Department of the Treasury
Departmental Offices
Salaries and Expenses

Congressional Budget Justification and Annual Performance Report and Plan

FY 2019

Table of Contents

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 Department of the Treasury's (Treasury) Strategic Plan for FY 2018-2022 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:

- 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.

The transfer and incorporation into the Franchise Fund structure provide the following benefits to the Department and effected customers:

- Allows for more effective information technology (IT) and building infrastructure investments over multiple fiscal years and provides stability during a continuing resolution for more efficient contract execution.
- Provides customers with the consolidation of like services, consistent points of contact (POCs) for service providers, less confusion during budget execution, and increased, direct customer involvement through joint governance.
- Simplifies budget formulation and execution and allows for better staff leverage across functions.
- Streamlines DO cash management as services would be paid for in consistent monthly amounts rather than billed in arrears based on actuals.

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 activities will help identify best practices and areas for streamlining. This approach will ensure that that federal financial education activities are coordinated around a shared set of government-wide goals, meet federal standards for effectiveness, and leverage best practices.

1.1 – Appropriations Detail Table

Dollars in Thousands

DO Salaries and Expenses	FY 2017		FY 2018		FY 2019		FY 2018 to FY 2019			
Appropriated Resources	Enacted		Annualized CR		Request		Change		% Change	
New Appropriated Resources	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**	**FTE**	**AMOUNT**
Executive Direction	140	$39,127	147	$38,937	113	$37,004	(34)	($1,933)	-23.13%	-4.96%
Domestic Finance and Tax Policy	313	$81,719	305	$80,948	224	$71,070	(81)	($9,878)	-26.56%	-12.20%
International Affairs and Economic Policy	257	$60,402	259	$60,082	195	$54,506	(64)	($5,576)	-24.71%	-9.28%
Treasury-wide Management and Programs	146	$43,128	145	$42,885	114	$39,171	(31)	($3,714)	-21.38%	-8.66%
Subtotal New Appropriated Resources	**856**	**$224,376**	**856**	**$222,852**	**646**	**$201,751**	**(210)**	**($21,101)**	**-24.53%**	**-9.47%**
Other Resources										
Reimbursables	99	$76,458	100	$80,000	58	$12,066	(42)	($67,934)	-42.00%	-84.92%
Subtotal Other Resources	**99**	**$76,458**	**100**	**$80,000**	**58**	**$12,066**	**(42)**	**($67,934)**	**-42.00%**	**-84.92%**
Total Budgetary Resources	**955**	**$300,834**	**956**	**$302,852**	**704**	**$213,817**	**(252)**	**($89,035)**	**-26.36%**	**-29.40%**

Note:
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.

1.2 – Budget Adjustments Table

Dollars in Thousands

DO Salaries and Expenses	FTE	Amount
FY 2018 Annualized Continuing Resolution	**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**

C – Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) .... +$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
DO 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 points of contacts 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.

1.3 – Operating Levels Table

Dollars in Thousands

DO Salaries and Expenses Object Classification	FY 2017 Enacted	FY 2018 Annualized CR	FY 2019 Request
11.1 - Full-time permanent	113,585	112,814	82,660
11.3 - Other than full-time permanent	1,620	1,609	1,760
11.5 - Other personnel compensation	2,079	2,065	2,535
11.9 - Personnel Compensation (Total)	**117,284**	**116,488**	**86,955**
12.0 - Personnel benefits	33,571	33,343	26,741
Total Personnel and Compensation Benefits	**$150,855**	**$149,831**	**$113,696**
21.0 - Travel and transportation of persons	4,239	4,210	3,299
22.0 - Transportation of things	367	365	171
23.1 - Rental payments to GSA	850	844	281
23.2 - Rental payments to others	893	887	1,004
23.3 - Communications, utilities, and miscellaneous charges	407	404	94
24.0 - Printing and reproduction	135	134	6
25.1 - Advisory and assistance services	19,767	19,633	8,503
25.2 - Other services from non-Federal sources	7,985	7,931	3,591
25.3 - Other goods and services from Federal sources	25,869	25,693	64,924
25.5 - Research and development contracts	2,447	2,430	0
25.7 - Operation and maintenance of equipment	613	609	227
26.0 - Supplies and materials	3,817	3,791	2,706
31.0 - Equipment	6,132	6,090	3,249
Total Non-Personnel	**$73,521**	**$73,021**	**$88,055**
New Budgetary Resources	**$224,376**	**$222,852**	**$201,751**
FTE	**856**	**856**	**646**

Notes:
1. FY 2017 FTE are actuals.
2. Excluded from the Operating Levels 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.

D – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
DEPARTMENT OF THE TREASURY DEPARTMENTAL OFFICES *Federal Funds* **SALARIES AND EXPENSES** (INCLUDING TRANSFER OF FUNDS) *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 and local entities; and Treasury-wide management policies and programs activities, $201,751,000: Provided, That of the amount appropriated under this heading—* *(1) not to exceed $700,000 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, 2020, 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.* Note.—A full-year 2018 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115–56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.	The Department of the Treasury, on behalf of the United States, will assume the Presidency of the Financial Action Task Force (FATF) in 2019. Organized by the G7 in 1989 to focus on money laundering, the FATF has grown to include nearly 40 members and its mandate has expanded to include terrorist financing and proliferation financing as well as money laundering. The Administration requests an increase to the Department's official reception and representation expenses authority to allow the Office of Terrorism and Financial Intelligence to support the FATF plenary meetings and the role and duties of the Presidency of such Task Force.

E – Legislative Proposals

Sec. 129 - Amounts made available under the heading "Office of Terrorism and Financial Intelligence" shall be available to reimburse the "Departmental Offices—Salaries and Expenses" account for expenses incurred in such account for reception and representation expenses to support activities of the Financial Action Task Force.

Section II – Annual Performance Plan and Report

A – Strategic Alignment

DO is Treasury's headquarters bureau. It provides leadership in economic and financial policy, financial intelligence and enforcement, and general management. Treasury utilizes effective management, policies, and leadership to protect our national security through targeted financial actions, to promote the stability of the nation's financial markets, and to 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 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Annualized CR	FY 2019 Request
Appropriated Resources	$35,763	$34,588	$35,313	$37,778	$36,706	$38,937	$37,004
Other Resource	$4,691	$15,137	$21,677	$29,632	$22,997	$30,491	$4,308
Budget Activity Total	**$40,454**	**$49,725**	**$56,990**	**$67,410**	**$59,703**	**$69,428**	**$41,312**
FTE	**156**	**162**	**189**	**206**	**169**	**187**	**137**

Executive Direction Budget and Performance

($37,004,000 from direct appropriation, $4,308,000 from reimbursable resources):
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 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Annualized CR	FY 2019 Request
Appropriated Resources	$56,804	$56,265	$57,362	$59,061	$60,613	$60,082	$54,506
Other Resource	$2,275	$4,891	$5,896	$14,680	$10,617	$8,373	$1,888
Budget Activity Total	**$59,079**	**$61,156**	**$63,258**	**$73,741**	**$71,230**	**$68,455**	**$56,394**
FTE	**232**	**226**	**259**	**272**	**268**	**265**	**197**

Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2017 Target	FY 2018 Target	FY 2019 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	92	93	93	89	96	94	95	95
IA - Timely Review of CFIUS Cases	100	100	100	100	100	100	100	100
OTA - Program Engagement	3.8	3.7	3.8	3.9	4.0	3.6	3.6	3.6

International Affairs and Economic Policy Budget and Performance
($54,506,000 from direct appropriation, $1,888,000 from reimbursable resources):
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 2.2 – Foreign Exchange Practices: Achieve fair foreign exchange practices through multilateral engagement with international partners.

- 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 system.
- 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.

In FY 2017, the Office of International Affairs (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 taxes, regulation, trade, the budget, energy, financial regulation, infrastructure, and international relations, all of which will continue into FY 2018.

