

Departmental Offices Salaries and Expenses Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2023	FY 2024	FY 2025	FY 2024 to FY 2025	
	Operating Plan	Annualized CR	Request	\$ Change	% Change
Executive Direction	\$43,246	\$48,774	\$53,137	\$4,363	9%
International Affairs and Economic Policy	\$66,979	\$62,323	\$85,606	\$23,283	37%
Domestic Finance and Tax Policy	\$103,027	\$98,341	\$100,640	\$2,303	2%
Treasury-wide Management and Programs	\$41,392	\$41,729	\$49,708	\$7,979	19%
Committee on Foreign Investment in the United States	\$19,238	\$22,715	\$23,203	\$484	2%
Subtotal, DO SE	\$273,882	\$273,882	\$312,294	\$38,412	14%
Offsetting Collections - Reimbursable	\$12,863	\$12,000	\$12,000	\$0	0%
Transfers from CFIUS Fund	\$16,000	\$16,000	\$16,000	\$0	0%
IRA Funding Usage	\$10,548	\$27,349	\$24,382	(\$2,967)	-11%
Subtotal Other Resources	\$39,411	\$55,349	\$52,382	(\$2,967)	-5%
Total Budgetary Resources	\$313,293	\$329,231	\$364,676	\$35,445	11%
Direct FTE	751	797	848	51	6%
Reimbursable FTE	44	41	41	0	0%
Transfers from CFIUS Fund	30	27	43	16	59.3%
IRA Funding FTE	30	77	67	(10)	-13%
Total Full-time Equivalents (FTE)	855	942	999	57	6.1%

FY 2023 Other Resources and Full-time Equivalents (FTE) reflect actuals. Table excludes Ukraine Supplemental funding, including FTE supported by Ukraine supplemental funding in FY 2023, and programs executed through the Office of Capital Access (i.e., State and Local Fiscal Recovery Funds, Capital Projects Fund, Homeowners Assistance Fund, Emergency Rental Assistance, State and Small Business Credit Initiative, Emergency and Capital Investment Program).

Summary

The President's FY 2025 budget for Treasury Departmental Offices (DO) Salaries and Expenses (SE) provides necessary resources for the Treasury Department to address major issues confronting the U.S. economy and to continue rebuilding Treasury's institutional capacity within core policy offices. Funding is requested to support the administration of Treasury's Outbound Investment Security Program, a national security initiative to review investments that U.S. firms make outside of the United States; initial costs to support Treasury's role in hosting the G20 summit in the United States in 2026; critical needs for continued support of priority national and economic security issues, including continued support for Ukraine and work on Russia sanctions; the sustainment of critical policy and management work needed to maintain a strong economy; the continued work in advancing equity and ensuring that historically underserved communities, including rural communities, reach their full economic potential; an initiative to support implementation of the Evidence Act; and, the administration of an Office of the Chief Artificial Intelligence Officer (CAIO) and development of an enterprise-wide Artificial Intelligence (AI) strategy to advance responsible innovation in AI, strengthen AI governance, and manage risks from the use of AI. In addition to these requested increases, DO anticipates transferring in and executing \$16 million from the \$21 million request of the Committee on Foreign Investment in the United States (CFIUS) Fund, discussed separately in the CFIUS Congressional Budget Justification.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2024 Annualized CR	797	\$273,882
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$7,383
Pay Annualization (2024 5.2% average pay raise)	0	\$2,109
Pay Raise (2025 2.0% average pay raise)	0	\$2,466
Non-Pay (2025 2.2% non-pay inflation)	0	\$2,808
Subtotal Changes to Base	0	\$7,383
FY 2025 Current Services	797	\$281,265
Program Changes:		
Program Increases:	51	\$31,029
Outbound Investment Review	15	\$16,700
Initial Costs for Hosting 2026 G20 Summit in the United States	6	\$1,895
Funding for Ukraine and International Financial Sector Support	5	\$2,048
Support for Critical DO Policy and Management Functions	9	\$2,358
Advancing Equity for All and Supporting Underserved Rural and Other Disadvantaged Communities	9	\$1,952
Evidence Act Implementation	2	\$1,076
Advancing Governance, Innovation, and Risk Management for Treasury Use of Artificial Intelligence	5	\$5,000
Subtotal Program Changes	51	31,029
FY 2025 President's Budget Request	848	\$312,294

Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs)+\$7,383,000 / +0 FTE

Pay Annualization (5.2% in 2024) +\$2,109,000 / +0 FTE

Funds are requested for annualization of the January 2024 5.2% average pay raise.

