Department of the Treasury
Departmental Offices
Salaries and Expenses

Congressional Budget Justification and Annual Performance Report and Plan

FY 2021

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Section I – Budget Request

A – 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, and manage the U.S. Government's finances and resources effectively.

B – Summary of the Request

The FY 2021 Request proposes increases to help implement programs that bolster U.S. economic growth, promote financial stability, enhance national security, transform government-wide financial stewardship, and achieve operational excellence. Particular focuses of this request are continued expansion of the Office of Cybersecurity and Critical Infrastructure Protection's (OCCIP's)[1] efforts to protect the U.S. financial services sector from cyberattacks and improve resilience of critical infrastructure, continued expansion of the Office of Tax Policy's impact analyses of tax regulations, funding to pay the State Department's increased bill for the Capital Security Cost Share Program, the creation of a maintenance and minor repair budget to support the Treasury-owned facilities, and funding to support the Evidence Act and Office of Minority and Women Inclusion mandates.

In addition to requested increases for the Treasury Departmental Offices (DO) Salaries and Expenses (SE) account, DO anticipates transferring in and executing $15 million from the $20 million request for the Committee on Foreign Investment in the United States (CFIUS) Fund, discussed separately.

1.1 – Appropriations Detail Table

Dollars In Thousands

Appropriated Resources	FY 2019 Operating Plan		FY 2020 Enacted		FY 2021 Request		FY 2020 to FY 2021 % Change	
New Appropriated Resources	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**
Executive Direction	98	$35,407	106	$36,775	102	$37,714	-3.8%	2.6%
International Affairs and Economic Policy	157	$52,428	180	$52,825	181	$54,367	0.6%	2.9%
Domestic Finance and Tax Policy	210	$72,570	226	$78,153	237	$84,506	4.9%	8.1%
Treasury-wide Management and Programs	99	$39,171	110	$38,279	125	$40,740	13.6%	6.4%
Committee on Foreign Investment in the United States	32	$15,000	81	$22,341	120	$24,146	48.1%	8.1%
Subtotal New Appropriated Resources	**596**	**$214,576**	**703**	**$228,373**	**765**	**$241,473**	**8.8%**	**5.7%**
Other Resources								
Reimbursable	46	$12,432	40	$9,071	40	$9,242	0.0%	1.9%
Transfer from CFIUS Fund	0	$0	0	$15,000	0	$15,000	NA	0.0%
Subtotal Other Resources	**46**	**$12,432**	**40**	**$24,071**	**40**	**$24,242**	**0.0%**	**0.7%**
Total Budgetary Resources	**642**	**$227,008**	**743**	**$252,444**	**805**	**$265,715**	**8.3%**	**5.3%**

Note: FY 2019 FTEs are Actuals

Note: $1.5 million of the Treasury-wide Management and Programs request in 2021 is contingent on enactment of legislation transferring the U.S. Secret Service to the Department of the Treasury.

[1] The Department of the Treasury has recognized the continuing increase in cyber threats and the need to continue enhancing cybersecurity in the financial sector. To reflect these changes, Treasury has refocused and renamed the office from the former "Office of Critical Infrastructure Protection and Compliance Policy" name to the "Office of Cybersecurity and Critical Infrastructure Protection" (OCCIP).

1.2 – Budget Adjustments Table

Dollars in Thousands	FTE	Amount
FY 2020 Enacted	**703**	**$228,373**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	5,472
Pay Annualization (2020 3.1% average pay raise)	0	$1,023
Pay Raise (1% average pay raise)	0	$998
FERS Contribution Increase	0	$1,100
Non-Pay	0	$2,351
Efficiency Savings	0	($1,246)
Subtotal Changes to Base	0	$4,226
FY 2021 Base	**703**	**$232,599**
Program Changes:		
Reinvestments	39	$0
Staffing to Support CFIUS Caseload Growth	39	$0
Program Increases:	23	$8,874
Strengthen Cybersecurity of the Financial Services Sector	8	$3,700
Impact Analyis of Tax Regulations	3	$1,063
Operations and Maintenance (O&M) of Prior-year Enterprise-wide Cybersecurity Investments	0	$333
Attaché Cost Increases from State Department	0	$498
Implementation of Evidence Act of 2018	3	$723
Main Treasury and Freedman's Bank Building Annual Maintenance	0	$550
Increase Office of Minority and Women Inclusion staffing	2	$507
Management and Oversight for US Secret Service	7	$1,500
FY 2021 President's Budget Request	**765**	**$241,473**

Note: $1.5 million of the Treasury-wide Management and Programs request in 2021 is contingent on enactment of legislation transferring the U.S. Secret Service to the Department of the Treasury

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) .... +$5,472,000 / + 0 FTE

<u>Pay Annualization (3.1%) +$1,023,000 / +0 FTE</u>

Funds are requested for annualization of the January 2020 3.1% average pay raise.

<u>Pay Raise (1.0% in 2021) +$998,000 / +0 FTE</u>

Funds are requested for a 1.0% average pay raise in January 2021.

<u>FERS Contribution Increase +$1,100,000 / +0 FTE</u>

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2021.

<u>Non-Pay +$2,351,000 / +0 FTE</u>

Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Efficiency Savings .... -$1,246,000 / -0 FTE
<u>Contractual Support -$1,246,000 / -0 FTE</u>
DO will achieve cost savings and efficiencies in contract services through more efficient contract oversight, consolidating contracts where appropriate, and partnering with other agencies and DO components to leverage common technology or administrative support needs.

Reinvestments.. +$0 / +39 FTE
<u>Staffing to Support CFIUS Caseload Growth +$0 / +39 FTE</u>
Increase in CFIUS staffing to support anticipated program growth. Funding will come from redirecting contract spending.

Program Increases .... +$8,874,000 / +23 FTE
<u>Strengthen the Financial Services Sector's Cybersecurity and Critical Infrastructure Protection +$3,700,000 / +8 FTE</u>
The U.S. financial services sector faces a broad range of cybersecurity vulnerabilities and physical hazards. Adversaries and malicious actors have recently exploited vulnerabilities in the financial sector, leading to major financial industry breaches and disruptions. The potential for damage in the event of a major breach is massive. The scale of transactions of the largest financial systems dwarfs the U.S. GDP. For example, the largest U.S. real-time gross settlement system transmitted over $700 trillion in 2018. Although many U.S. financial institutions are well protected from attack, adversaries and malicious actors continue to grow in technical capability, and their attacks continue to increase in sophistication and severity.

The FY 2021 Request would enable Treasury, the sector-specific agency for financial services critical infrastructure, to help the private sector and regulators shift toward a more proactive posture toward these risks and challenges. This request would reduce risks by allowing Treasury and its partners to identify and address vulnerabilities before they can be exploited. This request builds on FY 2020 initiatives for which Congress provided the Office of Cybersecurity and Critical Infrastructure Protection (OCCIP) a $4.0 million increase. It expands FY 2020 efforts to map critical financial processes, assess and mitigate financial institution-level vulnerabilities, and study new technologies for potential risks to the sector. The FY 2021 Request also proposes funding one additional cyber center liaison to meet the increasing demands from the financial services sector for more information sharing and a new staff member to provide cybersecurity expertise to the CFIUS review process.

Identify, Map, and Prioritize Risks and Vulnerabilities +$3,194,000 / +6 FTE
This initiative will support efforts to identify risks to large financial institutions, key third parties, and the other infrastructures and technologies on which the sector relies (e.g., energy and telecommunications) to pinpoint shared vulnerabilities with potential systemic implications. This would include completion of the first version of comprehensive financial process maps. Through this initiative, Treasury will identify and diagram the infrastructure required to deliver critical financial transactions; automate maintenance of the maps; and implement visualization techniques to further understand cascading effects of cyber events in the sector to mitigate damage to the infrastructure. Additionally, Treasury will use the requested funding to conduct cross-cutting studies of the firms that are critical and how they support key national critical functions. In conjunction with process mapping, this examination will allow Treasury to identify and reduce vulnerabilities to these key financial sector institutions. Finally, Treasury will

proactively assess new and emerging technologies in the financial sector to identify vulnerabilities and mitigate any associated risks.

The FY 2021 Request focuses on three ongoing activities:

- *Map critical processes, institutions, and data flows +$1,085,000 / +0 FTE:* OCCIP will work with industry to identify, map, and prioritize vulnerabilities, focusing on 27 key financial sector institutions, critical infrastructure (e.g., electrical grid), and industry processes (e.g., credit card authorization and settlement).
- *Identify, study, and analyze vulnerabilities by engaging key financial institutions +$1,249,000 / +3 FTE:* Identify and mitigate cybersecurity and operational risks and vulnerabilities at key financial institutions. Improve the security and resilience of the sector's cybersecurity to reduce exploitable vulnerabilities.
- *Assess emerging technologies +$860,000 / +3 FTE:* Analyze emerging technologies for their potential security risks to financial sector networks, systems, and processes. Continuously develop and improve OCCIP's knowledge of emerging technologies in order to provide risk reduction advice for the sector.