In its role as lead for international negotiations on non-insurance financial services and transfers, Treasury pursued critical financial services commitments and robust transfer provisions of trade and investment negotiations. Treasury plays a key role in the North America Free Trade Agreement (NAFTA) negotiations, aimed at working towards a more balanced agreement. Treasury also plays an important U.S. Government role on broader trade issues such as State Owned Enterprises, Customs, and other trade related disciplines that impact Treasury equities. 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 U.S. lead 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 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). The G-20 Finance

Ministers agreed to a regular IMF report assessing progress toward achieving strong, sustainable, and balanced growth, as well as the potential for policy development and policy issues related to achieving faster and more sustainable adjustment of external imbalances. Treasury is also focused on combatting unfair currency practices that disadvantage U.S. industry and workers and, to this end, has strengthened the semi-annual surveillance of the exchange rate practices of major U.S. trading partners. Treasury also continues to press for stronger exchange rate surveillance in the IMF.

Treasury continues to enhance its oversight of the multilateral development banks' (MDB) policies and programs, particularly with respect to the expansion of their loan programs when market financing is generally plentiful. In particular this year, Treasury worked with the World Bank and others to establish the Women Entrepreneurs Finance Initiative to create a holistic public and private sector approach to addressing the constraints faced by female entrepreneurs and help fill a major gap in women's access to finance.

IA rebalanced resource allocations to reflect changing mission requirements. Areas addressed in the reallocation include the increasing demands associated with chairing the Committee on Foreign Investment in the United States (CFIUS). IA continued to direct additional existing staffing resources to increase its capacity to manage a record-breaking caseload in terms of volume and complexity. Treasury, as chair of CFIUS, coordinates an interagency process to review certain foreign investments for national security risks in accordance with the procedures and tight deadlines specified in law and regulation.

- 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. IA's target for this measure in FY 2018 and FY 2019 is 100 percent.

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.

- 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 2017. In FY 2018 and FY 2019, 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 2017. In FY 2018 and FY 2019, 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 2017, 96 percent of MDB grant and loan project proposals had excellent or satisfactory ratings for the results matrices, a significant increase from FY 2016. The FY 2018 target is 95 percent, and the FY 2019 target is 95 percent.

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 transition countries build the human and institutional capacity to implement such policy improvements. Finance ministries and central banks of developing countries that have demonstrated a strong commitment to reforming their financial systems or public financial management can receive direct assistance from OTA through its cadre of expert advisors. The technical assistance team leverages its funding to increase transparency and accountability, reduce corruption, and strengthen the development of market-based policies and practices in these economies. OTA support promotes more effective use of a country's own resources and helps reduce dependency on foreign aid. This work also supports stabilization of financial sectors in national security/foreign policy priority countries (e.g., Ukraine), more transparent and accountable financial sectors for U.S. investors overseas, and the expansion of markets for U.S. exporters, thus promoting jobs and economic growth at home.

- 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 2017, the Traction score was 4.0, exceeding the target of 3.6. In FY 2018 and FY 2019, 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.

During the past year, EP staff in the Office of Macroeconomic Analysis closely monitored U.S. economic performance, producing many hundreds of succinct, quick-turn reports on more than 50 recurring economic indicators. In related work, the office produced memos for the Secretary covering pre-release data reports on roughly ten recurring economic indicators. 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 Treasury Bulletin, Bank/Fund meetings, the report to Congress titled, "Foreign Exchange Policies of Major Trading Partners of the U.S.," the Quarterly Refunding Report, the Annual Financial Report, and many ad hoc requests for U.S. economic background material. The Macro office also served as Treasury's lead in the "Troika" process, a semi-annual exercise in which Treasury, the Office of Management and Budget (OMB), and the Council of Economic Advisers develop the economic assumptions that drive the Administration's ten-year forecast and directly determines the Administration's annual budget proposals. Economists from EP represented the United States at Organisation for Economic Co-operation and Development (OECD) working group meetings on country forecasts. Finally, 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, and 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.