Pay Raise (2.0% in FY 2025) +\$2,466,000 / +0 FTE

Funds are requested for a 2.0% average pay raise in January 2025.

Non-Pay (2.2% in FY 2025) +\$2,808,000 / +0 FTE

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

Program Increases+\$31,029,000 / +51 FTE

Outbound Investment Review +\$16,700,000 / +15 FTE

On August 9, 2023, President Biden issued Executive Order (E.O.) 14105 to address the national security threat to the United States posed by countries of concern that seek to develop and exploit sensitive or advanced technologies and products critical for military, intelligence, surveillance, or cyber-enabled capabilities. This required Treasury to establish a targeted outbound investment review program. Further, the Joint Explanatory Statement accompanying the Consolidated Appropriations Act, 2023, P.L. 117-328, included report language that encouraged Treasury to establish a targeted outbound investment review mechanism. The requested FY 2025 funding

would allow Treasury to establish a program to address national security concerns arising from outbound investments from the United States into sensitive technologies that could enhance the technological capabilities of countries of concern in ways that threaten U.S. national security. As currently contemplated, the program would be implemented and administered by Treasury, in coordination with multiple stakeholder federal agencies, and focus on investments that result in the advancement of military and dual-use technologies by countries of concern but are of a nature that they are not presently captured by export controls, sanctions, or other related authorities. Rule-making processes are underway with expected implementation and administration of the program to begin in earnest in FY 2025, including data management systems and associated staffing resources.

Initial Costs for Hosting 2026 G20 Summit in the United States +\$1,895,000 / +6 FTE

In 2026, the United States will host the G20 Summit. The work of the finance minister and central bank governors includes the primary deliverables for the summit and is at the forefront of the global responses on crises ranging from pandemics to war and conflict, to debt issues. The G20 was founded to strengthen macroeconomic cooperation, and therefore the G20 Finance Track, which Treasury, in coordination with the State Department and other agencies, will lead, plays a preeminent role. While all other Tracks have only one working group, the Finance Track, has six of its own separate working groups, and largely takes precedence in the work that becomes a focus of the G20 Leaders' Summit.

In FY 2025, Treasury's primary needs will relate to temporary staffing for the core policy team that will develop priorities for the presidency and integrate workstreams into the ongoing South African presidency. Formally, the United States will have a role in 2025 as a member of the troika (a rotation of the previous, current, and next president constituencies to ensure continuity of the agenda). Additionally, \$300,000 in two-year representation funds is requested for events surrounding this summit. This two-year representation funding is required for the longer-term planning process that will cross fiscal years, and additional representation funds will be needed in FY 2026.

Since the G-20 is a multiyear effort, Treasury, and other agencies with G20 equities will require significant additional resources to execute a G20 presidency in FY 2026 and the first quarter of FY 2027. Additional policy staffing will be required for the actual presidency year, as well as staff support to prepare for and manage at least five meetings with the Finance Ministers and Central Bank Governors meetings (three standalone and two on the margins of the World Bank/IMF Annual Meetings) and several working group meetings across multiple workstreams; and staff support for public affairs. As noted above, there will be operational costs for the Finance Track of the G20 borne by Treasury directly, in addition to those supported by the State Department.

Funding for Ukraine and International Financial Sector Support +\$2,048,000 / +5 FTE

There are four elements of this request. First, irrespective of the status of the Ukrainian conflict by the beginning of FY 2025, the Office of International Affairs (IA) will continue to play a substantial role in supporting Ukraine's efforts related to reconstruction. This request would continue support for 4 FTE initially hired using Ukraine Supplemental funding received in FY 2022 to respond to workload on Russia and Ukraine beyond September 30, 2024. Current staffing levels supporting Ukraine have helped to accomplish, among other things: substantial

macroeconomic analysis of the impact of sanctions on Russia, leadership in the efforts to mobilize U.S. economic assistance for Ukraine, and policy development in support of efforts to curb Russian energy supply. IA leads coordination of U. S. Government efforts through the International Monetary Fund and the World Bank to maintain the effectiveness of their reporting and the utilization of their financial support of Ukraine. IA's work is essential to driving continued support of Ukraine's reform efforts, including to strengthen good governance and address risks of corruption, and provide much needed financial support. These efforts bolster the economic assistance that the United States and our partners have provided that is funding essential services and offering vital support to the Ukrainian economy. On actions to curtail Russia, IA continues to work closely with Treasury and interagency partners on further sanctions and other economic measures to deteriorate Russia's ability to wage war against Ukraine.