Mitigate/Avoid Risks +$506,000 / +2 FTE

Treasury/OCCIP plays an important role in the National Cyber Strategy, which the President announced in September 2018. In addition, Treasury partners with the Departments of Energy and Homeland Security (i.e., the "Tri-Sector Council") to mitigate risks from specific threat actors against financial institutions, energy infrastructure, and telecom companies. Treasury's partnerships among sectors and agencies ultimately enable more timely and actionable dissemination of threat and vulnerability information to support risk mitigation. The FY 2021 Request will help prevent the introduction of new vulnerabilities into systems, lower risks to the sector, and reduce recovery costs from incidents. This initiative comprises two ongoing activities:

- *Enhance OCCIP's protection of the financial sector via the Committee on Foreign Investment in the United States (CFIUS) +$233,000 / +1 FTE:* Assist in understanding product and supply chain dependencies and potential risks of transactions under review by CFIUS.
- *Cyber Command Liaison Officer +$273,000 / +1 FTE:* Fund a full-time Liaison Officer at U.S. Cyber Command, which is one of the unified commands of the Department of Defense. This liaison will increase cyber threat information-sharing with financial institutions to provide early indications of malicious activity and cyber vulnerabilities that could harm the sector and the American people.

<u>Impact Analysis of Tax Regulations +$1,063,000 / +3 FTE</u>

One of the Administration's goals is to bring clarity to the complex Internal Revenue Code and to provide useful guidance to taxpayers. Following enactment of the Tax Cuts and Job Act (TCJA) of 2017, pursuant to a Memorandum of Agreement between Treasury and OMB in April 2018, Treasury agreed to create a new framework to accommodate Executive Order (EO) 12866 – Regulatory Planning and Review. The EO requires a review of tax regulations with the objective of providing taxpayers with economic analysis for significant tax regulations while reducing regulatory burdens and providing timely tax guidance for taxpayers. To accomplish this, the Office of Tax Policy (OTP) requests $1.1 million and three FTE to conduct robust regulatory impact analyses of “significant” tax regulations as determined by OMB. Failure to adequately fund this effort will result in fewer regulations available for OMB review and subsequent publication and lead to an increase in taxpayer confusion, lowering compliance with the TCJA.

<u>Operations and Maintenance (O&M) of Prior-year Enterprise-wide Cybersecurity Investments +$333,000 / +0 FTE</u>
Treasury’s Cybersecurity Enhancement Account has made a number of key investments over the past two years which have resulted in significant improvements in Treasury’s Cross Agency Priority (CAP) scores. From FY 2018 Quarter 2 to FY 2019 Quarter 2, Treasury has seen, met or exceeded six out of 10 federal-wide targets, which represented a 30 percent improvement over the prior year. This request level will sustain those prior year investments, to include operations and maintenance costs for improvements to the Treasury Secure Data Network (TSDN), Treasury’s secret network, and advanced monitoring and mitigation capabilities for the Treasury Government Security Operations Center consistent with the National Continuous Diagnostics and Mitigation (CDM) strategy.

<u>Attaché Cost Increases from State Department +$498,000 / +0 FTE</u>
As representatives of the United States’ financial diplomacy efforts, attachés possess expertise on financial authorities, financial intelligence, economic policy, sanctions, and anti-money laundering/countering the financing of terrorism. The State Department considers Treasury attachés to be significant force multipliers on the embassy teams in which they operate.

Incremental annual increases in mandatory overseas support costs continue to erode the program office base budget. In FY 2017 and FY 2018, agencies were provided a credit on their State Department Capital Security Cost Share bill to partially mitigate the impact of increases. Reduced payroll cost within non-CFIUS functions of the Office of International Affairs (IA), in addition to the closure of an overseas duty post, allowed IA to absorb the remainder of these cost increases through FY 2019, but this funding will no longer be available to support these costs in FY 2021.

<u>Implementation of Evidence Act of 2018 +$723,000 / +3 FTE</u>
This initiative is to support Treasury-wide data-driven strategic management processes and bolster evidence-building capability in furtherance of the Foundations for Evidence-Based Policymaking Act of 2018. It would fund key investments in personnel to increase DO’s analytic capacity and better understand areas of potential risk and investment.

Office of the Chief Data Officer +$472,000 / +2 FTE: P.L. 115-435 (The Evidence Act) requires agencies to designate a Chief Data Officer. This funding request is to stand up an office of the Chief Data Officer to be comprised initially of two positions. The Chief Data Officer’s goals are to ensure data is used as a strategic asset, increase use of data in decision-making and evidence-building, and increase coordination of data collection and use.

Treasury Organizational Performance and Evaluation Program +$251,000 / +1 FTE: The Office of Strategic Planning and Performance Improvement (OSPPI) requests one position to better support implementation of the Evidence Act, by dedicating a senior program lead to serve as the Department's Evaluation Officer and Government Performance and Results Modernization Act Program Manager. This investment would enable the Department to build a better evidence base for informing policy and strategy decisions as well as address priority questions identified in the agency learning agenda. A dedicated senior accountable official will enable the Department to build a better evidence-base for informing policy and strategy decisions. This request will also enable dedicating a modest amount of funding to procure evaluation and research support from other agencies or academic institutions to address priority questions identified in the agency learning agenda.

Main Treasury and Freedman's Bank Building Annual Maintenance +$550,000 / +0 FTE
This request represents a portion of the maintenance and minor repair budget of Treasury-owned space, including the Main Treasury (MT) Building and the Freedman's Bank Building (FBB). Treasury is in a unique position from many other Federal agencies in that it owns historic buildings, which require more and complex routine maintenance. The scope supported by this funding represents a broad range of continuous facility needs that include historical preservation; significant water leaks/intrusion; failure of minor electrical components, plumbing components and fixtures, hardware and doors, plaster, and paint; and all small projects that fall below the capital improvements level. While the MT and FBB have been kept functional under limited funding, it has not been sufficient to properly maintain the buildings, resulting in the deferral of important maintenance and repair work. Deferred maintenance results in additional costs and scope to perform the work later.

Increase Office of Minority Women and Inclusion Staffing +$507,000 / +2 FTE
The Office of Minority and Women Inclusion (OMWI) was mandated under Section 342 of the Dodd Frank Act (P.L.111-203). The initiative will expand steps to seek diversity in the workforce at all levels and fair utilization of minority and women-owned businesses in the business activities of the agency. The new staff will support efforts to institute a more transparent and data-driven accountability structure to measure success, review the impact agency policies on minority and women-owned businesses, and inform evidence-based decision-making. This request will also strive to create a more efficient and effective team of diversity and inclusion experts to implement innovative solutions and new technologies that address behavioral and systematic impediments to success.

Management and Oversight for United States Secret Service (USSS) +$1,500,000 / +7 FTE
Contingent upon enactment of authorizing legislation to transfer the United States Secret Service to the Department of the Treasury, an additional $1.5 million will be necessary for expenses of the Departmental Offices related to oversight of the USSS in areas such as IT, human capital, and budget.

1.3 – Object Classification (Schedule O) Obligations

Dollars in Thousands

Object Classification	FY 2019 Actual Obligations	FY 2020 Estimated Obligations	FY 2021 Estimated Obligations
11.1 - Full-time permanent	88,194	98,184	105,718
11.3 - Other than full-time permanent	1,504	1,760	1,760
11.5 - Other personnel compensation	2,493	2,535	2,535
11.8 - Special personal services payments	1,343	0	0
11.9 - Personnel Compensation (Total)	**93,534**	**102,479**	**110,013**
12.0 - Personnel benefits	27,249	30,599	31,810
Total Personnel and Compensation Benefits	**$120,783**	**$133,078**	**$141,823**
21.0 - Travel and transportation of persons	4,614	2,970	3,174
22.0 - Transportation of things	200	183	190
23.1 - Rental payments to GSA	0	291	346
23.2 - Rental payments to others	1,528	670	699
23.3 - Communications, utilities, and miscellaneous charges	76	174	203
24.0 - Printing and reproduction	0	42	44
25.1 - Advisory and assistance services	12,555	12,945	14,095
25.2 - Other services from non-Federal sources	3,197	5,849	5,960
25.3 - Other goods and services from Federal sources	81,275	84,671	88,801
25.4 - Operation and maintenance of facilities	121	0	0
25.7 - Operation and maintenance of equipment	271	1,417	1,476
26.0 - Supplies and materials	2,551	3,960	4,259
31.0 - Equipment	2,345	2,195	2,145
32.0 - Land and structures	536	4,000	2,500
42.0 - Insurance claims and indemnities	65	0	0
Total Non-Personnel	**$109,334**	**$119,366**	**$123,893**
Total Obligations	**$230,117**	**$252,444**	**$265,715**
Full Time Equivalents (FTE)	**642**	**743**	**805**

Amounts reflect obligations of annually appropriated resources, carryover balances, reimbursables, and transfers.

Note: $1.5 million of the Treasury-wide Management and Programs request in 2021 is contingent on enactment of legislation transferring the U.S. Secret Service to the Department of the Treasury

D – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
DEPARTMENT OF THE TREASURY DEPARTMENTAL OFFICES *Federal Funds* SALARIES AND EXPENSES For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Freedman's Bank Building; 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; executive direction program activities; international affairs and economic policy activities; domestic finance and tax policy activities, including technical assistance to State, local, and territorial entities; and Treasury-wide management policies and programs activities, *$239,973,000* [$228,373,000]: Provided, That of the amount appropriated under this heading- (1) not to exceed $350,000 is for official reception and representation expenses; (2) not to exceed $258,000 is 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 (3) not to exceed $24,000,000 shall remain available until September 30, [2021] *2022*, for- (A) the Treasury-wide Financial Statement Audit and Internal Control Program; (B) information technology modernization requirements; (C) the audit, oversight, and administration of the Gulf Coast Restoration Trust Fund; (D) the development and implementation of programs within the Office of Critical Infrastructure Protection and Compliance Policy, including entering into cooperative agreements; (E) operations and maintenance of facilities; and (F) international operations. *(Department of the Treasury Appropriations Act, 2020.)* *Contingent upon enactment of authorizing legislation to transfer the United States Secret Service to the Department of the Treasury, an additional $1,500,000 for necessary expenses of the Departmental Offices of the Department of the Treasury.*	

E – Legislative Proposals

Transfer the United States Secret Service to the Department of the Treasury

The Budget proposes to transfer the United States Secret Service from the Department of Homeland Security to the Department of the Treasury. The proposed funding will support necessary expenses for the coordination and oversight of the transfer by the Departmental Offices of the Department of the Treasury. For additional information on the transfer proposal, please consult the Department of the Treasury chapters of the Main Budget Volume and the Major Savings and Reform Volume.

