

Departmental Offices Salaries and Expenses

Program Summary by Budget Activity

Dollars in Thousands

DO Salaries and Expenses	FY 2017	FY 2018	FY 2019	FY 2018 TO FY 2019	
	Enacted	Annualized CR	Request	\$ Change	% Change
Executive Direction	\$39,127	\$38,937	\$37,004	(\$1,933)	-4.96%
Domestic Finance and Tax Policy	\$81,719	\$80,948	\$71,070	(\$9,878)	-12.20%
International Affairs and Economic Policy	\$60,402	\$60,082	\$54,506	(\$5,576)	-9.28%
Treasury-wide Management and Programs	\$43,128	\$42,885	\$39,171	(\$3,714)	-8.66%
Subtotal, DO SE	\$224,376	\$222,852	\$201,751	(\$21,101)	-9.00%
Offsetting Collections - Reimbursables	\$76,458	\$80,000	\$12,066	(\$67,934)	-84.92%
Total Program Operating Level	\$76,458	\$80,000	\$12,066	\$500	100.00%
Direct FTE	856	856	646	(210)	-24.53%
Reimbursable FTE	99	100	58	(42)	-42.00%
Total FTE	955	956	704	(252)	-26.36%

Notes:

1. FY 2017 FTE are actuals.

2. Excluded from the Appropriations Detail table is \$28,000 for FY 2017 and \$27,810 for FY 2018. These amounts represent administrative support for Terrorism and Financial Intelligence.

3. The FY 2017 Enacted column reflects levels appropriated in H.R. 255, the Consolidated Appropriations Act of 2017. For further details on the execution of these resources see the 2019 Budget Appendix chapter for the Department of the Treasury.

Summary

The Department of the Treasury's (Treasury) Strategic Plan guides program and budget decisions for the Departmental Offices (DO). The FY 2019 Budget Request supports DO's leading role in accomplishing Treasury's strategic goals and related strategic objectives:

- Boost U.S. Economic Growth
- Promote Financial Stability
- Enhance National Security
- Transform Government-wide Financial Stewardship
- Achieve Operational Excellence

Staffing and Full-Time Equivalent (FTE) Reduction

The Budget re-emphasizes the FTE reductions Treasury committed to in the FY 2018 President's Budget. DO continues to streamline its workforce by finding more efficient ways to manage its programs and support the Presidential Executive Order for reorganizing the Executive Branch to improve the efficiency, effectiveness, and accountability of federal agencies.

Transfer of Administrative Support Programs to the Treasury Franchise Fund

The Budget proposes to transfer approximately \$148.109 million and 165 direct FTE and 42 reimbursable FTE for direct and reimbursable DO administrative services to the Treasury Franchise Fund to consolidate broad-scale administrative functions and capital investment activities into one account and to provide one governance process for reimbursable programs in DO. This transfer supports 22 customers and reimbursable agreements and 14 different programs. Budgetary Resources for DO administrative services would continue to be presented in the DO Salaries and Expenses (SE) account. DO SE will purchase administrative services from the Franchise Fund. Effective in FY 2019 the Fund will reflect the FTE associated with these services.

Financial Literacy

More than 20 agencies administer programs to educate Americans about financial topics – but the effectiveness of these programs is not

known. Under the Treasury Department's leadership of the Financial Literacy and Education Commission, we will better coordinate financial literacy programs across government to increase effectiveness and reduce fragmentation. Evaluating existing programs will help identify best practices and areas for streamlining. This approach will ensure that federal financial education activities are coordinated around a shared set of government-wide goals, meet federal standards for effectiveness, and leverage best practices.

FY 2019 Budget Highlights

Dollars in Thousands

DO Salaries and Expenses	FTE	Amount
FY 2018 Annualized CR	856	\$222,852
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$1,862
Pay Annualization	0	\$677
Non-Pay	0	\$1,185
Efficiency Savings	(45)	(\$22,963)
Reduce Contracts, Supplies, and Equipment	0	(\$8,266)
Streamline Staffing	(45)	(\$14,697)
Transfers	(165)	\$0
Centralized Treasury Administrative Services to the Treasury Franchise Fund	(165)	\$0
Subtotal Changes to Base	(210)	(\$21,101)
Total FY 2019 Request	646	\$201,751

FY 2019 Budget Adjustments

Adjustments to Request

Maintaining Current Levels +\$1,862,000 / +0 FTE

Pay Annualization +\$677,000 / +0 FTE

Funds are requested for annualization of the January 2018 pay-raise.

