Overview

Mission Statement

To borrow the money needed to operate the federal government, account for the resulting debt and provide reimbursable support services to federal agencies.

Program Summary by Budget Activity

Dollars in Thousands

Appropriation	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request	Change FY10 to FY12 $ Change	% Change
Wholesale Securities Services	$24,396	$25,049	$23,120	($1,276)	(5.2%)
Government Agency Investment Services	$18,013	$16,706	$15,419	($2,594)	(14.4%)
Retail Securities Services	$139,569	$140,915	$116,260	($23,309)	(16.7%)
Summary Debt Accounting	$10,266	$9,574	$8,836	($1,430)	(13.9%)
Do Not Pay Implementation	$0	$0	$10,000	$10,000	100.0%
Total Appropriated Resources	**$192,244**	**$192,244**	**$173,635**	**($18,609)**	**(9.7%)**
Total FTE	**1,042**	**1,042**	**987**	**(55)**	**(5.3%)**

Total Appropriated Resources for FY 2010 and FY 2011 include $10,000,000 in projected user fee collections.
Total Appropriated Resources for FY 2012 include $8,000,000 in projected user fee collections.

FY 2012 Priorities

- Protect and strengthen Treasury's borrowing capabilities.
- Enhance, when appropriate, government securities market regulation, while maintaining market liquidity and efficiency.
- Eliminate new issues of over-the-counter paper savings bonds.
- With the elimination of new issues of paper savings bonds, position Treasury to provide other simple, safe, and affordable ways for Americans to save.
- Deliver a high-quality retail customer experience through traditional and emerging technologies, opportunities for self-service, and easy-to-use communication channels.
- Continually demonstrate accounting excellence by producing daily financial statements and receiving unqualified opinions on the annual audits of the *Schedules of Federal Debt*.
- Gain efficiencies and strengthen controls by reducing the number of common business processes that serve federal investments, special purpose securities and federal borrowings from eight to six.
- Consolidate data centers across the Financial Management Service and Public Debt.
- Continue to adopt technological advances to ensure Public Debt's various information technology systems remain secure.
- Expand the Do Not Pay List and enhance analytical capabilities to support agency detection of fraud patterns and reduce improper payments.

Table of Contents

Section 1 – Purpose

1A – Description of Bureau Vision and Priorities

The Bureau of the Public Debt's (Public Debt) vision is to lead the way for responsible, effective government through commitment to service, efficient operations, openness to change and values-based behavior. In carrying out its mission and vision, Public Debt annually auctions and issues more than $8 trillion in Treasury bills, notes, bonds and Treasury Inflation-Protected Securities (TIPS); administers on Treasury's behalf its regulatory responsibilities for the government securities market; ensures reliable systems and processes are in place for issuing, transferring, paying interest on and redeeming Treasury securities; issues and redeems about 50 million paper savings bonds each year; administers in excess of $4 trillion in investments for more than 230 federal trust funds; and provides timely and accurate information on the public debt.

In support of Treasury's strategic outcome of government financing at the lowest possible cost over time, Public Debt's top priority is to guarantee operational readiness to meet the government's critical financing needs by ensuring the most efficient systems are in place to conduct borrowing operations and deliver securities services to investors. To that end, the bureau continues to enhance its auction process. The Treasury Automated Auction Processing System (TAAPS) provides simple bid-entry, quick and easy access to data and superior reliability and security.

A major operational initiative for Public Debt is to consolidate all Government Agency Investment Services (GAIS) functions into a single integrated control environment by FY 2012. This will result in lower operational risks, stronger internal controls, more timely and accurate data and standardized system, business and data elements. To date, the federal investments, federal borrowings and Special Purpose Securities functions are operating from the same automated platform.

Public Debt will stop the issuance of paper savings bonds sold over-the-counter at financial institutions no later than December 31, 2011 as part of the overall Paperless Treasury initiative. This also supports the Department's High Priority Performance Goal to significantly increase the number of paperless transactions with the public. The strategy to accomplish Public Debt's portion of the goal centers on TreasuryDirect and electronic bonds, which are more efficient to issue and service over the long term than paper savings bonds. Public Debt will enhance its system and processes to attract investors to TreasuryDirect as their preferred way to buy and hold savings bonds.