"Contingent upon enactment of authorizing legislation to transfer the United States Secret Service to the Department of the Treasury, an additional $1,500,000 for necessary expenses of the Departmental Offices of the Department of the Treasury."

Create a Freedom of Information Act exemption for certain financial sector cybersecurity-related information to increase protection of the U.S. financial services sector.

This proposal would provide Treasury with an appropriately scoped Freedom of Information Act (FOIA) exemption for cybersecurity-related information, in furtherance of the Department's responsibilities to enhance the security and resilience of the financial services sector's critical infrastructure. To identify risks to financial sector critical infrastructure, Treasury relies on private-sector financial organizations to provide a range of cyber threat and vulnerability information. Firms in the sector have not been sharing such information with Treasury due to concerns that their sensitive information will be subject to public disclosure under FOIA. A narrowly-tailored FOIA exemption would enable Treasury to leverage its relationship with the sector to improve information sharing. This proposal would strengthen Treasury's ability to identify risks to financial sector critical infrastructure and enable public and private-sector action to mitigate significant risks.

Section II – Annual Performance Plan and Report

A – Strategic Alignment

Departmental Offices (DO) is Treasury's headquarters bureau. It provides leadership in economic and financial policy, financial intelligence, and general management. Treasury utilizes effective management, policies, and leadership to protect our national security through targeted financial actions, promote the stability of the nation's financial markets, and ensure the government's ability to collect revenue and fund its operations. DO aligns to all Treasury strategic goals and objectives. Specific alignment by budget activity is indicated below.

B – Budget and Performance by Budget Activity

2.1.1 – Executive Direction Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	$35,200	$36,988	$36,980	$32,993	$35,407	$36,775	$37,714
Other Resource	$21,677	$29,632	$22,997	$25,455	$4,863	$1,538	$1,563
Budget Activity Total	**$56,877**	**$66,620**	**$59,977**	**$58,448**	**$40,270**	**$38,313**	**$39,277**
Full-time Equivalents (FTE)	**185**	**201**	**161**	**159**	**113**	**114**	**110**

Note: FY 2015 - FY 2019 Other Resources dollars are actuals. FY 2015 - FY 2019 FTE are actuals.

Executive Direction Budget and Performance

(*$37,714,000 from direct appropriations, $1,563,000 from reimbursable sources*):
The Executive Direction program area provides direction and policy formulation to DO and the rest of Treasury and interacts with Congress and the public on policy matters.

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

2.1.2 – International Affairs and Economic Policy Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	$54,758	$56,886	$57,191	$48,460	$52,428	$52,825	$54,367
Other Resource	$5,896	$14,680	$10,617	$9,795	$2,701	$1,689	$1,735
Budget Activity Total	**$60,654**	**$71,566**	**$67,808**	**$58,255**	**$55,129**	**$54,514**	**$56,102**
Full-time Equivalents (FTE)	**249**	**262**	**253**	**220**	**161**	**182**	**183**

Note: FY 2015 - FY 2019 Other Resources dollars are actuals. FY 2015 - FY 2019 FTE are actuals.

Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
IA - Monitor Quality and Enhance Effectiveness of International Monetary Fund (IMF) Lending Through Review of IMF Country Programs	100	100	100	100	100	100	100	100
IA - Monitor Quality and Enhance Effectiveness of MDB Lending Through Review of MDB Grant and Loan Proposals	100	100	100	100	100	100	100	100
IA - Percentage of MDB Grant and Loan Proposals Containing Satisfactory Frameworks for Results Measurement	93	89	96	97.6	95	95	95	95
OTA - Program Engagement	3.8	3.9	4.0	3.8	3.8	3.6	3.6	3.6

International Affairs and Economic Policy Budget and Performance

($54,367,000 from direct appropriations, $1,735,000 from reimbursable sources):
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 International Affairs (IA)
This office supports the following strategic objectives for Strategic Goal 1, to boost U.S. economic growth:

- Objective 1.2 – Strong Economic Fundamentals: Spur faster economic growth by right-sizing Treasury and other regulations and advancing domestic economic policies that boost investment, employment, and innovation.
- Objective 1.4 – Free and Fair Trade: Advance a free and fair trade environment for U.S. businesses through successful negotiation of trade agreements and investment policies.

This office supports the following strategic objectives for Strategic Goal 2, to promote financial stability:

- Objective 2.3 – Foreign Technical Assistance: Provide technical assistance to enable foreign partner countries to better raise and manage financial resources and protect their financial sectors.

This office supports the following strategic objectives for Strategic Goal 3, to enhance national security:

- Objective 3.1 – Strategic Threat Disruption: Identify, dismantle, and disrupt priority threats to the U.S. and international financial systems.
- Objective 3.3 – Economic Strength and National Security: Advance American prosperity and security through growth, investment, trade, and expanding the American industrial base while protecting national security.

This office supports the following strategic objective for Strategic Goal 4, to transform government-wide financial stewardship:

- Objective 4.1 – Financial Data Access/Use: Increase the access and use of federal financial data to strengthen government-wide decision-making, transparency, and accountability.

This office supports the following strategic objective for Strategic Goal 5, to achieve operational excellence:

- Objective 5.1 – Workforce Management: Foster a culture of innovation to hire, engage, develop, and optimize a diverse workforce with the competencies necessary to accomplish our mission.

International Affairs
In FY 2019, IA worked to put in place policies that achieve faster U.S. and global growth and higher after-tax wages for American workers. This involved ambitious reforms for trade, energy, financial regulation, infrastructure, and international relations, all of which continue into FY 2020.

Free, fair, and reciprocal trade has been a cornerstone of our economic agenda, and Treasury has worked with our interagency colleagues and trading partners in order to modernize trade for the benefit of all Americans. These values have been reflected in our government's ongoing negotiations with China and in the historic trade deal we recently signed with Japan. The United States-Mexico-Canada Agreement, passed by the U.S. Congress in January 2020, will establish the highest standards ever in a trade agreement to enhance digital trade, protect intellectual property rights, support small and mid-sized businesses, open markets for agricultural products, and spur manufacturing. Treasury is playing a lead role in analyzing the implications for U.S. financial services firms of the United Kingdom's exit from the European Union. In addition, as the lead U.S. agency in negotiating reductions of export finance subsidies, Treasury continues to press China and other major providers of export finance to agree to disciplines on government support, so that U.S. exporters can compete globally on a level playing field. These efforts serve not only to enhance U.S. competitiveness but also move export credit financing to a more market-reflective basis consistent with Congressional mandates.

Treasury works to address the large and persistent global imbalances and unfair currency practices that threaten strong and sustainable U.S. economic growth. Treasury seeks to level the playing field for U.S. businesses through multilateral and bilateral engagements on foreign exchange practices. Treasury does this via multilateral and bilateral activities working through the International Monetary Fund (IMF) and the Group of 20 Nations (G-20). As an example, Treasury continues to press for stronger exchange rate surveillance in the IMF. Treasury continues its close oversight of multilateral development bank (MDB) policies and programs and continues to promote reforms to further enhance their efficiency, effectiveness, and financial discipline.   Recently negotiated reforms – led by the United States - will improve financial management and debt sustainability while increasing the MDBs' focus on infrastructure, women's economic empowerment, and assistance to fragile states.

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.

International Affairs Description of Performance:

- Monitor Quality and Enhance Effectiveness of 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 percent) was met in FY 2019. In FY 2020 and FY 2021, 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 supporting long-term U.S. objectives, having a measurable development impact, and being consistent with congressional mandates. The target (100 percent) was met in FY 2019. In FY 2020 and FY 2021, IA aims to continue its review of 100 percent of MDB loan and grant proposals prior to the date of the relevant Executive Board meeting and increase its oversight of projects during implementation.

- Percentage of MDB Grant and Loan Proposals Containing Satisfactory Frameworks for Results Measurement: This measure tracks the percentage of grant and loan project proposals that contain a satisfactory framework for measuring project results (such as outcome indicators, quantifiable and time-bound targets, etc.) This information is measured on an annual basis. In FY 2019, 95 percent of MDB grant and loan project proposals had excellent or satisfactory ratings for the results matrices. The FY 2020 target is 95 percent, and the FY 2021 target is 95 percent.

Office of Technical Assistance

Treasury's Office of Technical Assistance (OTA) complements Treasury's international economic and terrorist financing policy work. Treasury's offices of International Affairs and Terrorism and Financial Intelligence advocate for improvements in economic and terrorist financing policies internationally. OTA helps the governments of developing and transitioning countries build the human and institutional capacity to implement such policy improvements.

