

Departmental Offices Salaries and Expenses

Program Summary by Budget Activity

Dollars in Thousands

| Budget Activity | FY 2016 | FY 2017 | FY 2018 | FY 2017 TO FY 2018 | |
|---|------------------|------------------|------------------|--------------------|---------------|
| | Enacted | Annualized CR | Request | \$ Change | % Change |
| Executive Direction | \$37,943 | \$38,102 | \$34,578 | (\$3,524) | -9.25% |
| Domestic Finance and Tax Policy | \$84,591 | \$81,215 | \$73,804 | (\$7,411) | -9.13% |
| International Affairs and Economic Policy | \$58,520 | \$57,951 | \$52,875 | (\$5,076) | -8.76% |
| Treasury-wide Management and Program | \$41,446 | \$44,809 | \$40,494 | (\$4,315) | -9.63% |
| Subtotal | \$222,500 | \$222,077 | \$201,751 | (\$20,326) | -9.15% |
| Offsetting Collections - Reimbursables | \$102,882 | \$102,882 | \$102,882 | \$0 | 0.00% |
| Total Program Operating Level | \$325,382 | \$324,959 | \$304,633 | (\$20,326) | -6.25% |
| Direct FTE | 814 | 891 | 811 | (80) | -8.98% |
| Reimbursable FTE | 189 | 107 | 107 | 0 | 0.00% |
| Total FTE | 1,003 | 998 | 918 | (80) | -8.02% |

Summary

By streamlining its workforce and finding more efficient ways to manage its programs, Departmental Offices (DO) will achieve savings of \$20,326,000 in FY 2018. This budget request supports the Presidential Executive Order on a comprehensive plan for reorganizing the Executive Branch to improve the efficiency, effectiveness, and accountability of federal agencies. Within the reduced funding level, DO will maintain its commitments to tax reform, cybersecurity, and critical infrastructure protection for both Treasury information technology systems and the U.S. financial sector, while promoting economic growth in the U.S., advancing U.S. economic and financial policy priorities around the world, enhancing U.S. competitiveness and job creation, and promoting international financial stability. DO also expects to maintain effective managerial and administrative support to DO offices and the Department of the Treasury.

FY 2018 Budget Highlights

Dollars in Thousands

| DO Salaries and Expenses | FTE | Amount |
|---|------------|------------------|
| FY 2017 Annualized CR | 891 | \$222,077 |
| Changes to Base: | | |
| Maintaining Current Levels (MCLs): | 0 | \$4,284 |
| Pay-Raise | 0 | \$2,129 |
| Pay Annualization | 0 | \$780 |
| Non-Pay | 0 | \$1,375 |
| Subtotal Changes to Base | 0 | 4,284 |
| Total FY 2018 Base | 891 | \$226,361 |
| Program Changes: | | |
| Program Decreases | (80) | (\$24,610) |
| Streamline Staffing | (80) | (\$14,697) |
| Reduce Contracts, Supplies, and Equipment | 0 | (\$9,913) |
| Subtotal Program Changes | (80) | (24,610) |
| Total FY 2018 Request | 811 | 201,751 |

FY 2018 Budget Adjustments

Adjustments to Request Maintaining Current Level (MCLs) Pay-Raise +\$2,129 / +0 FTE

Funds are requested for the proposed January 2018 pay-raise.

Pay Annualization +\$780 / +0 FTE

Funds are requested for annualization of the January 2017 pay-raise.

Non-Pay +\$1,375,000 / +0 FTE

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

Program Decreases -\$24,610,000 / -80 FTE Streamline Staffing -\$14,697,000 / -80 FTE

To align with the Administration's initiative to improve government efficiency and effectiveness, DO is implementing a staffing streamlining effort to ensure appropriate levels for meeting Treasury's mission and objectives, and to maximize effectiveness and efficiency.

Reduce Contracts, Supplies, and Equipment -\$9,913,000 / +0 FTE

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

Explanation of Budget Activities

Executive Direction (\$34,578,000 from direct appropriation, \$29,632,000 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 (\$52,875,000 from direct appropriation, \$14,680,000 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 (\$73,804,000 from direct appropriation, \$55,231,000 from reimbursable resources)

Monitors and provides economic and financial policy expertise to the Secretary in the areas of domestic finance and tax policy, including financial markets and the regulation of financial institutions.




Treasury-wide Management and Programs (\$40,494,000 from direct appropriation, \$3,339,000 from reimbursable resources)

Provides strategic plans and policy direction in management fields including, but not limited to: human resources, information technology security, and financial administration, including the formulation and management of the budget.

Legislative Proposals

Treasury has no legislative proposals for DO Salaries and Expenses.

Performance Highlights

| Budget Activity | Performance Measures | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2014 – FY 2016 |
|---------------------------------------|--|---------|---------|---------|---------|---------|---|
| | | Actual | Actual | Actual | Target | Target | Trend |
| Domestic Finance and Tax Policy | Variance Between Estimated and Actual Receipts (Annual Forecast)(%) | 3.25 | 2.8 | 3.1 | 4.25 | 4.25 |  |
| International Affairs | 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) | 53.0 | 54.0 | 55.0 | 55.0 | 56.0 |  |

Description of Performance

The following performance measures provide a snapshot of DO 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) in the Office of Domestic Finance forecasts net cash flows (e.g., federal receipts, outlays, and other miscellaneous 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 2016 was 3.1 percent, which is significantly lower than the 4.25 percent target for FY 2016. The target for both FY 2017 and FY 2018 is 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 Committee on Foreign Investment in the United States (CFIUS) to ensure that the CFIUS process is timely and efficient. The target (100 percent) was met in FY 2016. The Office of International Affairs’ target for this measure in FY 2017 and FY 2018 is 100 percent.

Treasury-wide “Leaders Lead” Index of Federal Employee Viewpoint Survey (FEVS): Treasury 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.