Second, funding is requested for 1 FTE within IA to engage on key global economic issues that matter to the United States. This would include more forward leaning engagement with the International Financial Institutions on critical economic and national security issues, such as policy objectives with China, multilateral development bank evolution, spillover effects from Russia's invasion of Ukraine, debt transparency, and climate change.

Third, this request would enhance Treasury's ability to monitor and understand international financial sector cyber activity through the expansion of its network sensor placement program. By expansion of this program, the Office of Cybersecurity and Critical Infrastructure Protection (OCCIP) will be better positioned to protect Treasury and financial sector systems and networks against cyber threats. OCCIP will build upon its strong ties to international finance ministries and central banks to increase the number of sensors deployed and further enrich information on attacks against those organizations as well as their private sector counterparts in the financial services sector. OCCIP will then analyze the information received to identify threat indicators and trends that can be communicated to the Department's information security teams and shared through interagency partnerships.

Lastly, this request would support the Treasury Attaché Program. The National Defense Authorization Act (NDAA) of 2021 (P.L. 116-283) authorized and required additional Treasury attaché posts as well as pay comparability for Treasury attachés relative to their Foreign Service Officer counterparts. This request provides the necessary additional funding to meet only the pay comparability requirements set by the NDAA.

Support for Critical DO Policy and Management Functions +\$2,358,000 / +9 FTE

Funding is requested can sustain critical policy and management work needed to address the Department's priorities of advancing policies for an equitable global recovery and sustainable growth; strengthening partnerships to address security concerns that may impact the integrity of the American financial system; and addressing vulnerabilities in core financial markets. The Department remains understaffed in key offices responsible for carrying out Treasury's mission, and Departmental leadership would use this funding to address staffing across the DO enterprise by providing 8 FTE to program offices to focus on the Administration's most critical priorities. Additionally, this request would provide \$0.233 million for 1 FTE to support the Deputy Chief Financial Officer's work, focusing on federal credit modeling and financial accounting and reporting to prevent material inaccuracies or an adverse audit opinion.

Advancing Equity for All and Supporting Underserved Rural and Other Disadvantaged Communities +\$1,952,000 / +9 FTE

This request builds staffing under the recently created Office of Diversity, Equity, Inclusion, and Accessibility (ODEIA) by providing \$1.369 million and 6 FTEs to help Treasury advance equity in its policies, procedures, and practices, and to achieve a more equitable economy for underserved communities, including many rural areas and those affected by climate change. The FTEs will be responsible for centering issues of equity within policy discussions, to include the promulgation of tax regulations, future economic recovery packages, and the implications of international finance. The FTEs will also be used to increase compliance with the Title VI of the Civil Rights Act of 1964 by implementing additional pre- and post-civil rights reviews in Treasury's federal financial assistance programs. Funding will also be used to grow recruitment pipelines to diverse talent, through an expansion of paid internship programs such as the Treasury Scholars Program (anticipated to grow from 15 interns to 40 annually) as required by Executive Order (EO) 14035, Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce.

This request also provides \$0.583 million and 3 FTEs to the Office of Domestic Finance for work to support equitable and sustainable economic growth and financial stability by increasing the resilience of financial institutions and markets, studying the impact of new technologies and financial products on consumers and the marketplace, and improving access to credit for small businesses and low-to-moderate income communities. Funding is particularly needed to improve policymaking capacity and keep pace with innovation in the financial sector that could impact these objectives.

