
Office of Inspector General	158	7	165	175	5	180	175	5	180
Treasury Inspector General for Tax Administration	800	2	802	800	2	802	800	2	802
Special Inspector General for TARP	139	-	139	140	-	140	85	-	85
Community Development Financial Institutions Fund	74	-	74	74	-	74	42	-	42
Financial Crimes Enforcement Network	274	1	275	304	1	305	332	1	333
Alcohol and Tobacco Tax and Trade Bureau	478	10	488	507	10	517	492	10	502
Bureau of the Fiscal Service	2,084	10	2,094	2,110	10	2,120	2,089	10	2,099
Internal Revenue Service funded from regular appropriations	76,831	854	77,685	73,870	1,034	74,904	70,876	553	71,429
Internal Revenue Service funded from proposed program integrity cap adjustment	-	-	-	-	-	-	1,691	-	1,691
Subtotal, Treasury Appropriated Level	82,089	1,016	83,105	79,276	1,198	80,474	77,765	675	78,440
Office of Financial Stability (Administrative Account)	52	-	52	34	-	34	24	-	24
Small Business Lending Fund Program	8	-	8	8	-	8	6	-	6
State Small Business Credit Initiative	9	-	9	-	-	-	-	-	-
Capital Magnet Fund	4	-	4	5	-	5	5	-	5
Office of Financial Research	236	-	236	208	-	208	158	-	158
Financial Stability Oversight Council	-	-	-	-	-	-	-	-	-
Treasury Franchise Fund	-	1,702	1,702	-	1,770	1,770	-	1,977	1,977
Bureau of Engraving and Printing	-	1,818	1,818	-	1,842	1,842	-	1,836	1,836
United States Mint	-	1,645	1,645	-	1,705	1,705	-	1,705	1,705
Office of the Comptroller of the Currency	-	3,908	3,908	-	3,945	3,945	-	3,987	3,987
Terrorism Insurance Program	5	-	5	9	-	9	9	-	9
IRS Private Collection Agent Program	-	-	-	10	-	10	110	-	110
Subtotal, Treasury Non-Appropriated Level	314	9,073	9,387	274	9,262	9,536	312	9,505	9,817
Total, Treasury	82,403	10,089	92,492	79,550	10,460	90,010	78,077	10,180	88,257

1/ A portion of Fiscal Service's Reimbursable/Fee FTE is funded by fee revenue as authorized by the Debt Collection Improvement Act (DCIA) of 1996.

2/ IRS FY 2018 Total FTE is overstated in the President's Budget Appendix by 102 FTE as a result of a reporting error in the Business Systems Modernization account.

FY 2019 President's Budget by Strategic Goal
(Dollars in Thousands)

Treasury Goal/Objective	Boost U.S. Economic Growth	Promote Financial Stability	Enhance National Security	Transform Government-wide Financial Stewardship	Achieve Operational Excellence	Total
Management & Financial	\$372,755	\$21,926	\$300,347	\$410,146	\$76,462	\$1,181,636
Departmental Offices Salaries and Expenses	\$84,615	\$20,275	\$23,547	\$24,409	\$48,805	\$201,751
Terrorism and Financial Intelligence			\$159,000			\$159,000
Cybersecurity Enhancement		\$1,651			\$23,657	\$25,208
Department-wide Systems and Capital Investments Program				\$56,000	\$4,000	\$60,000
Office of Inspector General						\$161,113
Treasury Inspector General for Tax Administration	\$161,113					\$161,113
Special Inspector General for TARP				\$17,500		\$17,500
Community Development Financial Institutions Fund	\$12,600			\$1,400		\$14,000
Financial Crimes Enforcement Network			\$117,800			\$117,800
Alcohol and Tobacco Tax and Trade Bureau	\$114,427					\$114,427
Bureau of the Fiscal Service				\$330,837		\$330,837
Tax Administration	\$11,135,000					\$11,135,000
IRS Taxpayer Services	\$224,000					\$224,000
IRS Enforcement	\$4,628,204					\$4,628,204
IRS Operations Support	\$4,155,736					\$4,155,736
Business Systems Modernization	\$110,000					\$110,000
IRS Cap Adjustment ²	\$361,571					\$361,571
IRS Total, including Cap Adjustment	\$11,496,571	\$0	\$0	\$0	\$0	\$11,496,571
Total, Treasury Appropriations Committee Excluding Cap Adjustment and TEOAF	\$11,507,755	\$21,926	\$300,347	\$410,146	\$76,462	\$12,316,636
Treasury International Programs		\$30,000		\$1,416,423		\$1,446,423
Total, Appropriated Level¹	\$11,507,755	\$51,926	\$300,347	\$1,826,569	\$76,462	\$13,763,059
Non-Appropriated Accounts						
Office of Financial Stability (Administrative Account)				\$63,065		\$63,065
Terrorism Risk Insurance (Administrative)			\$3,000			\$3,000
Financial Stability Oversight Council	\$5,527	\$5,527				\$11,054
Office of Financial Research	\$37,636	\$37,636				\$75,271
Bureau of Engraving and Printing	\$896,430					\$896,430
United States Mint	\$2,970,276					\$2,970,276
Office of the Comptroller of the Currency	\$1,004,977	\$251,244				\$1,256,221
Federal Reserve Bank				\$608,000		\$608,000
Reimbursable to the Federal Reserve Banks				\$157,500		\$157,500
Financial Agent Services				\$832,500		\$832,500
Total, Non-Appropriated Level	\$4,914,845	\$294,407	\$3,000	\$1,651,065	\$0	\$6,875,317
Grand Total	\$16,422,600	\$346,333	\$303,347	\$3,487,634	\$76,462	\$20,638,376