Economic Policy staff in the Office of Microeconomic Analysis also produced an estimate of state Total Taxable Resources, which estimates the relative fiscal capacity of states and is used in determining the allocation of funds for the Community Mental Health Services and Substance Abuse Prevention and Treatment block grant programs. The Office of Microeconomic Analysis has been actively engaged in helping the public and policymakers understand important economic policy issues. Activities included a continuing series of Economic Security issue briefs covering older women and the safety net; substantial contributions to a report on the effect of the Consumer Financial Protection Bureau's arbitration rule; a congressionally requested report on agricultural exports to Cuba; and economic analysis of sanctions-related policies. Finally, the office continued to lead a government-wide effort to close the skills gap in the economist occupation in the Federal Government by coordinating efforts between the economist workforce and Office of Personnel Management and OMB to promote better recruitment, retention, and development of economists in the federal workforce.

2.1.3 Domestic Finance and Tax Policy Resources and Measures

Dollars in Thousands

Resource Level	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Annualized CR	FY 2019 Request
Appropriated Resources	$68,351	$81,783	$76,520	$79,748	$81,410	$80,948	$71,070
Other Resource	$12,804	$24,997	$40,240	$55,231	$38,650	$40,140	$5,609
Budget Activity Total	**$81,155**	**$106,780**	**$116,760**	**$134,979**	**$120,060**	**$121,088**	**$76,679**
FTE	**326**	**339**	**364**	**398**	**365**	**358**	**256**

Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2017 Target	FY 2018 Target	FY 2019 Target
DF-Variance Between Estimated and Actual Receipts (Annual Forecast)(%)	2.5	3.25	2.8	3.1	4	4.25	4.25	4.25

Domestic Finance and Tax Policy Budget and Performance

($71,070,000,000 from direct appropriation, $5,609,000 from reimbursable resources):
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 Treasury and other 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 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 supports the following strategic objectives 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.
- 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.

In FY 2017, 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 about their finances, supporting small businesses, and strengthening financial institutions and markets. DF advanced several key policies of the new administration, particularly financial regulatory reform and national security.

Some of the most important DF work during FY 2017 was to listen to a wide range of stakeholders and develop recommendations for reforming the financial regulatory system. In 2016, the Government Accountability Office (GAO) released a report that concluded that significant fragmentation, overlap, and duplication exists within the regulatory framework. Specifically, GAO found the existing structure does not always ensure efficient and effective oversight, consistent financial oversight, and consistent consumer protections.

On February 3, 2017, the President issued an executive order on *Core Principles for Regulating the United States Financial System* (Executive Order 13772). These Core Principles include empowering Americans to make independent financial decisions, save for retirement, and build individual wealth. The Core Principles also include preventing taxpayer-funded bailouts and promoting the competitiveness of American companies—both at home and abroad—while making regulation efficient, effective, and appropriately tailored.

In June 2017, Treasury issued the first in a series of reports applying these Core Principles to an examination of the U.S. financial regulatory system. In the first report, Treasury described the unique role of banks and credit unions. The U.S. banking system is the strongest in the world, and it is critical in supporting the U.S. economy. Treasury's report makes numerous recommendations affecting the depository sector, including that capital, liquidity, and leverage rules be refined to increase the flow of credit so that U.S. banks remain globally competitive.

Given the breadth of the financial system and a complex regulatory environment, Treasury conducted further stakeholder outreach and issued additional reports and recommendations on regulation of the capital markets (second report) and the asset management and insurance industries (third report), both released in October 2017. A fourth report will cover nonbank financial institutions, financial technology, and financial innovation.

Significant reforms that promote growth while maintaining strong investor protections are possible. Recommendations include streamlining disclosure requirements to reduce costs incurred by companies while continuing to provide investors with key information needed for investment decisions. For example, disclosure and other requirements can be better tailored for companies going public based on their size. Treasury also recommends re-examining the 2012 *Jumpstart Our Business Startups Act* (JOBS Act) to identify how its tools can be improved.

During FY 2017, DF also played an important role supporting critical infrastructure protection and cybersecurity in the financial services sector. DF's Office of Critical Infrastructure Protection and Compliance Policy (OCIP) has an all-hazards mission to enhance the security and resilience of the financial services sector's critical infrastructure. The cybersecurity threat represents one of the most significant challenges to our country's national and economic security. Increasing cyber-attacks against U.S. financial institutions of all sizes could lead to a loss in confidence in the financial system and present significant economic challenges. Impacts could include degradation or outages of the functioning, reliability, confidentiality, trustworthiness, and continued availability of financial institutions' services, financial information, customer information, and the financial critical infrastructure required to support the U.S. and global economies.