Office of Technical Assistance Description of Performance:

- Office of Technical Assistance (OTA) Program Engagement (Traction): Measures the degree to which foreign counterparts are engaging proactively and constructively with OTA advisors, at the working and policy levels. Counterpart engagement is both a key outcome of OTA efforts to structure and execute effective technical assistance projects that support host country ownership as well as the most crucial input to the successful achievement of the intermediate goals and ultimate outcomes described in the project's terms of reference and work plan during the fiscal year – such as passage of law or regulation, an increase in government revenues, an improvement in a government's credit rating, or a reduction in economic crimes. The measure is scored on a 5-point scale and averaged across all projects to provide one overall measure of OTA's performance. In FY 2019, the Traction score was 3.8, exceeding the target of 3.6. In FY 2020 and FY 2021, IA's target for Traction is 3.6.

Office of Economic Policy (EP)

This office supports the following strategic objective for Strategic Goal 1, to boost U.S. economic growth:

- Objective 1.2 – Strong Economic Fundamentals: Spur faster economic growth by right-sizing Treasury and other regulations and advancing domestic economic policies that boost investment, employment, and innovation.

This office supports the following strategic objective for Strategic Goal 3, to enhance national security:

- Objective 3.2 – AML/CFT Framework: Identify and reduce vulnerabilities in the U.S. and international financial system to prevent abuse by illicit actors.

This office supports the following strategic objective for Strategic Goal 5, to achieve operational excellence:

- Objective 5.1 – Workforce Management: Foster a culture of innovation to hire, engage, develop, and optimize a diverse workforce with the competencies necessary to accomplish our mission.

Macroeconomic Analysis

During the past year, EP staff in the Office of Macroeconomic Analysis have closely monitored U.S. economic performance. The office's high-quality analytic updates served as DO's main internal source of information on U.S. macroeconomic developments and informed a wide range of high-level engagements and official publications, including the Bank/Fund and regional development bank meetings, meetings of the G-7 and G-20, the Quarterly Treasury Bulletin, the report to Congress titled, "Foreign Exchange Policies of Major Trading Partners of the U.S.," the Economy Statement for the Treasury Borrowing Advisory Committee, and the U.S. Government's Annual Financial Report.

The office continued to deliver the High-Quality Market Corporate Yield Curve (a set of daily rates issued on a monthly basis) as mandated under the Pension Protection Act and to produce a Treasury Real Coupon-Issue Yield Curve, a companion to the Treasury Nominal Coupon-Issue Yield Curve, in addition to several other yield curves. These yield curve data are used extensively throughout the private sector and executive agencies that administer private and public pension programs and other future payment programs to calculate their annual liabilities. Finally, economists in the Macro office help prepare the economic assumptions used to create the Administration's Budget.

Microeconomic Analysis
The Office of Microeconomic Analysis has been actively engaged in helping the public and policymakers understand important economic policy issues including economic issue briefs covering a wide range of economic topics, including education finance reform, multiemployer pensions, digital assets, and labor market developments. Other activities included:

- Significant contributions to Treasury's September 2019 Housing Reform Plan, which aims to improve the U.S. housing finance system for borrowers while protecting taxpayers;
- Regulatory Impact Analysis for Treasury's Alcohol and Tobacco tax and Trade Bureau on a proposed deregulatory policy change;
- A congressionally-mandated analysis of a potential Committee on Foreign Investment in the United States application fee;
- Analysis of the potential impact on economic growth of the Administration's infrastructure investment proposal; and
- Ongoing coordination and analysis related to the Secretary's role as Managing Trustee of the Social Security and Medicare Trust Funds.

Social Impact Partnerships to Pay for Results Act
Economic Policy is also responsible for implementation and ongoing management of the Social Impact Partnerships to Pay for Results Act (SIPPRA) program. SIPPRA, signed into law on February 9, 2018, appropriated $100 million to fund social impact partnership projects and feasibility studies to prepare for such projects. Program funds may be obligated through February 8, 2028, and not less than fifty percent of funding for social impact partnership projects must be provided for initiatives that directly benefit children. The SIPPRA program aspires to demonstrate a new model of implementing and funding projects designed to solve entrenched societal problems such as homelessness, recidivism among juvenile offenders, and incidences of childhood abuse and neglect.

SIPPRA issued its first Notice of Funding Availability on February 21, 2019 with the expectation of awarding up to $66.29 million in funding for social impact partnership project grants with fifty percent of this funding allocated for initiatives designed to directly benefit children. Twenty-one applications were received and evaluated by Treasury staff and subject matter expert panels. Nine applications were provided to the Commission on Social Impact Partnerships (Commission) for review and funding recommendations to the Secretary of the Treasury (Secretary) and to the Federal Interagency Council on Social Impact Partnerships (Council) for application certification. The Commission, a federal advisory committee comprised of nine private-sector individuals nominated by the President and Congressional leadership, met multiple times in 2019 and made eight funding recommendations to the Secretary. SIPPRA anticipates issuing an additional Notice of Funding Availability for demonstration projects in FY 2022. The Council, which is chaired by OMB and includes representatives from ten federal agencies, was stood up in 2019. The Council is required to certify for each application that (1) the application "contains rigorous, independent data and reliable, evidence-based research methodologies to support the conclusion that the project will yield savings to the State or local government or the Federal Government if the project outcomes are achieved," SIPPRA Section 2056(a)(8); (2) the "project will yield a projected savings to the Federal Government if the project outcomes are achieved," SIPPRA Section 2056(a)(9); (3) the evaluation design proposed as the basis for outcome payments uses "experimental designs using random assignment or other reliable, evidence-based research methodologies . . . that allow for the strongest possible causal inferences when random assignment is not feasible," SIPPRA Section 2055(c); and (4) the applicant and proposed evaluator have "access to Federal administrative data to assist the State or local government and the evaluator in evaluating the performance and outcomes of the project." SIPPRA Section 2056(a)(5); Treasury anticipates awarding grants by mid-calendar year 2020.

2.1.3 – Domestic Finance and Tax Policy Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	$78,589	$84,591	$83,104	$73,804	$72,570	$78,153	$84,506
Other Resource	$40,240	$55,231	$38,650	$42,042	$8,539	$5,844	$5,944
Budget Activity Total	**$118,829**	**$139,822**	**$121,754**	**$115,846**	**$81,109**	**$83,997**	**$90,450**
Full-time Equivalents (FTE)	**364**	**398**	**365**	**311**	**236**	**256**	**267**

Note: FY 2015 - FY 2019 Other Resources dollars are actuals. FY 2015 - FY 2019 FTE are actuals.

Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
DF-Variance Between Estimated and Actual Receipts (Annual Forecast) (%)	2.80	3.10	4.00	2.33	3.14	4.25	4.25	4.25

Domestic Finance and Tax Policy Budget and Performance
($84,506,000 from direct appropriations, $5,944,000 from reimbursable sources):
The Offices of Domestic Finance and Tax Policy monitor policy, legislation, and regulations, and provide advice and assistance to the Secretary about the financial services sector and taxes, as well as financial markets and the regulation of financial institutions. The Office of Tax Policy supports the Administration's efforts in tax reform legislative proposals and regulatory implementation.

Office of Domestic Finance (DF)
This office supports the following strategic objective for Strategic Goal 1, to boost U.S. economic growth:
- Objective 1.2 – Strong Economic Fundamentals: Spur faster economic growth by right-sizing regulations and advancing domestic economic policies that boost investment, employment, and innovation.

This office supports the following strategic objectives for Strategic Goal 2, to promote financial stability:
- Objective 2.1 – Housing Finance Reform: Support housing finance reform to resolve Government-Sponsored Enterprise (GSE) conservatorships and prevent taxpayer bailouts of public and private mortgage finance entities, while promoting consumer choice within the mortgage market.
- Objective 2.4 – Financial Sector Cybersecurity and Critical Infrastructure Protection: Enhance security, improve resiliency, and reduce the risk of significant cybersecurity and

other incidents to the financial sector's critical infrastructure, domestically and internationally.

This office supports the following strategic objectives for Strategic Goal 4, to transform government-wide financial stewardship:

- Objective 4.1 – Financial Data Access and Use: Increase the access and use of federal financial data to strengthen government-wide decision-making, transparency, and accountability.
- Objective 4.2 – Debt Management: Fund the federal government at the least cost over time.
- Objective 4.3 – Federal Financial Performance: Improve federal financial management performance using innovative practices to support effective government.

This office supports the following strategic objective for Strategic Goal 5, to achieve operational excellence:

- Objective 5.1 – Workforce Management: Foster a culture of innovation to hire, engage, develop, and optimize a diverse workforce with the competencies necessary to accomplish our mission.

During FY 2019, DF worked to promote America's long-term economic strength and stability by preserving confidence in the U.S. Treasury securities market, managing federal fiscal operations and the U.S. government's debt, advising state and local governments on their finances, supporting community and economic development, and strengthening financial institutions and markets. DF advanced several key Administration policies, including financial regulatory reform, housing finance reform, and cybersecurity.

Strong Economic Fundamentals

To promote strong economic fundamentals, Treasury continued work to improve the financial regulatory system and strengthen the economy, consistent with the Administration's "Core Principles" for regulating the U.S. financial system. These Core Principles, conveyed in February 2017 under Executive Order 13772, include empowering Americans to make independent financial decisions, preventing taxpayer-funded bailouts, and fostering economic growth. Given the breadth of the financial system and a complex regulatory environment, Treasury divided the review of the financial system into four reports, covering: (1) banks and credit unions; (2) capital markets; (3) asset management and insurance; and (4) non-bank financials, fintech, and innovation.