Non-Pay +\$1,185,000 / +0 FTE

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

***Efficiency Savings -\$22,963,000 / -45 FTE
Reduce Contracts, Supplies, and Equipment -\$8,266,000 / +0 FTE***

DO will achieve savings through reductions to non-labor activities, such as service contracts, equipment, and supplies. These savings include potential reductions in advisory services, electronic data and periodical subscriptions, warehouse footprint, janitorial and landscaping services, FOIA assistance, and contractual support related to the American Recovery and Reinvestment Act.

Streamline Staffing -\$14,697,000 / -45 FTE

To align with the Administration's goal to rebuild the national defense and invest in the Nation's most pressing security needs, DO is implementing a staffing streamlining effort to maximize effectiveness and efficiency while ensuring appropriate levels for meeting Treasury's mission and objectives.

Transfers +\$0 / -165 FTE

Centralized Treasury Administrative Services to the Treasury Franchise Fund +\$0 / -165 FTE

DO proposes to move administrative services to the Treasury Franchise Fund in FY 2019 to consolidate broad-scale administrative functions and capital investment activities into one account. It would also provide one governance process for reimbursable programs in DO. The Franchise Fund structure would allow for more effective capital investments over multiple fiscal years and provide stability during a continuing resolution for more efficient contract execution. Customers would benefit from the consolidation of like services, consistent POCs for service providers, less confusion during budget execution, and increased, direct customer involvement through joint governance. Administrative programs would benefit because they would budget for and execute all services in one account and be able to better leverage staff across functions. The move also would streamline cash management because services

would be paid for in consistent monthly amounts rather than billed in arrears based on actuals.

Explanation of Budget Activities

Executive Direction (\$37,004,000 from direct appropriations, \$4,308,000 from reimbursable resources)

Provides direction and policy guidance to the Department, and interacts with Congress and the public on departmental policy matters.

International Affairs and Economic Policy (\$54,506,000 from direct appropriations, \$1,888,000 from reimbursable resources)

Promotes 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.

Domestic Finance and Tax Policy (\$71,070,000 from direct appropriations, \$5,609,000 from reimbursable resources)

Monitors and provides economic and financial policy expertise in the areas of domestic finance and tax policy.

Performance by Budget Activity

Budget Activity	Performance Measures	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
		Actual	Actual	Actual	Target	Target
Domestic Finance and Tax Policy	Variance Between Estimated and Actual Receipts (Annual Forecast)(%)	2.8	3.1	4.0	4.25	4.25
International Affairs and Economic Policy	IA - Timely Review of CFIUS Cases	100.0	100.0	100.0	100.0	100.0
Treasury-wide Management and Programs	Treasury-wide Leaders Lead Index of the Federal Employee Viewpoint Survey (FEVS)	54.0	55.0	56.0	57.0	58.0

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, the Office of Fiscal Projections (OFP) forecasts net cash flows (e.g., federal receipts, outlays, and other miscellaneous

Treasury-wide Management and Programs (\$39,171,000 from direct appropriations, \$261,000 from reimbursable resources)

Provides strategic plans and policy direction in the fields of human resources, information technology security, and financial administration that include the formulation and management of the budget.

Legislative Proposals

The Budget includes a provision that allows the Office of Terrorism and Financial Intelligence to reimburse Departmental Offices—Salaries and Expenses for expenses incurred in such account for reception and representation expenses to support activities of the Financial Action Task Force.

flows) to ensure that adequate funds are available daily to cover federal payments. To determine its overall effectiveness, one of OFP’s metrics is to measure the variance between actual and projected federal receipts. A lower variance is better. The actual variance for FY 2017 was 4.0 percent, which is significantly lower than the

4.25 percent target. Therefore, OFP achieved the goal. The targets for FY 2018 and FY 2019 are 4.25 percent.

- 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 FY 2017. Office of International Affairs' target for this measure in FY 2018 and FY 2019 is 100 percent.
- Treasury-wide "Leaders Lead" Index of Federal Employee Viewpoint Survey (FEVS): Treasury also set the goal to increase the "Leaders Lead" index above FY 2015 results. Treasury's score for the Leaders Lead Index increased from 54 percent in FY 2015 to 55 percent in FY 2016, and Treasury's score led the government-wide average by two percentage points. This Index also increased from 55 percent in FY 2016 to 56 percent in FY 2017 and exceeded the government-wide rate by one percent.