DF continues working to address a wide range of evolving cybersecurity risks in collaboration with private and other public-sector organizations. These risks include (1) prioritization and collaboration, to include identifying and mitigating vulnerabilities before exploitation; (2) information sharing; (3) strengthening and promoting the use of voluntary, risk-based, baseline protections; and (4) response and recovery. DF engages with the financial services industry and government agencies, including federal and state financial regulators, on cybersecurity issues to mitigate potential vulnerabilities to the financial system and improve resilience.

The risks facing the sector continue to be magnified by the continuing evolution in technology complexity, speed, storage, and connectivity. The risks are magnified by the growth in the number and capability of malicious actors, some of whom are extraordinarily well-funded. Their growing sophistication means that there is an increasing potential for frequent incidents and widespread damage, particularly if they are not vigilantly monitored and mitigated.

To help identify areas for improvement, during FY 2017, OCIP led seven cybersecurity exercises involving government and private-sector participants and participated in several other exercises. The exercises explored a variety of threat scenarios and how the participants would respond. Participants developed after-action reports for future improvement to reduce vulnerabilities and reduce risks.

Also, in Treasury's roles as chair of the Financial and Banking Information Infrastructure Committee and members of the Financial Services Sector Coordinating Council, OCIP continued sharing cybersecurity information among the member organizations. Treasury also continues to encourage private-sector firms to voluntarily share actionable cybersecurity information among firms to minimize the time it takes to discover, contain, and mitigate cyber incidents, whether from malicious or natural causes.

Another important DF responsibility is managing the U.S. government's debt. The Office of Debt Management (ODM) seeks to fund the Federal Government at the least cost 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 2017, ODM determined for more than 275 auctions the amount and maturity of debt that the Bureau of the Fiscal Service issued. These debt issuances totaled $8.6 trillion and raised more than $500 billion in new cash to fund the U.S. government.

In addition, Treasury continues to make progress in its government-wide and department-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 May 2017, DF launched the new USAspending.gov website. It allows taxpayers to examine nearly $4 trillion in annual federal spending and see how this money flows from congressional and presidential actions to local communities and businesses. The new site is the culmination of a nearly three-year collaborative effort led by Treasury and the Office of Management and Budget. The data is compiled from federal agencies and published quarterly.

DF has one performance measure:
<u>Variance between estimated and actual receipts (annual forecast) (percent)</u>: 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 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.

<u>Office of Tax Policy (OTP)</u>
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.

In FY 2017, OTP worked closely with the Administration, Congress, and Treasury leadership on tax reform, which was a principal goal of the Administration. OTP staff participated in frequent meetings with Congressional staff, senior White House officials and business and other outside parties with interests in tax policy and tax reform. The office analyzed hundreds of revenue estimates, distributional tables, and other analyses of the effects of tax reform. OTP's work was crucial in informing the Administration's views of the economic consequences of tax reform. In FY 2017, OTP developed guidance based upon Executive Order 13789 to eliminate or reduce burdens imposed on taxpayers by regulations. The office conducted a comprehensive review and identified over 300 regulations for potential revocation. For FY 2018, OTP identified eight regulations that will be subject to deregulatory action.

OTP also evaluated numerous proposals to modify the Affordable Care Act (ACA), continued evaluating and responding to applications received under ACA state innovation waivers, and evaluated and responded to applications relating to the Multi-Employer Pension Plan Act (MPRA).

OTP continued to provide leadership for the OECD, Global Forum, and G-20, advocating for the interests of U.S. based businesses. In FY 2018 and FY 2019, OTP plans to continue engaging in international negotiations to modernize existing treaties, establish key new treaty relationships, and actively engage international organizations to protect the fiscal and business interests of the U.S.

In FY 2018 – FY 2019, OTP's primary mission is to support tax reform implementation. This work will include transition guidance and regulatory guidance required to implement the changes to the law. Both OTP and the IRS acknowledge the need to undertake numerous regulatory actions to implement tax reform.