Evidence Act Implementation +\$1,076,000 / +2 FTE

This request will fund 2 FTEs with program evaluation expertise and program evaluation contractor support in the Office of Strategy, Planning, and Performance Improvement (OSPPI) to support rigorous program evaluations of priority programs and research questions. Within OSPPI, these additional staff and funding would allow the Department to conduct 1-3 evaluations annually (depending on scope), enable Treasury to coordinate development and sharing of evidence products for high priority evaluations/studies, improve oversight and use of Treasury's Federally Funded Research Development Center, provide technical assistance to Treasury bureaus on evaluation design and methods, establish and lead Treasury-wide communities of practice for evaluation and evidence-based program management to share knowledge and solve problems across organizational siloes. This funding is required to fully implement Title I of the Foundations for Evidence-based Policymaking Act of 2018 (Evidence Act) and meet the intent of the law, which is to increase Treasury's capacity to use evidence to inform decision-making, both by increasing the quality and amount of evidence available and increasing the opportunities for leadership to use it in their strategic management routines.

Advancing Governance, Innovation, and Risk Management for Treasury Use of Artificial Intelligence +\$5,000,000 / +5 FTE

Funding is needed to meet requirements related to the Artificial Intelligence (AI) in Government Act of 2020, the Advancing American AI Act, and EO14110. This request will fund Treasury's support for the Chief AI Officer associated responsibilities and efforts to develop an enterprise-wide AI strategy, which will establish pathways for managing risk and promoting innovation,

explore ways AI can improve operations across the Treasury Department, strengthen governance by ensuring that Treasury complies with requirements in relevant law and policy, and improve the Department’s ability to use AI in ways that benefit the public and increase mission effectiveness.

Legislative Proposals

DOSE has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
		Actual	Actual	Actual	Target	Target
International Affairs and Economic Policy	OTA - Program Engagement	3.6	3.5	3.5	3.6	3.6
Treasury-wide Management and Programs	Treasury-wide Leaders Lead Index of the Federal Employee Viewpoint Survey (FEVS)	74	74	75	77	75
Treasury-wide Management and Programs	Percent of Procurement Dollars Spent on Small Business	39%	38%	36%	37%	37%

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. A five-point scale is used to measure traction, with scores ranging from a low of 1, indicating there is little if any counterpart involvement, to a high score of 5, indicating that OTA advisors have regular and frequent meetings with counterparts and counterparts display high levels of involvement. Counterpart engagement is critical to OTA efforts to structure and execute effective technical assistance projects that support host country ownership and drive project outcomes. The result for FY 2023 is 3.5, reflecting continued strong traction with OTA counterparts globally.

Treasury-wide “Employee Engagement” Index of Federal Employee Viewpoint Survey (FEVS):

Treasury’s strategy remained focused on improving employee engagement by investing resources in statistically high impact areas to create an opportunity to improve the effectiveness of our workforce while improving our ranking among other federal agencies. Treasury’s score for the Engagement Index has remained unchanged at 74 percent since FY 2021. Treasury’s engagement score maintained its three percent lead over the average score for very large agencies. The engagement index target is 75 percent for FY 2025.

Percentage of Procurement Dollars Spent on Small Business:

Based on preliminary data in FY 2023, Treasury met and exceeded three out of five small business prime contracting goals. Treasury did not meet its overall small business goal and its small disadvantaged business goal. Treasury did not meet any small business subcontracting goals. All Treasury bureaus were included in the goaling report, with no exclusions. The FY 2023 overall small business goal was set for 40 percent, and Treasury achieved 36.09 percent.

The FY 2023 overall small disadvantaged business (SDB) goal was set for 12 percent, and Treasury achieved 11.75 percent. The FY 2024 target small business goal is 37 percent and the target SDB goal is 12.75 percent. One overarching challenge in meeting the FY 2023 goal for prime contract dollars to small businesses was that Treasury forecasted small business achievement of 32 percent. Particularly noteworthy is that Treasury far exceeded the forecasted goal of 32 percent and achieved over 36 percent. Also, in FY 2023, Treasury's small disadvantaged business (SDB) goal was raised from 5 percent to 12 percent to meet OMB Directive to raise the SDB goal incrementally each year to reach a goal of 15 percent by FY 2025. Treasury exceeded the small business contracting goals for the following socioeconomic groups:

- Women Owned Small Business – goal 5.0 percent, achieved 9.43 percent;
- Service-Disabled Veteran Owned Small Business – goal 3.0 percent, achieved 4.22 percent; and,
- Historically Under-utilized Business Zone (HUBZone) Small Business – goal 3.0 percent, achieved 3.68 percent.