Treasury published the fourth and final of the four Core Principles reports in July 2018. The reports make numerous recommendations for administrative and statutory reforms, which require action by the regulators and/or Congress. These reforms would, among other things, discourage taxpayer-funded bailouts, promote American companies' competitiveness, and make regulation efficient, effective, and appropriately tailored. As of December 31, 2019, financial regulatory agencies and Congress had acted on or are acting on roughly 60 percent of about 370 recommendations in the Core Principles reports.

During FYs 2020 and 2021, Treasury will continue to evaluate progress and work to support the implementation of the Core Principles recommendations for the U.S. financial system.

Housing Finance Reform

During the 2008 financial crisis, the GSEs (Fannie Mae and Freddie Mac) suffered significant losses because of structural flaws and inadequate oversight. To prevent the GSEs' failure, the federal government placed them in conservatorship, which continues today. Treasury retains significant investments in the GSEs and continues to provide them capital support through the Senior Preferred Stock Purchase Agreements. These capital support agreements provide confidence to the financial markets that the GSEs will fulfill their financial obligations. These agreements have been amended several times since they were executed in 2008, most recently in FY 2019, when Treasury and the GSEs, acting through their conservator, the Federal Housing Finance Agency, agreed to increase the minimum capital reserve each entity is allowed to retain.

In March 2019, the President signed a memorandum on the urgent need to reform the U.S. housing finance system. The memorandum directed Treasury to develop a plan for administrative and legislative reforms to end the GSE conservatorships, facilitate competition in the housing finance market, establish appropriate regulation of the GSEs, and provide for the federal government to be compensated for any support of the secondary housing finance market. In September 2019, Treasury released its Housing Finance Reform Plan. During FY 2020, Treasury is supporting congressional action, and administrative action pending legislation, to implement housing finance reform pursuant to the recommendations in its Plan.

Financial Sector Cybersecurity and Critical Infrastructure Protection

During FY 2019, DF also played an important role in supporting the cybersecurity and protecting critical infrastructure of the financial services sector. Treasury submitted to Congress, as required by law, a report on the risks of cyber threats. Further, the Office of Cybersecurity and Critical Infrastructure Protection (OCCIP) developed and executed twelve exercises, many co-hosted with regional Federal Reserve Banks, involving other government and regional, small to medium-sized private-sector financial institutions. OCCIP also ran its first virtual tabletop exercise with participation from across the country remotely. Shortly afterwards, Treasury documented these results in an after action report for the participants that outlined areas for improvement to reduce vulnerabilities and risks in both the private and public sector. OCCIP will expand the number, type, and target audiences of these exercises in FYs 2020 and 2021.

Also, in Treasury's roles as chair of the Financial and Banking Information Infrastructure Committee and partner with the Financial Services Sector Coordinating Council, OCCIP continued pushing for enhanced voluntary cybersecurity information sharing among the member organizations. This is to minimize the time it takes to discover, contain, and mitigate cyber incidents, whether from malicious or natural causes. These efforts to enhance incident management coordination among the regulators and the private sector will also continue in FYs 2020 and 2021.

Financial Data Access and Use

During FY 2019, Treasury continued its leadership to increase the access to and use of federal financial data to strengthen government-wide decision-making, transparency, and accountability.

Treasury continued to make progress in government-wide implementation of the 2014 *Digital Accountability and Transparency Act* (DATA Act). The DATA Act requires the federal government to provide consistent, reliable, and useful online data about how it spends taxpayer dollars. In April 2018, DF fully transitioned to the new USAspending.gov website by sunsetting the legacy site. The new site allows taxpayers to examine nearly $4 trillion in annual federal spending and see how this money flows to local communities and businesses. In FY 2019, DF reviewed data quality. DF will work with OMB and federal agencies to drive continued improvements in FY 2020 and FY 2021. The data is compiled from federal agencies and published quarterly. In FY 2019, DF also continued to expand the sister site to USAspending.gov—the Data Lab—which provides additional use cases, data visualizations, and analysis with insights into federal spending and trends. Additionally, DF released the new online "Your Guide to America's Finances," which provides an overview of federal spending, revenues, debt, and deficit information.

Debt Management
Another important DF responsibility is managing the U.S. government's debt. The Office of Fiscal Projections (OFP) forecasts the government's cash and debt activity. As discussed below, OFP achieved its performance goal for FY 2019 by ensuring that the variance between its projections of federal government receipts and actual federal receipts was no more than 4.25 percent.

Another DF office, the Office of Debt Management (ODM), seeks to fund the federal government at the least cost to the taxpayer over time by working to maintain predictable issuance of Treasury debt, minimizing the amount of interest the government must pay, and managing debt maturity over time. In FY 2019, Treasury introduced a new product to the Treasury securities market: the 8-week Treasury bill. In FY 2020, Treasury also announced the re-introduction of the 20-year Treasury bond. The goals for these new products are to satisfy investors and help Treasury to meet its goals for debt issuance.

Domestic Finance Description of Performance:

- Variance between estimated and actual receipts (annual forecast) (percent): As part of managing the federal government's central operating account and cash position, OFP forecasts net cash flows (e.g., federal receipts and outlays) 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. A lower variance is better because that indicates a more accurate forecast. The actual variance for FY 2019 was 3.14 percent, which is lower than the 4.25 percent target. Because tax receipts are quite variable from year to year and are very sensitive to changes in macro-economic conditions and legislative changes, accurate forecasts in one year do not necessarily portend accuracy in a subsequent year or period. OFP will maintain its target of 4.25 percent for both FY 2020 and FY 2021.

Office of Tax Policy (OTP)
This office supports the following strategic objectives for Strategic Goal 1, to boost U.S. economic growth:

- Objective 1.1 – Tax Law Implementation: Administer tax law to better enable all taxpayers to meet their obligations, while protecting the integrity of the tax system.

This office supports the following strategic objective for Strategic Goal 5, to achieve operational excellence:

- Objective 5.1 – Workforce Management: Foster a culture of innovation to hire, engage, develop, and optimize a diverse workforce with the competencies necessary to accomplish our mission.

Tax Policy

During FY 2019, the Office of Tax Policy (OTP) worked closely with the IRS in implementing provisions of the Tax Cuts and Jobs Act (TCJA). Together, they published final regulations on a number of TCJA provisions including changes related to the new section 199A pass-through deduction, the 100-percent additional depreciation deduction under section 168(k) and section 170 that preserves the revenue in TCJA related to the imposition of a cap on state and local income tax deductions. Treasury and the IRS also implemented TCJA provisions related to the section 965 one-time repatriation tax and new section 951A regulations dealing with the computation of global intangible low-taxed income, including income by U.S. shareholders of foreign subsidiaries. In addition, OTP and the IRS promulgated proposed regulations and issued sub-regulatory guidance on a number of TCJA provisions, including the Opportunity Zones incentives, the base erosion and anti-abuse tax under section 59A, the foreign-derived intangible income rules of section 250, the disallowed interest deduction rules under section 163(j), and the income timing rules under section 451. The IRS also issued a number of updates to forms and updated the web page on IRS.gov to provide easy and comprehensive access for the public to final regulations, proposed regulations, and sub-regulatory guidance on TCJA provisions as they became available. Since TCJA's passage in November 2017, Treasury has issued nearly 400 items of guidance, including regulations, revenue procedures, revenue rulings and notices related to every section of TCJA.

OTP also provided analysis in support of tax reform implementation, including updated tax withholding tables and inflation-adjusted tax parameters and regulatory impact analyses. The office also estimated the effects of proposed and final tax reform provisions on tax revenue (overall and for specific types of taxpayers), to inform policymakers and to produce the baseline for the Administration's FY 2020 Budget.

OTP continues to provide leadership for the Organisation for Economic Co-operation and Development (OECD), the Inclusive Framework, the Global Forum, and the G20, advocating for the interests of U.S. based businesses. In particular, during FY 2019, OTP played a leading role in developing OECD proposals (Pillar 1 and Pillar 2) intended to change certain aspects of the allocation of international taxing rights in an effort to combat the unilateral tax actions of multiple jurisdictions (e.g., the French digital services tax). As part of this effort, OTP attended and led numerous meetings at the OECD and organized numerous meetings with stakeholders (including with executives of major digital and non-digital companies) to discuss various alternatives. OTP plans to continue this effort in FY 2020.

In FY 2020 – FY 2021, OTP's primary mission will continue to be leading tax reform implementation. This work will include regulatory and sub-regulatory guidance required to implement changes to the law by conducting cost-benefit analyses of many regulatory actions. The resulting Regulatory Impact Analyses (RIA) require detailed work. OTP received funding for FY 2019 to start hiring professionals to work on the RIA and hired seven new staff members. In 2020-2021, OTP hopes to continue the implementation with additional staff and technology funding to conduct the necessary analyses.

2.1.4 – Treasury-wide Management and Programs Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	$39,143	$41,446	$43,365	$40,494	$39,171	$38,279	$40,740
Other Resource	$55,213	$3,339	$4,284	$2,398	$226	0	0
Budget Activity Total	**$94,356**	**$44,785**	**$47,649**	**$42,892**	**$39,397**	**$38,279**	**$40,740**
Full-time Equivalents (FTE)	**171**	**124**	**153**	**147**	**100**	**110**	**125**

Note: FY 2015 - FY 2019 Other Resources dollars are actuals. FY 2015 - FY 2019 FTE are actuals.

Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
EO 13771 - Number of Deregulatory Actions Issued*	N/A	N/A	N/A	4	N/A	I	I	I
EO 13771 - Number of Deregulatory Actions Issued that Address Recommendations by the Regulatory Reform Task Force*	N/A	N/A	N/A	2	N/A	I	I	I
EO 13771 - Number of Deregulatory Actions Issued that Address Recommendations by the Regulatory Reform Task Force to the Agency Head Consistent with Applicable Law*	N/A	N/A	N/A	0	N/A	I	I	I
EO 13771 - Number of Evaluations to Identify Potential Deregulatory Actions That Included Opportunity for Public Input and/or Peer Review*	N/A	N/A	N/A	1	N/A	I	I	I
EO 13771 - Number of Regulatory Actions Issued*	N/A	N/A	N/A	0	N/A	I	I	I
EO 13771 - Total Incremental Cost of All Regulatory Actions and Deregulatory Actions (Including Costs or Cost Savings Carried Over From Previous Fiscal Years)*	N/A	N/A	N/A	$0	N/A	I	I	I
Percent of Procurement Dollars Spent on Small Business	35.11	36.17	35.01	42.63	40.4	38.5	39.0	N/A
Treasury-wide Employee Engagement Index of the FEVS	66	67	68	68	69	69	70	71
Treasury-wide Footprint (Square Footage)	35,439	34,894	34,100	33,766	33,209	33,356	32,895	32,593
Treasury-wide Leaders Lead Index of the Federal Employee Viewpoint Survey (FEVS)	54	55	56	56	58	58	59	60

Note: I – Performance Indicator

*FY 2019 Actuals for these indicators pending review by OMB's Office of Information and Regulatory Affairs

Treasury-wide Management and Programs Budget and Performance
($40,740,000 from direct appropriations):
This budget activity includes offices that are responsible for the internal management and policy of the Department: the Office of the Assistant Secretary for Management; the Office of the Chief Information Officer; the Office of Privacy, Transparency, and Records; the Office of the Senior Procurement Executive; the Office of the Chief Human Capital Officer; the Office of Treasury Operations; the Office of the Deputy Chief Financial Officer; the Office of Civil Rights and Diversity; the Office of Minority and Women Inclusion; the Office of Strategic Planning and Performance Improvement; the Office of Risk Management; and the Office of the Deputy Assistant Secretary for Management and Budget.

This office supports the following strategic objective for Strategic Goal 2, to promote financial stability:
- Objective 2.4 – Financial Sector Critical Infrastructure and Cybersecurity: Enhance security, improve resiliency, and reduce the risk of significant cybersecurity and other incidents to the financial sector's critical infrastructure, domestically and internationally.

This office leads the following strategic objectives for Strategic Goal 5, to achieve operational excellence:
- Objective 5.1 – Workforce Management: Foster a culture of innovation to hire, engage, develop, and optimize a diverse workforce with the competencies necessary to accomplish our mission.
- Objective 5.2 – Treasury Infrastructure: Better enable mission delivery by improving the reliability, security, and resiliency of Treasury's infrastructure.
- Objective 5.3 – Customer Value: Enhance the experience of interacting with Treasury by providing high quality products and services and by delivering excellent customer service.

Treasury-Wide Management and Program Description of Performance:
- EO 13771: FY 2019 Actuals for these indicators pending review by OMB's Office of Information and Regulatory Affairs
- Percentage of Procurement Dollars Spent on Small Business: Based on preliminary data in FY 2019, Treasury met and exceeded all small business prime contracting goals. However, Treasury may not meet all small business subcontracting goals. The Small Business Administration (SBA) is expected to calculate the data in March 2020. All Treasury bureaus were included in the goaling report, with no exclusions. The FY 2019 overall small business goal was set for 38.5 percent, and Treasury currently exceeds the goal at 40.4 percent. The FY 2020 small business goal is set at 39 percent. One overarching challenge in FY 2019 was that Treasury must follow OMB's directive to utilize Category Management principles and Best-in-Class (BIC) contracts to leverage use of existing government-wide contracting vehicles: there are not enough small business firms included in category management/BIC contract solutions. With a Treasury BIC goal of 35 percent utilization, Treasury Office of Small and Disadvantaged Business Utilization issued a Category Management and BIC Small Business Utilization policy which is believed to have enhanced the overall small business goal achievement. Particularly noteworthy is that Treasury far exceeded the contracting goals for the following socioeconomic groups:
    - Small and Disadvantaged Business – goal five percent, achieved 11.85 percent;

    - Women Owned Small Business – goal five percent, achieved 11.42 percent;
    - Historically Underutilized Business zone – goal three percent, achieved 3.44 percent; and
    - Service Disabled Veteran Owned Small Business – goal three percent, achieved 4.29 percent.
- Treasury-wide "Employee Engagement" Index of Federal Employee Viewpoint Survey (FEVS): Treasury's strategy focused on improving employee engagement in a number of areas to create an opportunity to improve the effectiveness of our workforce while improving our ranking among other federal agencies. Treasury's scores for the Engagement Index increased from 68 percent to 69 percent in FY 2019. Treasury's engagement score exceeded the government-wide average and the average score for very large agencies by one percent. Targets are 70 percent for FY 2020 and 71 percent for FY 2021.
- Treasury-wide Footprint (Square Footage): This goal measures the total square footage occupied by Treasury's owned and leased buildings. To reduce the Department's real property footprint and maximize the use of existing real property assets, the Department maximized space utilization by undertaking space realignments, consolidations, and improved work station standards. GSA is still in the process of certifying the FY 2019 square footage inventories. Several fourth quarter space reductions were not reflected within GSA's end of fiscal year square footage numbers. The Department is currently working with GSA to establish the Q4 space release effective dates. Once these dates have been mutually agreed upon, Treasury should be on target to meet the FY 2019 target of 33,356 square feet. The Department will continue targeting metropolitan areas with multiple posts of duty sites to pursue consolidation opportunities or space reductions where it makes business and financial sense. It should be noted that several Treasury programs focused on economic expansion and national security, including CFIUS, OCCIP and the Office of Terrorism and Financial Intelligence (TFI), will be experiencing considerable growth in investments and personnel. As a result, Treasury's out-year facilities projects are expected to reflect these changes, including the possible expansion of real property holdings in certain geographic areas.
- Treasury-wide "Leaders Lead" Index of Federal Employee Viewpoint Survey (FEVS): Treasury also set the goal to increase the "Leaders Lead" index above FY 2018 results. Treasury's score for the Leaders Lead Index increased from 56 percent in FY 2018 to 58 percent in FY 2019. Treasury's score in FY 2019 exceeded the government-wide average and the average score for very large agencies by one percent. Targets are 59 percent for FY 2020 and 60 percent for FY 2021.

Office of the Chief Human Capital Officer
In FY 2018, Treasury published a strategic plan for 2018-2022 that continued the Department's focus on operational excellence by including a specific goal on workforce management. The Office of the Deputy Assistant Secretary for Human Resources and Chief Human Capital Officer (DASHR-CHCO), based on annual Human Capital Review feedback from the Office of Personnel Management and Office of Management and Budget, is confident that the Treasury human capital strategy is appropriately aligned to Treasury's overall strategic priorities. For FY 2020, the Treasury CHCO issued the following goals: enhance integration of human capital management practices with front-line mission requirements, identify and mitigate risks associated with human capital management, improve the customer experience with HR services,

more actively manage and coordinate HR information technology investments, and further maturing Treasury's human capital evaluation system.

Treasury's human capital community is also providing direct support for priority Administration initiatives including the 21st Century Workforce driver under the President's Management Agenda, especially in the areas of reskilling and upskilling. These are critical needs in light of IRS processing center consolidations and closures, IRS IT modernization, the Bureau of Engraving and Printing's planned move to a new production facility, and the Ten Year Vision for the Future of Federal Financial Management. In addition, during FY 2019 DASHR-CHCO continued its effort to support the expansion of the Office of Terrorism and Financial Intelligence as well as the Committee on Foreign Investment in the United States.

Two key drivers of continual improvement in strategic human capital management are updating governance under the Human Capital Advisory Council (HCAC) and reorganizing DASHR-CHCO. These actions are designed to improve the value and impact of interactions between DASHR-CHCO, Treasury bureaus, and external stakeholders. Treasury's CHCO and the Director of the Office of Civil Rights and Diversity Co-Chair the HCAC and updated its charter during FY 2019. They concurrently established the goal of chartering six subsidiary bodies during FY 2020, including the HR IT Executive Steering Committee, the HR Policy Council, the Executive Diversity and Inclusion Committee, the Learning Leaders Council, the Workforce and Succession Planning Council, and Treasury's Certified Strategic Partners. These groups are responsible for staff work and Treasury-wide coordination of their portfolios, taking direction from the HCAC and raising issues of mutual interest for decision by the HCAC membership. The CHCO initiated the DASHR-CHCO reorganization in January 2019 and completed all necessary personnel actions to establish and staff new organizational units that better align with OPM's Human Capital Business Reference Model and also recognize the emergence of workforce data analysis as a key capability for the agency.