2.1.4 Treasury-wide Management and Programs Resources and Measures

Dollars in Thousands

Resource Level	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Annualized CR	FY 2019 Request
Appropriated Resources	$35,223	$31,802	$35,971	$41,112	$43,387	$42,885	$39,171
Other Resource	$15,320	$30,858	$55,213	$3,339	$4,284	$996	$261
Budget Activity Total	**$50,543**	**$62,660**	**$91,184**	**$44,451**	**$47,671**	**$43,881**	**$39,432**
FTE	**123**	**139**	**171**	**124**	**153**	**146**	**114**

Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2017 Target	FY 2018 Target	FY 2019 Target
EO 13771 - Number of Deregulatory Actions Issued *	N/A	N/A	N/A	N/A	N/A	N/A	I	N/A
EO 13771 - Number of Deregulatory Actions Issued that Address Recommendations by the Regulatory Reform Task Force*	N/A	N/A	N/A	N/A	N/A	N/A	I	N/A
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	N/A	N/A	N/A	I	N/A
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	N/A	N/A	N/A	I	N/A
EO 13771 - Number of Regulatory Actions Issued *	N/A	N/A	N/A	N/A	N/A	N/A	I	N/A
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	N/A	N/A	N/A	0	N/A
Percent of Procurement Dollars Spent on Small Business	39.15	36.91	35.11	36.17	35	35	40	N/A
Treasury-wide Engagement Index of the FEVS	68	66	67	67	68	67	69	69
Treasury-wide Footprint (Square Footage)	37,320	36,411	35,439	34,894	34,100	34,310	33,600	33,100
Treasury-wide Leaders Lead Index of the Federal Employee Viewpoint Survey (FEVS)	N/A	53	54	55	56	55	57	58

Note: I – Performance Indicator

* Executive Order 13771 requires the repeal of two regulatory actions for each new regulatory action issued by an agency. The Department is fulfilling this requirement by prioritizing burden-reducing, deregulatory actions. At this time Treasury does not have targets for these measures because it is still in the process of evaluating its deregulatory and regulatory actions for FY 2018.

Treasury-wide Management and Programs Budget and Performance

($39,171,000 from direct appropriation, $261,000 from reimbursable resources):

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 Emergency Programs; the Office of the Deputy Chief Financial Officer; the Office of Civil

Rights and Diversity; the Office of Minority and Women Inclusion; 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 supports 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: Improve customer value by increasing the quality and lowering the cost of Treasury's products and services.

Treasury-wide Management and Program's performance metrics are:

- Percentage of Procurement Dollars Spent on Small Business: In FY 2017, Treasury aimed to meet or exceed all small business contracting goals. Based on preliminary data, Treasury expects to meet or exceed 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 April 2018. The following Treasury bureaus were included in the goaling report, with no exclusions: Office of the Comptroller of the Currency, Office of Thrift Supervision, and the Bureau of Engraving and Printing (BEP). The preponderance of the negative impact, on the goals, lies with BEP, which continues to face unique challenges. Because of the highly specialized nature of BEP in producing U.S. banknotes and the fixed costs associated with creating currency, there are a limited number of vendors globally who are able to supply key raw materials and highly specialized printing equipment to perform the work. In FY 2017, Treasury spend included 31 percent of industrial equipment and supplies related to the production and currency. There were no small businesses available to provide these supplies and services, effectively removing $287 million from Treasury's available spend. Based on this unique circumstance, it will be difficult for the BEP to achieve its FY 2018 small business goals; thereby, impacting Treasury's overall small business goal achievements. Treasury attended and conducted outreach activities to provide small business (SB), small and disadvantaged business (SDB), women-owned small business (WOSB), HUBZone small business (HZ), and service-disabled veteran-owned small business (SDVOSB) with information about specific contract opportunities and technical assistance about conducting business with Treasury. This outreach work will continue in FY 2018 and FY 2019. Particularly noteworthy is that Treasury far exceeded the contracting goals for the following socioeconomic groups: SDB at five percent, WOSB at five percent, HZ at three percent, and SDVOSB at three percent. The following are Treasury's expected goal achievements: SB - 35.07 percent, SDB – 14.16 percent, WOSB – 13.26 percent, HZ – 3.77 percent, and SDVOSB – 4.41 percent. Throughout FY 2018, Treasury will continue to employ the successful strategies of targeted outreach, enhanced leadership accountability, policies, tools and resources, and increased intra-agency communication with the expectation of achieving its goals. The FY 2018 overall small business goal has been set at 35 percent. The FY 2019 small business goal will be set in the Fall of 2018.

