

Departmental Offices Salaries and Expenses

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020	FY 2021	FY 2022	FY 2021 to FY 2022	
	Operating Plan	Operating Plan	Request	\$ Change	% Change
Executive Direction	\$36,775	\$37,333	\$49,020	\$11,687	31.30%
International Affairs and Economic Policy	\$52,825	\$53,661	\$62,827	\$9,166	17.08%
Domestic Finance and Tax Policy	\$78,153	\$79,566	\$90,658	\$11,092	13.94%
Treasury-wide Management and Programs	\$38,279	\$39,779	\$43,608	\$3,829	9.63%
Committee on Foreign Investment in the United States	\$22,341	\$22,661	\$24,556	\$1,895	8.36%
Subtotal, Departmental Offices Salaries and Expenses	\$228,373	\$233,000	\$270,669	\$37,669	16.17%
Offsetting Collections - Reimbursable	\$10,300	\$11,000	\$11,000	\$0	0.00%
Transfer from CFIUS Fund	\$15,000	\$15,000	\$15,000	\$0	0.00%
Total Program Operating Level	\$253,673	\$259,000	\$296,669	\$37,669	14.54%
Direct FTE	638	721	836	97	13.45%
Reimbursable FTE	39	39	39	18	46.15%
Total Full-time Equivalents (FTE)	677	760	875	115	15.13%

Does not include \$25M in funding appropriated in FY 2020 for Coronavirus Aid, Relief, and Economic Security (CARES) Act -related SBA Loans; reimbursable FTE include FTEs transferred in from CFIUS fund.

Does not reflect the proposed move of the Office of Consumer Policy from the Executive Direction budget activity to Domestic Finance & Tax Policy.

Summary

The FY 2022 Budget for Treasury Departmental Offices (DO) Salaries and Expenses (SE) provides the necessary resources for the Treasury Department to tackle major issues confronting the U.S. economy. Funding is requested to continue to support pandemic response efforts, address climate change, income equality and racial equity, and restore the Treasury Department staffing levels to support key programs and address other emerging risks. This budget request also includes increases for DO's IT infrastructure, including replacements for servers that have reached the end of their lives, and modernization of IT equipment and software that is used daily by DO staff. This budget request also transitions Treasury's fleet management program by upgrading to electric vehicles and providing the infrastructure for DO to maintain this posture.

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.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Operating Plan	721	\$233,000
Changes to Base:		
Maintaining Current Levels (MCLs):	0	\$6,540
Pay Annualization (1.0% average pay raise)	0	\$349
Pay Raise (2.7% average pay raise)	0	\$3,160
FERS Contribution Increase	0	\$1,163
Non-Pay	0	\$1,868
Non-Recurring Costs	0	(\$4,364)
Non-Recurring Costs Including CFIUS Infrastructure		(\$4,364)
Investments	0	
Other Adjustments:	2	\$0
FTE Annualization (OMWI and OCDO)	2	\$0
Subtotal Changes to Base	2	\$2,176
FY 2022 Current Services	723	\$235,176
Program Changes:		
Reinvestments	27	\$4,364
Staffing to Support CFIUS Program Growth	27	\$4,364
Program Increases:	86	\$31,129
Departmental Offices Staffing	86	\$20,000
Replacement of End of Life Servers	0	\$3,341
IT Modernization	0	\$7,484
Electric Vehicles and Associated Infrastructure	0	\$304
FY 2022 President's Budget Request	836	\$270,669

Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs) +\$6,540,000 / +0 FTE

Pay Annualization (1.0%) +\$349,000 / +0 FTE

Funds are requested for annualization of the January 2021 1.0% average pay raise.

Pay Raise (2.7% in 2022) +\$3,160,000 / +0 FTE

Funds are requested for a 2.7% federal employee pay raise in January 2022.

FERS Contribution Increase +\$1,163,000 / +0 FTE

Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

Non-Pay +\$1,868,000 / +0 FTE

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

Non-Recurring Costs **-\$4,364,000 / -0 FTE**

Non-Recurring Costs Including CFIUS Infrastructure Investments **-\$4,364,000 / -0 FTE**

Reduction in DO SE-related non-labor expenses primarily related to the CFIUS program as the program finalizes facilities-related investments to support the increase of CFIUS staffing within the Treasury complex.

Other Adjustments..... **+\$0 / +2 FTE**

FTE Annualization (OMWI and OCDO) **+\$0 / +2 FTE**

Technical adjustment for Treasury leadership approved staffing increases for the Office of Minority and Women Inclusion (OMWI) and Office of the Chief Data Officer (OCDO) related to DO's FY 2021 request.