Specific initiatives undertaken in support of the FY20 goals will include the following:

- Continuing strategic workforce planning conversations between bureau Human Resources Officers and owners of Treasury and bureau strategic objectives;
- Staging a coordinated rollout of multi-modal training across Treasury in the key competencies of data literacy, digital transformation, front-line supervision, and leadership at all levels (self, team, organization);
- Conducting an workforce planning occupational study for the IT workforce to validate competency models, assess current competency levels, identify skills gaps, and develop mitigation plans;
- Streamlining and digitizing new employee orientation and improving the pre-appointment experience for individuals selected as members of Treasury's Senior Executive Service.
- Successfully implementing specific recommendations from OPM's 2019 assessment of Treasury's human capital evaluation system to achieve a higher level of maturity in the 2020 assessment.

Finally, Treasury will continue implementation of an enterprise Integrated Talent Management (ITM) system. In FY 2019, Treasury achieved a full transition to the learning management module, placing all Treasury employees in a single enterprise-wide platform for online employee development. Treasury also brought all Senior Executive Service performance plans into ITM, and three bureaus implemented GS performance management in ITM. During FY 2020, bureaus will continue phasing in the ITM performance management module and begin working to utilize talent management modules. When fully deployed, the ITM system will provide employees a single, modern system for learning, performance, and career planning; give leadership a consolidated view of the Department's human capital landscape; and consolidate 24 stand-alone legacy systems into a single, cloud-based system.

Office of Civil Rights and Diversity (OCRD)
In FY 2020, OCRD will work with Treasury bureaus to either update or establish Diversity and Inclusion (D&I) and Equal Employment Opportunity (EEO) Strategic Plans (FY 2021-2025), which map to both the Treasury Strategic Plan and the Human Capital Plan. OCRD will continue the audits of bureaus' EEO, D&I, and External Civil Rights Programs in FY 2020. These audits will critically look at bureaus' D&I and EEO programs to determine any areas where bureaus need a sharper focus and to find and recreate "best practices." EEO offices worked on Human Capital engagement teams to improve inclusion scores – this will also be a continuing focus in FY 2020 and FY 2021. While scores for "Fairness" continue to be a concern, efforts have been made to introduce "Unconscious Bias" training in the workforce and at all management levels to help make leaders aware of biases and to learn to put aside such biases when making employment decisions.

In FY 2019, OCRD developed and distributed sexual harassment prevention training to the workforce in DO, and shared the training with bureaus. Additionally, this office continued to work with the Treasury Executive Institute to develop programming for executives and senior level staff in the areas of diversity and inclusion. OCRD also offered Civility Training to increase the number of trainers in Treasury bureaus. This was the catalyst to establish the Department's Training Cadre with the goal of offering additional training classes in FY 2020 and FY 2021. EEO complaints were adjudicated effectively with the Department improving in meeting EEOC regulatory timeframes both in issuance of decisions and days to investigate complaint. Both benchmarks exceeded Treasury's prior years timeliness rate. To better manage case processing, OCRD plans on upgrading Treasury's EEO case management system in FY 2021, and will start the acquisition process in FY 2020. In FY 2019, disability hiring met three out of four benchmark targets, and emphasis was placed on improving veterans hiring, with the acquisition in FY 2019 of a resume data base for use in hiring veterans. The Department started to pilot this program in FY 2019 and if successful, intends to explore expanding it to the larger disability community in FY 2020. In FY 2019, OCRD procured a Reasonable Accommodation Management System, to better manage reasonable accommodation requests, which is an identified risk. The goal is to have the system fully operational and accessible to bureaus in FY 2020.

In FY 2019 considerable progress was made in improving OCRD's external civil rights program policies and guidance and efforts will continue in FY 2020. OCRD will continue to lead the efforts of the DO financial assistance programs to implement the compliance requirements in the recently issued Treasury civil rights regulations. The effort will include a review of grant making procedures with the goal of introducing compliance measures into existing processes.

Office of the Deputy Chief Financial Officer
For FY 2019, the Department received its twentieth consecutive unmodified audit opinion on its Treasury-wide financial statements. Treasury anticipates unmodified audit opinions for the consolidated audits to be conducted for FY 2020 and FY 2021. Overall, the Department has made strong progress in enhancing its internal control environment and remains committed to ensuring high standards of integrity and transparency in reporting its financial performance.

Office of Small and Disadvantaged Business Utilization (OSDBU)
Based on preliminary data for FY 2019, Treasury is on track to meet and exceed all small business prime contracting goals. The consistent "A" score is a testament to the hard work and professionalism of the procurement and acquisition teams across Treasury's bureaus and the serious commitment to utilizing small businesses that emanates from Treasury's leadership. To comply with Section 15 (k), Small Business Act, the Department focused on small business prime and subcontracting goal achievements and monitoring small business pre-award and post-award functions.

In FY 2019, per FAR Part 19.201, OSDBU successfully executed Small Business Programs Compliance and Surveillance Reviews on six Bureaus, which have procurement authority and make awards to small businesses. The results of the surveillance reviews will provide for a comprehensive small business acquisition transformation strategy that will include acquisition workforce teaching and training across the Department. Overall, the Department has made progress in enhancing its small business programs and remains committed to ensuring high standards of small business program compliance. Central to the surveillance review strategy is early acquisition planning and broad stakeholder participation.

In FY 2019, Treasury OSDBU reviewed 350 acquisition actions valued at over $250,000 not set-aside for small business and rejected 23 of these actions due to inadequate market research. After the rejections, small business opportunities were found for all 23 actions. Of the 327 actions, 101 required subcontracting plan review (over $700,000) and monitoring of the subcontracting goals addressed in the plan. Together with the Small Business Administration Procurement Center Representative, the OSDBU approved the subcontracting plans and these became part of the resultant contract.

In FY 2020, OSDBU will conduct their annual Small Business Program Compliance and Surveillance Reviews on each Bureaus that has procurement authority in conjunction with the Office of the Procurement Executive. The purpose of the review is to ascertain whether Bureaus are implementing their corrective action plans from previous years, and to ensure they are following small business procurement laws, regulations, and policies as they pertain to small business set-asides, bundling and consolidation, and 8(a) Business Development contract awards. A small business program health summary will be submitted to the Deputy Secretary by October 2020.

Office of the Senior Procurement Executive (OPE)
In FY 2019, Treasury continued a comprehensive acquisition transformation strategy designed to facilitate innovation, strategic management, efficiency, and effective mission outcomes in compliance with the President's Management Agenda. Central to the strategy is early planning

and broad stakeholder participation as well as accelerated transition to strategic acquisition vehicles. In FY 2020 and FY 2021, Treasury will continue to focus on exploring the use of automated solutions to improve the acquisition process.

In FY 2019, Treasury continued successful execution of its Major Acquisition Program (MAP) reviews in which primary and senior stakeholders (to include procurement, customer, program management, and legal representatives) jointly and periodically review procurement strategy and progress for critical acquisitions. These reviews provided a forum for development of effective acquisition strategies; early identification and resolution of problems; and sharing of experience and expertise among various stakeholder personnel. FY 2019 reviews mainly focused on pre-award actions and were designed to facilitate successful award of critical contracts. In FY 2019, Treasury reviewed 30 acquisitions, valued at $7.5 billion. Reviews included 15 IT acquisitions valued at $3.2 billion. OPE, in collaboration with Office of Strategic Planning and Performance Improvement (OSPPI), also performed non-IT major acquisition portfolio reviews with the Bureau of Engraving and Printing (BEP) and the United States Mint in support of the Department’s Program Management Improvement and Accountability Act (PMIAA) implementation efforts. Through these portfolio reviews, OPE was able to develop a better understanding of which non-IT major acquisitions supported the Department’s strategic objectives. In FY 2020, the Department will transition from pre-award MAP reviews to more robust Acquisition Management Reviews (AMR). An expected outcome of the AMR is to help ensure successful contract performance strategically aligns with mission outcomes by expanding emphasis on the acquisition lifecycle from the time a contracting office receives a complete acquisition package through contract performance, closeout and final payment.

From FY 2016 to FY 2019, Treasury increased the percentage of Spend Under Management (SUM) from 47.3 percent to 62.7 percent and increased the percentage of Best In Class (BIC) spend from 12.8 percent to 41.3 percent. Treasury has achieved both savings and efficiencies through aggregating requirements and leveraging its purchasing power via enterprise-level management of common spend categories. By fully utilizing category management, Treasury seeks to save the Federal Government money through smarter purchasing and greater collaboration across stakeholder organizations and to achieve greater efficiency with fewer resources. The Treasury strategy for FY 2019 and FY 2020 continues the Department’s transition to the Office of Management and Budget’s preferred contract vehicles, reducing the need to establish department level contracts and freeing associated resources for focus on other acquisition priorities. Treasury continues to make significant progress by widely adopting category management principles and actively pursuing opportunities to manage spend more effectively across the Department.

2.1.5 – Committee on Foreign Investment in the United States Resources and Measures

Dollars in Thousands

Resource Level	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Appropriated Resources	$2,310	$2,589	$3,736	$6,000	$15,000	$22,341	$24,146
CFIUS Fund Transfers	0	0	0	0	0	$15,000	$15,000
Budget Activity Total	**$2,310**	**$2,589**	**$3,736**	**$6,000**	**$15,000**	**$37,341**	**$39,146**
Full-time Equivalents (FTE)	**14**	**15**	**23**	**26**	**32**	**81**	**120**

Note: FY 2015 - FY 2019 Other Resources dollars are actuals. FY 2015 - FY 2019 FTE are actuals.
Note: CFIUS Budget activity was established in FY 2020 PB. Prior year enacted levels are based on an approximation of funding and have been subtracted from IA/EP & ED budget activities.