- Treasury-wide "Engagement" Index of Federal Employee Viewpoint Survey (FEVS): Treasury's strategy focused on improving employee engagement in a number of areas, thereby creating an opportunity to improve the effectiveness of our workforce while improving our ranking among other federal agencies. Strategic efforts were focused on Overall Satisfaction, Leaders Lead, and the Inclusion Quotient – Fairness. Treasury conducted two Treasury-wide engagement review sessions for high-level leadership during FY 2016 in addition to bureau-level reviews. Treasury's scores for the Engagement Index increased from 66 percent for FY 2015 to 67 percent for FY 2016, and 68 percent for FY 2017. Treasury exceeded the government-wide rate by one percent in FY 2017.
- 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.
- 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.

Office of the Chief Human Capital Officer

In FY 2017, Treasury revised its planning and monitoring process specific to Human Capital to comply with pending regulatory changes. Treasury has been identified as a federal leader in this area by the Office of Personnel Management and the Office of Management and Budget. These efforts resulted in the identification of the need to pursue a competency-based management approach to meet Treasury's needs. The focus for FY 2018 will consist of solidifying the foundation to support a competency-based approach with implementation beginning in FY 2019. Additional efforts in FY 2018 include a continued focus on building workforce planning capabilities in support of federal efforts to expand the strategic management of federal human capital and close skills gaps in federal and Treasury mission-critical occupations. Treasury will also begin implementation of an enterprise Integrated Talent Management system that will, when fully deployed, provide employees a single, modern system for learning, performance, and career planning; give leadership a consolidated view of the Department's human capital; and consolidate 24 stand-alone legacy systems into a single, cloud-based system.

Office of Civil Rights and Diversity

In FY 2017, Treasury developed a new Diversity and Inclusion Strategic Plan, which mapped to both the Department's Strategic Plan and the Human Capital Plan. The bureaus have developed implementation plans specific to each bureau. The Office of Civil Rights and Diversity (OCRD) coordinated with the Human Resources Engagement Strategy to improve the morale of the workforce as reflected in the Federal Employee Viewpoint Survey (FEVS), with a specific focus on the new Inclusion Quotient portion of the survey. Treasury's scores in the Diversity and Inclusion portion of the FEVS have improved to a 62 percent positive rating, which is above the government-wide average. Scores around the Fairness of Employment Practices remain a concern at 50 percent, but still are above the Government-wide average. Continuing work, partnering with the Chief Human Capital Office, will be done to determine what is driving those numbers, and the Diversity and Inclusion and EEO offices will work closely on bureau engagement teams to improve the scores. OCRD also coordinated a number of major studies, including a barrier analysis of the Senior Executive Service at Treasury and a gender pay equity study. Additionally, this office continues to work with the Treasury Executive Institute to develop programming for executives and senior level staff in the areas of diversity and inclusion. The Treasury-wide EEO program showed marked improvements in the timeliness and efficiency ratings of both EEO investigations and issuance of final decisions, as well as in the use of alternative dispute resolution processes to resolve complaints in a timely manner.

Office of the Deputy Chief Financial Officer

For FY 2017, the Department received its eighteenth consecutive unmodified audit opinion on its Treasury-wide financial statements. Treasury anticipates unmodified audit opinions for the consolidated audit for FY 2018 and FY 2019. 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

Based on preliminary data, Treasury is on track to meet or 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.

Office of the Senior Procurement Executive

In FY 2017, Treasury continued a comprehensive acquisition transformation strategy designed to facilitate innovation, strategic management, efficiency, and effective mission outcomes. Central to the strategy is early planning and broad stakeholder participation as well as accelerated transition to strategic acquisition vehicles. In support of the Federal Information Technology Acquisition Reform Act, the Department has placed significant focus on IT acquisition across all procurement programs.