In placing a high priority on delivering a high-quality customer experience, Public Debt plans to implement a business and technical architecture for customer service known as Treasury Retail E-Services (TRES). TRES is an initiative to provide Public Debt and the consolidated Treasury Retail Securities (TRS) site with a fully integrated view of customer interactions that will allow customer service representatives to quickly identify customers and evaluate their needs.

In support of Treasury's sustainability program, Public Debt developed a strategy that will incorporate all areas within the sustainability efficiency goals, including greenhouse gas emissions, increased energy efficiency and high performance sustainable design. By FY 2020, Public Debt has set a goal of reducing greenhouse gas emissions by 33 percent from FY 2008 levels. Public Debt's FY 2012 budget includes projects that increase the overall efficiency of its data center operations by lowering energy levels and greenhouse gas emissions. In addition, energy initiatives for Public Debt facilities, such as replacing constant speed motors with variable frequency drive motors and water conservation projects, are also under consideration.

Another priority receiving attention at Public Debt is telework. The current program is undergoing significant changes. Only a small number of employees currently participate in telework and the degree to which those employees work from home is minimal. Policy and process changes will be implemented to increase participation and improve the quality of the program. A greater variety of telework schedules will be offered based on job duties and needs.

By expanding the use of telework, Public Debt will gain several advantages including increased employee morale and satisfaction and a greater ability to operate during an emergency or other office closure. In addition, Public Debt hopes to avoid the costs associated with increased space requirements. Under consideration is the concept that teleworkers on expanded or full schedules will not have dedicated workstations, thus reducing the amount of space needed.

Overall, the total resources required to support Public Debt activities in FY 2012 are $198,035,000, including $173,635,000 from direct appropriations, of which $8,000,000 are user fees, and $24,400,000 are from offsetting collections.

With its resources, Public Debt:

- Conducts more than 290 marketable securities auctions annually, resulting in the issuance of approximately $8.5 trillion in Treasury bills, notes, bonds and TIPS;
- Administers 233 funds in excess of $4 trillion in Government Account Series investments, which amounts to approximately 37 percent of the public debt;
- Manages some 5,000 active SLGS securities accounts valued at nearly $195 billion;
- Serves more than 50 million retail customers holding marketable and savings securities, including over 300,000 funded investor accounts in the internet-accessed TreasuryDirect system;
- Accounts for and reports on $972 billion in federal agency borrowings from Treasury in 86 funds;
- Accounts for and reports on the balance and composition of more than $13 trillion in public debt, the single largest liability on the federal government’s balance sheet, and reconciles more than $107 trillion annually in securities transactions reported from numerous systems to cash flowing in and out of the federal government each year; and
- Receives unqualified audit opinions on the *Schedules of Federal Debt* annually.

1B – Program History and Future Outlook

Public Debt continues to enhance the mechanisms for participation by a wide range of investors in its wholesale, government agency investment services and retail programs.

Over the years, the bureau has dramatically reduced the time required to complete marketable securities auctions. Results are consistently released within two minutes, plus or minus 30 seconds, of the closing of the competitive auction. In addition, non-competitive results are released 15 minutes prior to competitive close. Treasury has effectively reduced the time that bidders are exposed to market risk or adverse market movements by consistently releasing flawless auction results within the two minute window.

TAAPS fully automates the announcement, auction, and issuance of marketable securities. At the same time, TAAPS provides speed and flexibility to Treasury debt managers in bringing new types of securities to market (e.g., the 30-year TIPS bond) and implementing policy changes in a timely manner. By eliminating manual processes, the system supports error-free auction results and greatly reduces operational risk. Public Debt continues to upgrade TAAPS to keep pace with changes in technology and security requirements.

By reducing the number of common business processes, Public Debt continues its commitment to provide efficient mechanisms for federal investments, special purpose securities and federal borrowings. Common business processes supporting GAIS are funds management, investment accounting, standard reporting, customer interface, enhanced reporting and account maintenance.