One of Treasury's priorities is to improve the Administration's ability to support everyday Americans by addressing generational issues including income equality and racial equity. The Office of Consumer Policy (OCP) plays a crucial role in policy analysis related to these key issues. To help further these policy goals, Treasury plans to transfer OCP to Domestic Finance in FY 2021. This will centralize Treasury's resources focused on domestic and consumer policy issues and improve Treasury's ability to provide timely and accurate analyses of these programs of national importance.

Reinvestments..... **+\$4,364,000 / +27 FTE**

Staffing to Support CFIUS Program Growth **+\$4,364,000 / +27 FTE**

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

Program Increases **+\$31,129,000 / +86 FTE**

Departmental Offices (DO) Staffing **+\$20,000,000 / +86 FTE**

This funding request seeks to provide Treasury's policy offices with baseline staffing levels needed support the core Treasury mission and the Secretary's priorities. Over the past four years, DO's policy-related staffing levels were reduced by a total of 11 percent. The Department is critically understaffed in key Treasury offices that are the nexus for the Department's response to economic crises and programs of national importance.

Treasury requests \$20 million to fund 86 positions in order to carry out Treasury's mission and support key Administration priorities, including 1) responding effectively to the pandemic and supporting robust economic recovery; 2) addressing the threat of climate change; 3) addressing income inequality and ensuring racial equity; 4) reinforcing the United States' position on the world stage. This request also provides funding policy and oversight functions within DO that have seen outsized workload growth due to of unfunded mandates placed upon the Department.

These priorities represent generational challenges confronting the American people. The United States Government has already taken historic action to confront the pandemic, and Treasury is faced with an uphill battle to help analyze and advise on economic recovery efforts. Key among these is ensuring that the pandemic does not result in major setbacks for everyday Americans. Treasury will play a key role in understanding these issues, specifically with respect to how they impact income equality and racial equity. Likewise, the climate crisis is a top issue confronting U.S. national security and foreign policy. This funding will restore Treasury's ability to monitor,

assess, and advocate for key U.S. government priorities in international settings in a manner that ensures global efforts support U.S. objectives and achieve congruence between domestic and international efforts. Finally, this request funds key programs that have seen a significant uptick in requirements. This includes management of the 1332 waiver program for the Affordable Care Act, analyses of countervailing duties in coordination with the Department of Commerce, and ongoing research related to infrastructure, housing, retirement security, digital assets, national security, and education and student loans

Replacement of End of Life Servers +\$3,341,000 / +0 FTE

This funding represents DO SE's portion of a larger project to replace servers that have now reached their end of life. April 2021 marks one year that DO's workforce has been in a remote work environment due to the coronavirus pandemic. The challenges, weaknesses, and vulnerabilities of DO's current infrastructure have been magnified in a way that may not have been apparent previously. Over the past several months, several of DO's servers have reached their end of life, and over 120 additional servers will reach end of life by FY 2022. DO conducted several comprehensive studies to review its existing server infrastructure and application base. These assessments analyzed DO applications and workloads to determine their cloud suitability. Factors considered included:

- 1) Suitability for migration to a cloud environment (i.e. whether the workload is elastic or if its migration presents any security concerns)
- 2) Readiness to move to the cloud (i.e. understanding whether any remediation is required prior to migration), and
- 3) Level of complexity (i.e. criticality of the business processes supported)

If these servers are allowed to reach end of life, key IT infrastructure responsible for housing the data of vital programs used by every DO employee (e.g., email and virtual desktops), as well as data for critical national security programs, will be put at risk of failure or breach.

IT Modernization +\$7,484,000 / +0 FTE

This funding represents DO SE's portion of a larger project to modernize critical equipment and software that supports the DO workforce's fundamental IT needs. This request would restore DO IT through key investments, including:

- 1) *End user equipment refreshes and enhancements to support a sustained telework posture.* Many end user computing devices have reached the end of their useful life and require lifecycle replacement. Without a meaningful refresh, end user devices will fail, which will have an impact on staff productivity and ultimately impact Treasury's ability to deliver on its mission.
- 2) *Redesign of Treasury's intranet to improve user experience, site navigation, search capabilities and information architecture.* DO has identified challenges with the current construct which impair users' ability to find the information that they are looking for in a quick and easy way. DO intends to re-design and continuously improve its intranet to improve its usability, including by functionalities to accelerate actions and reduce complexity which are projected to decrease the time to initiate actions by >20 percent while having a correlating productivity impact.
- 3) *Modernization of legacy applications/enhancement of existing applications.* DO has a definitive need to retire legacy applications built on aged technologies to reduce

cybersecurity risk, standardize low-code platform adoption, and realize operational efficiencies through common systems. DO has identified technology gaps and business process automation opportunities which will be prioritized for modernization to shift staff focus from low to high value work.