In FY 2017, 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 provide 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 2017 reviews focused on pre and post award actions and were designed to facilitate successful award of critical contracts. To help ensure successful contract performance outcomes, FY 2017 MAP reviews were expanded to include existing critical contracts. In FY 2017, Treasury reviewed 51 acquisitions, valued at \$4.9 billion; reviews included 23 IT acquisitions valued at \$3.5 billion. The Department anticipates a similar level of oversight and collaboration in FY 2018 and FY 2019.

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. Treasury FY 2018 and FY 2019 strategy extends and expands Treasury's transition to the Office of Management and Budget's (OMB) preferred contract vehicles, reducing the need to establish department level contracts and freeing associated resources for focus on other acquisition priorities. In FY 2017, Treasury successfully coordinated with OMB's Category Management Program Management Office (PMO) to more accurately measure Treasury's progress in achieving government-wide category management goals. As a result of OPE's efforts, the Department's utilization of OMB preferred contracts increased by $86 million in FY 2016, $102 million in FY 2017, and $32 million so far in FY 2018. The Department anticipates a similar level of progress and collaboration in FY 2018 and FY 2019, bringing Treasury into compliance with the goals established by the President's Management Agenda.

C – Changes in Performance Measures

Performance Measure or Indicator	Change and Justification
EO 13771 - Number of Deregulatory Actions Issued (New Treasury-wide Management Performance Indicator)	EO 13771 encourages agencies to issue two de-regulatory items for each new regulatory action (as that term is defined in OMB guidance). Treasury has an inventory of EO 13771 items and through the work of the Regulatory Reform Task Force, will continue to add items to that list.
EO 13771 - Number of Deregulatory Actions Issued that Address Recommendations by the Regulatory Reform Task Force (New Treasury-wide Management Performance Indicator)	EO 13777 authorizes a Regulatory Reform Task Force chaired by a Regulatory Reform Officer. The task force is reviewing items listed on Treasury's EO 13771 inventory as well as items recommended by stakeholders in response to a June 14, 2017 request for information. The task force will make recommendations about deregulatory actions to prioritize.
EO 13771 - Number of Deregulatory Actions Issued that Address Recommendations by the Regulatory Reform Task Force to the Agency Head Consistent with Applicable Law (New Treasury-wide Management Performance Indicator)	EO 13777 authorizes a Regulatory Reform Task Force chaired by a Regulatory Reform Officer. The task force is reviewing items listed on Treasury's EO 13771 inventory as well as items recommended by stakeholders in response to a June 14, 2017 request for information. The task force makes recommendations in periodic reports to the Secretary
EO 13771 - Number of Evaluations to Identify Potential Deregulatory Actions That Included Opportunity for Public Input and/or Peer Review (New Treasury-wide Management Performance Indicator)	EO 13771 encourages agencies to seek public input on deregulatory actions to prioritize. The Department issued a request for information in the Federal Register on June 14, 2017 and the bureaus were encouraged to share that request with stakeholders. Additional contacts with stakeholders on this subject should be included in this count.
EO 13771 - Number of Regulatory Actions Issued (New Treasury-wide Management Performance Indicator)	EO 13771 regulatory actions are those designated as such by the Office of Information and Regulatory Affairs (OIRA), Office of Management and Budget. These regulations would be included in the Department's inventory of EO 13771 regulatory items and may include significant regulatory actions under EO 12866.
EO 13771 - Total Incremental Cost of All Regulatory Actions and Deregulatory Actions (Including Costs or Cost Savings Carried Over From Previous Fiscal Years) (New Treasury-wide Management Performance Measure)	EO 13771 mandates that the cost of regulations must be zero and encourages agencies to achieve a cost savings. In order to achieve this zero cost, agencies must offset any costly regulations with de-regulatory actions that cover the cost.

With the publication of Treasury's Strategic Plan for FY 2018-2022, Treasury will work in FY 2018 to baseline performance against the new strategic objectives. This could result in additional changes to performance measures in the FY 2020 budget.

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:
http://www.treasury.gov/about/budget-performance/Pages/summary-of-capital-investments.aspx
This website also contains a digital copy of this document.