

## Departmental Offices Salaries and Expenses

### *Program Summary by Budget Activity*

Dollars in Thousands

Budget Activity	FY 2019	FY 2020	FY 2021	FY 2020 to FY 2021	
	Operating Plan	Enacted	Request	\$ Change	% Change
Executive Direction	\$35,407	\$36,775	\$37,714	\$939	2.6%
International Affairs and Economic Policy	\$52,428	\$52,825	\$54,367	\$1,542	2.9%
Domestic Finance and Tax Policy	\$72,570	\$78,153	\$84,506	\$6,353	8.1%
Treasury-wide Management and Programs	\$39,171	\$38,279	\$40,740	\$2,461	6.4%
Committee on Foreign Investment in the United States	\$15,000	\$22,341	\$24,146	\$1,805	8.1%
<b>Subtotal, DO SE</b>	<b>\$214,576</b>	<b>\$228,373</b>	<b>\$241,473</b>	<b>\$13,100</b>	<b>5.7%</b>
Offsetting Collections - Reimbursable	\$12,432	\$9,071	\$9,242	\$171	1.9%
Transfer from CFIUS Fund	\$0	\$15,000	\$15,000	\$0	0.0%
<b>Total Program Operating Level</b>	<b>\$227,008</b>	<b>\$252,444</b>	<b>\$265,715</b>	<b>\$13,271</b>	<b>5.3%</b>
Direct FTE	596	703	765	62	8.8%
Reimbursable FTE	46	40	40	0	0.0%
<b>Total Full-time Equivalents (FTE)</b>	<b>642</b>	<b>743</b>	<b>805</b>	<b>62</b>	<b>8.3%</b>

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

### *Summary*

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

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

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

**Budget Highlights**

Dollars in Thousands

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

**Budget Adjustments**

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

Pay Annualization (3.1%) +\$1,023,000 / +0 FTE

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

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

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

FERS Contribution Increase +\$1,100,000 / +0 FTE

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

Non-Pay +\$2,351,000 / +0 FTE

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

**Efficiency Savings** ..... **-\$1,246,000 / -0 FTE**  
Contractual Support -\$1,246,000 / +0 FTE

DO will achieve cost savings and efficiencies in contract services through more efficient contract oversight, consolidating contracts where appropriate, and partnering with other agencies and DO components to leverage common technology or administrative support needs.

**Reinvestments**..... **+\$0 / +39 FTE**  
Staffing to Support CFIUS Caseload Growth \$0 / +39 FTE

Increase in CFIUS staffing to continue to support anticipated program growth. Funding will come from redirecting contract spending.

**Program Increases** ..... **+\$8,874,000 / +23 FTE**  
Strengthen the Financial Services Sector's Cybersecurity and Critical Infrastructure Protection  
+\$3,700,000 / +8 FTE

The U.S. financial services sector faces a broad range of cybersecurity vulnerabilities and physical hazards. Adversaries and malicious actors have recently exploited vulnerabilities in the financial sector, leading to major financial industry breaches and disruptions. The potential for damage in the event of a major breach is massive. The scale of transactions of the largest financial systems dwarfs the U.S. GDP. For example, the largest U.S. real-time gross settlement system transmitted over \$700 trillion in 2018. Although many U.S. financial institutions are well protected from attack, adversaries and malicious actors continue to grow in technical capability, and their attacks continue to increase in sophistication and severity.

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

*Identify, Map, and Prioritize Risks and Vulnerabilities* \$3,194,000 / +6 FTE

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

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

The FY 2021 Request focuses on three ongoing activities:

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

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

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

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

Impact Analysis of Tax Regulations +\$1,063,000 / +3 FTE

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

Operations and Maintenance (O&M) of Prior-year Enterprise-wide Cybersecurity investments +\$333,000 / +0 FTE

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

Attaché Cost Increases from State Department +\$498,000 / +0 FTE

As representatives of the United States' financial diplomacy efforts, attachés possess expertise on financial authorities, financial intelligence, economic policy, sanctions, and anti-money laundering/countering the financing of terrorism. The State Department considers Treasury attachés to be significant force multipliers on the embassy teams in which they operate.

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

Implementation of Evidence Act of 2018 +\$723,000 / +3 FTE

This initiative is to support Treasury-wide data-driven strategic management processes and bolster evidence-building capability in furtherance of the Foundations for Evidence-Based Policymaking Act of 2018. It would fund key investments in personnel to increase DO's analytic capacity and better understand areas of potential risk and investment.

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

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

enable dedicating a modest amount of funding to procure evaluation and research support from other agencies or academic institutions to address priority questions identified in the agency learning agenda.

Main Treasury and Freedman’s Bank Building Annual Maintenance +\$550,000 / +0 FTE

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

Increase Office of Minority Women and Inclusion Staffing +\$507,000 / +2 FTE

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

Management and Oversight for United States Secret Service (USSS) +\$1,500,000 / +7 FTE

Contingent upon enactment of authorizing legislation to reorganize the Department of Homeland Security and transfer some of its functions to the Department of the Treasury, an additional \$1.5 million will be necessary for expenses of the Departmental Offices related to oversight of the USSS in areas such as IT, human capital, and budget

***Legislative Proposals***

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

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

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

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

***Performance Highlights***

Budget Activity	Performance Measure	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
		Actual	Actual	Actual	Target	Target
Domestic Finance and Tax Policy	Variance Between Estimated and Actual Receipts (Annual Forecast) (%)	4.00	2.33	3.14	4.25	4.25
International Affairs and Economic Policy	OTA - Program Engagement	4.0	3.8	3.8	3.6	3.6
Treasury-wide Management and Programs	Treasury-wide Leaders Lead Index of the Federal Employee Viewpoint Survey (FEVS)	56	56	58	59	60

***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 and outlays) to ensure that adequate funds are available daily to cover federal payments. To determine its overall effectiveness, one of OFP’s metrics is to measure the variance between actual and projected federal receipts. A lower variance is better because that indicates a more accurate forecast. The actual variance for FY 2019 was 3.14 percent, which is lower than the 4.25 percent target. Because tax receipts are quite variable from year to year and are very sensitive to changes in macro-economic conditions and legislative changes, accurate forecasts in one year do not necessarily portend accuracy in a subsequent year or period. OFP will maintain its target of 4.25 percent for both FY 2020 and FY 2021.

Office of Technical Assistance (OTA) Program Engagement (Traction): Measures the degree to which foreign counterparts are engaging proactively and constructively with OTA advisors, at the working and policy levels. Counterpart engagement is both a key outcome of OTA efforts to structure and execute effective technical assistance projects that support host country ownership as well as the most crucial input to the successful achievement of the intermediate goals and ultimate outcomes described in the project’s terms of reference and work plan during the fiscal year – such as passage of law or regulation, an increase in government revenues, an improvement in a government’s credit rating, or a reduction in economic crimes. The measure is

scored on a 5-point scale and averaged across all projects to provide one overall measure of OTA's performance. In FY 2019, the Traction score was 3.8, exceeding the target of 3.6. In FY 2020 and FY 2021, IA's target for Traction is 3.6.

Treasury-wide "Leaders Lead" Index of Federal Employee Viewpoint Survey (FEVS): Treasury also set the goal to increase the "Leaders Lead" index above FY 2018 results. Treasury's score for the Leaders Lead Index increased from 56 percent in FY 2018 to 58 percent in FY 2019. Treasury's score in FY 2019 exceeded the government-wide average and the average score for very large agencies by one percent. Targets are 59 percent for FY 2020 and 60 percent for FY 2021.