Performance Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2019 Target	FY 2020 Target	FY 2021 Target
Timely Review of CFIUS Casse	100	100	100	100	100	100	100	100
Number of notices reviewed by CFIUS	NA	NA	NA	NA	NA	NA	I	I
Number of notices that proceed to investigation by CFIUS	NA	NA	NA	NA	NA	NA	I	I

Key: I – Indicator

Committee on Foreign Investment in the United States Budget and Performance

($24,146,000 from direct appropriations, and $15,000,000 from fund transfers):
The Committee on Foreign Investment in the United States is an interagency committee authorized to review certain transactions involving foreign investment in the United States to determine the effect of such transactions on the national security of the United States. In FY 2019 CFIUS took significant steps toward full implementation of the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA). At the beginning of FY 2019, the Committee established a pilot program to cover certain investments in critical technologies related to specific industries. At the end of FY 2019, Treasury published draft FIRRMA regulations to implement the remainder of the statute, for public notice and comment. In January 2020, Treasury issued final regulations to implement FIRRMA, which become effective on February 13, 2020. Treasury has also made substantial progress on various administrative aspects of implementation, including with regard to staffing, information technology systems and infrastructure, and facility build-out. In recognition of the strategic importance of FIRRMA implementation to national security Treasury is including this as an Agency Priority Goal. Successful implementation of FIRRMA will ensure that identified national security risks arising from certain foreign investments—including from some types of investments and transactions that previously fell outside of CFIUS' jurisdiction—are addressed in an effective manner.

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 percent) was met in CY 2019. IA's target for this measure in CY 2020 and CY 2021 is 100 percent.

C – Changes in Performance Measures

Performance Measure or Indicator	Proposed Change and Justification
1. Number of notices that are reviewed by the Committee on Foreign Investment in the United States per calendar year (indicator).	This indicator measures the number of notices reviewed by CFIUS as a result of updated regulations under FIRRMA.
2. Number of notices that proceed beyond the initial review to a subsequent investigation. CFIUS generally investigates cases that require more resource-intensive analysis and/or corrective action (indicator).	This indicator measures the number of investigations conducted by CFIUS as a result of updated regulations under FIRRMA.

D – Evidence-Building Activity

International Affairs

International Affairs' policy analysis and recommendations to senior government leaders leverage economic, financial, and market data in addition to other social, political, and intelligence information available publically and through U.S. Government sources. Similar sources of evidence and data are used in the production of congressionally mandated reports, such as the semi-annual foreign exchange report to Congress.

The Office of Technical Assistance is leading Treasury's Monitoring and Evaluation (M&E) efforts under the Foreign Aid Transparency and Accountability Act of 2016. In 2019, OTA took steps towards full implementation of FATAA including: development of M&E instructions, the hiring of two new M&E specialists, development of a LogFrame template and associated instructions, initiation of the procurement process for contracting independent evaluation services, and socialization of M&E efforts with programmatic teams, including identifying the benefits of increased opportunities for program learning. Further support for these efforts is requested in Treasury's International Programs Congressional Justification for Appropriations.

Throughout FY 2019, Treasury's Office of Investment Security drafted regulations to implement the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA). The Office relied on evidence from a range of sources to shape and effectively scope the final regulations, which were published in January 2020. This includes aggregated data on transactions covered under a "pilot program" that expanded the scope of transactions subject to review by CFIUS to certain non-controlling investments involving foreign persons and certain critical technologies. Treasury also benefited from hundreds of individual comments it received on proposed versions of the regulations that it published in September 2019. The final regulations update multiple provisions in response to a considered analysis of pilot program data and the public comments.

Once the final FIRRMA regulations become effective on February 13, 2020, Treasury will collect and regularly analyze data on covered transactions that are reviewed by CFIUS and monitor the broader national security and investment landscapes to ensure that the final regulations are effectively addressing national security concerns. As a result of these activities, Treasury may, if necessary, periodically amend the regulations or provide additional information to assist the public with compliance.

In FY 2020, Treasury will begin use of a new, electronic case management system that will support this effort and better enable future evidence-building and program evaluation-related activities.

Economic Policy

Economic Policy serves as a data-driven policy office within the DO with a specific focus on supporting decision making processes. Over the past year, EP has reinforced Treasury initiatives by providing economic analysis on a wide variety of public policy. Through the office's use of research-based studies, both explorative and focused, the economic team delivered micro and macro level recommendations to Treasury offices. Those recommendations included issues related to cryptocurrency, pension reform, tax policy, Social Security and Medicare, long term care insurance, financial innovation, industry concentration, monetary policy, and financial analysis, among others.

Domestic Finance

Financial Sector Cybersecurity and Critical Infrastructure Protection

At the beginning of FY 2020, OCCIP successfully participated in the Treasury Department's "health check-up" pilot of selected programs and projects critical to the success of Treasury's FY 2019 strategic objectives. The pilot allowed Treasury to assess the management health of its selected programs and projects. The pilot is also pursuant to the *Program Management Improvement Accountability Act (PMIAA)* (P.L. 114-264). OCCIP received an initial evaluation of its program effectiveness, and received high-range scores in its ability to plan for risks/contingencies and for its resource needs. In FY 2020 and FY 2021, OCCIP will continue to inform and strengthen its program goals by developing and implementing a pilot analysis of critical third parties in the financial services sector. The pilot will allow Treasury to identify risks associated with critical third parties and enable Treasury to prioritize information sharing and risk management initiatives to mitigate third party risks to critical financial services infrastructure. Additionally, in FY 2021, OCCIP will study and analyze vulnerabilities in key financial institutions to identify and mitigate cybersecurity and operational risks, and to further inform and strengthen Treasury's ability to improve the security and resiliency of the financial services sector.

Tax Policy

The Office of Tax Policy's Office of Tax Analysis (OTA) is a division consisting of 55 PhD economists and statisticians who are dedicated to developing models of taxpayer behavior based upon the IRS' Compliance Data Warehouse (CDW). OTA economists develop and manage hundreds of models annually. The analytics inform policy for the administration and OTA is the premier organization for tax analysis.

Under Section 6103 of the Internal Revenue Code, OTA economists have permission to access IRS data that are only available to certain IRS and Treasury employees. This database is the most comprehensive relevant data available regarding tax policy research.

Treasury-wide Management

The Office of Strategic Planning and Performance Improvement (OSPPI), through its internal consulting program, conducts program evaluations and other analysis to help leadership make informed decisions about program goals and operations. OSPPI's works with Treasury bureaus to use process and performance data to identify and implement operational improvements. OSPPI, in partnership with Management and Budget, also leads the Department's quarterly performance reviews, which use data and other evidence to identify strategic issues, problem-solve, and decide on actions to take to achieve goals.

OSPPI also leads implementation of Title I of the Evidence Act, which concerns setting research priorities and coordinating the Department's evidence-building activities. Immediately after the law was enacted, Treasury leveraged the department-wide Strategic Objective Annual Review (SOAR) that OSPPI leads to collaboratively identify a preliminary set of research questions. Treasury also began working with Treasury's Federally Funded Research Development Center (MITRE Corporation) to identify existing research efforts that align to this nascent learning agenda, both from their paid work and independent research efforts. Early in FY 2020, Treasury and MITRE formalized a strategic research team to better align MITRE's independent research efforts with Treasury's research priorities. This team will include representatives from Treasury offices and bureaus who have key research equities to better coordinate research efforts across Treasury, including IRS, Fiscal Service, the Office of Economic Policy, and the Office of Performance Budgeting. OSPPI also organized an inaugural research event to socialize Evidence Act requirements, outline Treasury's implementation approach, and raise awareness of existing Treasury research capabilities.

Treasury is taking the following approach to implementing the evidence-building requirements in Title I of the Evidence Act:

- Treasury will use the SOAR as a primary means of gathering relevant policy questions to create an "enterprise learning agenda." In the 2019 SOAR, Treasury leaders cleared 1-3 policy questions for each of the Department's 17 strategic objectives.
- Treasury will engage with MITRE as the agency's Federally Funded Research Development Center to align MITRE's annual research budget more closely with Treasury's research priorities.

OSPPI's next steps for 2020, in partnership with key stakeholders, include:

- Lead the Treasury/MITRE strategic research coordination team to identify shared research priorities and the means to pursue them.
- Work closely with IRS to integrate their research activities into Treasury's overall plans.
- Leverage the 2020 SOAR to create Treasury's initial learning agenda and evaluation plan.
- Identify low-cost ways to build evidence to address the research questions (e.g., developing and sharing literature reviews for each question).
- Conduct an evidence-building capacity assessment and determine a public comment process for Treasury's learning agenda as required by OMB.

Treasury also began developing a data governance framework approximately a year prior to the enactment of the Evidence Act, pursuant to Title II requirements. At that time the Treasury Deputy Chief Financial Officer began a Data Governance and Analytics project designed to identify a data governance structure, develop standards, and increase the department's analytic capabilities through infrastructure and visualization improvements. After enactment of the Evidence Act, the Executive Steering Committee, which already included the Deputy Chief Financial Officer, the Chief Information Officer, and OSPPI, was expanded to include Treasury's designated Statistical Official and the Deputy Assistant Secretary for Privacy, Transparency, and Records. Currently, this group is developing recommendations for the mission and goals of the Data Governance Body, along with recommendations for initial broader membership of the Data Governance Body.

Section III – Additional Information

A – Summary of Capital Investments

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