¹ Total does not include the proposed \$400 million Forfeiture Fund permanent cancellation.

² IRS Program Integrity Cap Adjustment includes \$205 million for Enforcement and \$157 million for Operations Support which would be added to the Economic Growth goal.

Summary of FY 2019 Increases and Decreases

(Dollars in Thousands)

	DO	TFI	Other	DSCP	OIG	TIGTA	SIGTARP	CDPI	FINCEN	TTB	F3	IRS	Subtotal	TEOAF	Total
FY 2018 Annualized CR Rate	\$222,852	\$122,165	\$47,419	\$2,990	\$36,792	\$68,482	\$40,880	\$246,316	\$114,222	\$100,682	\$390,669	\$11,668,703	\$12,622,162	(\$1302,000)	\$11,200,162
Maintaining Current Levels (MCLs)	\$1,002	\$1,423			\$306	\$1,233	\$216	\$177	\$1,421	\$1,027	\$3,208	\$93,093	\$104,640		\$104,640
Non-Recurring Costs			(22,029)	(\$2,990)							(\$9,022)		(\$45,430)	\$902,000	\$856,569
Efficiency Savings/Reinvestment	(\$22,983)						(\$4,000)			(\$450)			(\$27,500)		(\$27,500)
Adjustments to Base	(\$21,001)	\$1,423	(\$22,629)	(\$2,990)	\$306	\$1,233	(\$10,880)	\$177	\$1,421	\$677	(\$6,816)	\$93,093	\$21,703	\$992,000	\$923,703
FY 2019 Base	\$201,751	\$123,588	\$24,790	\$0	\$37,097	\$69,715	\$27,000	\$246,493	\$115,643	\$114,239	\$384,423	\$11,657,396	\$12,643,865	(\$400,000)	\$12,243,865
Program Decreases					(\$1,097)	(\$3,002)	(69,500)	(\$202,493)	(\$116)	(\$7,002)	(\$3,208)	(\$316,727)	(\$300,490)		(\$300,490)
Program Increases		36,142	\$18	\$1,000					338	10,800		\$69,334	\$69,279		\$69,279
Subtotal, Program Changes	\$0	\$36,142	\$18	\$4,000	(\$1,097)	(\$8,602)	(\$9,500)	(\$202,493)	\$2,167	\$3,168	(\$3,208)	(\$147,396)	(\$327,219)	\$0	(\$327,219)
FY 2019 President's Budget funded from discretionary resources	\$201,751	\$69,000	\$25,208	\$4,000	\$36,000	\$61,113	\$17,800	\$17,800	\$117,800	\$114,427	\$330,837	\$11,658,000	\$12,316,656	(\$400,000)	\$11,916,656
Program Inventory Cap Adjustment												\$361,574	\$361,574		\$361,574
FY 2019 President's Budget including program inventory cap adjustment	\$201,751	\$69,000	\$25,208	\$4,000	\$36,000	\$61,113	\$17,800	\$17,800	\$117,800	\$114,427	\$330,837	\$11,496,571	\$12,678,207	(\$400,000)	\$12,278,207