- 4) *Migration to managed remote access and remote desktop.* DO’s current remote access and virtual desktop infrastructure were designed a decade ago and were intended to support traveling staff as well as a small number of episodic telecommuters. While hardware has been occasionally refreshed over the years, the underlying architecture has not changed over the past decade. A migration to a managed remote access and virtual desktop infrastructure will provide DO with added resiliency, demand elasticity, and scalability which does not exist in our current posture.

Electric Vehicles and Associated Infrastructure +\$304,000 / +0 FTE

Following the lead from Executive Order (E.O.) 14008, “Tackling the Climate Crises at Home and Abroad”, the U.S. Department of the Treasury joins in the Administration’s priority to develop a comprehensive plan to create good jobs and stimulate clean energy industries by revitalizing the Federal Government’s sustainability efforts. This includes Treasury’s commitment to use all available procurement authorities to augment its Department-wide fleet management program with a continued focus on the purchase and/or leasing of electric vehicles (EV) and its essential infrastructure. The planned resources will help Treasury comply with the requirements set forth by E.O. 14008 and reduce the carbon footprint of emissions into the atmosphere by acquiring an updated fleet of zero-emissions vehicles that can support mission operations.

Legislative Proposals

Departmental Offices Salaries and Expenses has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
		Actual	Actual	Actual	Target	Target
International Affairs and Economic Policy	OTA - Program Engagement	3.8	3.8	3.3	3.6	3.6
Treasury-wide Management and Programs	Treasury-wide Leaders Lead Index of the Federal Employee Viewpoint Survey (FEVS)	56	58	65	65	67
Treasury-wide Management and Programs	Percent of Procurement Dollars Spent on Small Business	42.63	40.4	46.14	36	40

Description of Performance

Office of Technical Assistance (OTA) Program Engagement (Traction):

Measures the degree to which foreign counterparts are engaging proactively and constructively with OTA advisors, at the working and policy levels. Counterpart engagement is both a key outcome of OTA efforts to structure and execute effective technical assistance projects that support host country ownership. The result for FY 2020 is 3.3, a reduction of 0.5 from the FY

2019 result and a reduction of 0.3 from the FY 2020 target of 3.6. This result reflects the challenges of achieving and maintaining traction with foreign counterparts during the COVID-19 pandemic, which forced OTA to provide assistance remotely, instead of engaging with counterparts in-person per OTA's typical approach for providing technical assistance.

Treasury-wide "Leaders Lead" Index of Federal Employee Viewpoint Survey (FEVS):

Treasury set the goal to increase the "Leaders Lead" index above FY 2019 results. Treasury's score for the Leaders Lead Index increased from 58 percent in FY 2019 to 65 percent in FY 2020, reaching the OPM established 65 percent benchmark for an organizational strength. Treasury's score in FY 2020 exceeded the government-wide average by 3 and the average score for very large agencies by 4 percent. Targets are 65 percent for FY 2021 and 67 percent for FY 2022.

Percentage of Procurement Dollars Spent on Small Business:

Based on preliminary data in FY 2020, Treasury met or exceeded four out of five small business prime contracting goals. Treasury did not meet its Historically Under-utilized Zone (HUBZone) small business goal. Treasury did not meet four out of five small business subcontracting goals. All Treasury bureaus were included in the Small Business Goaling Report, with no exclusions. The FY 2020 overall small business goal in FY 2020 was set for 39.0 percent, and Treasury exceeded the goal at 46.14 percent. The FY 2021 small business goal is set at 36 percent and the tentative target for FY 2022 is 40 percent. One overarching challenge in FY 2020 to meet the HUBZone small business goal was that Treasury had competing priorities: 1) OMB's directive to utilize Category Management principles and Best-in-Class (BIC) contracts to leverage existing government-wide contracting vehicles, where there is a lack of sufficient HUBZone small business firms available for use, and 2) the COVID-19 pandemic contracting response, where there are not enough HUBZone small businesses with capabilities that meet the COVID-19 requirements. Particularly noteworthy is that Treasury far exceeded the small business contracting goals for the following socioeconomic groups:

- Small and Disadvantaged Business – goal 5.0 percent, achieved 8.9 percent;
- Women Owned Small Business – goal 5.0 percent, achieved 9.1 percent; and
- Service-Disabled Veteran Owned Small Business – goal 3.0 percent, achieved 3.2 percent.

Treasury did not meet the small business contracting goal for the following socioeconomic group:

- Historically Under-utilized Zone (HUBZone) Small Business – goal 3.0 percent, achieved 2.5 percent.