Public Debt will provide its customers with the assistance they need to manage their federal investments, special purpose securities and federal borrowings effectively and efficiently as possible. One of the ways this will be accomplished is through education, periodic seminars and orientation for new customers to ensure they understand and can take full advantage of Public Debt's systems and services.

Additionally, when Treasury introduces new instruments or changes existing instruments available for federal agency investment, Public Debt will assist its customer agencies in understanding these changes. As new legislation is enacted or business processes change, the bureau will support federal agencies' implementation of these modifications.

Public Debt will also support Treasury's initiative to standardize legislation for all new investment funds by actively promoting Treasury's preferred language to drafters of proposed investment legislation. This effort will eliminate operational challenges when legislation establishing investment authority for a new fund is vague or inconsistent.

The retail program supports Treasury's High Priority Performance Goal to significantly increase the number of paperless transactions with the public by ending the sale of paper savings bonds through employer-sponsored payroll savings plans by January 1, 2011 and eliminating new issues of paper savings bonds sold over-the-counter financial institutions. This will virtually eliminate new issues of paper savings bonds. Public Debt will encourage investors to use TreasuryDirect as their preferred way of buying and holding savings bonds.

Delivering a high-quality customer experience through efficient and effective processes remains a key goal for the retail program. In FY 2012, Public Debt will streamline how it processes customer service correspondence (i.e., printed forms and letters) by centralizing print and mail functions and by using intelligent barcodes. At the same time, using intelligent barcodes along with existing scanning capabilities will create efficiencies in routing correspondence returned by customers to appropriate service representatives. Public Debt will also enhance its telephone access and interactive voice response architecture.

The retail program also strives to efficiently maintain Public Debt's legacy retail systems. In the next few years, the Federal Reserve will move away from mainframe application hosting. To avoid substantial hosting costs, Public Debt will decommission its Legacy Treasury Direct application, and it will no longer exist in its current mainframe environment. Public Debt will implement a solution that makes technical as well as business and financial sense.

Public Debt continues to work to improve the clarity, usefulness and availability of federal debt information. The bureau will work to modernize its system used for public debt accounting by migrating common financial information to a shared service solution and continuing to define requirements to reengineer business processes that best support the needs of the Summary Debt Accounting program. This approach will offer many benefits in terms of a faster migration of new or modified functionality and reduced operational risks, while standardizing system, business and data elements.

Although not supported by appropriated funding, Public Debt’s franchise program represents a significant part of the business and staff resources of the organization. As a recognized Shared Service Provider (SSP) in several business lines, the Administrative Resource Center (ARC) provides financial management, administrative support and information technology services to federal agencies, generating revenue to pay all organizational expenses. Because of the quality of the services provided, the depth and breadth of services provided to customers has grown. The vision of allowing agencies to focus on mission-related activities, while gaining efficiencies and increasing standardization through the use of SSPs is being realized. During FY 2011, ARC expects to use 1,012 FTE to service more than 70 customers and generate $165 million in offsetting collections. In FY 2012, ARC projects offsetting collections of $245 million.

Section 2 – Budget Adjustments and Appropriation Language

2.1 – Budget Adjustments Table

Dollars in Thousands

Bureau of the Public Debt	FTE	Amount
FY 2010 Enacted	**1,042**	**$192,244**
FY 2011 Annualized CR Level	**1,042**	**$192,244**
Changes to Base:		
Adjustment to Reach Policy Level:	(33)	($7,458)
Adjustment to Reach FY 2011 President's Policy	(33)	($7,458)
Maintaining Current Levels (MCLs):	-	$1,234
Maintaining Current Levels	-	$1,234
Efficiencies, Savings & Base Reductions:	(42)	($20,385)
Eliminate Paper Savings Bonds Sold Over-the-Counter at Financial Institutions no later than December 31, 2011	-	($6,451)
Eliminate new issues of paper payroll savings bonds by 1/1/2011	(12)	($5,700)
Program and Support Services Efficiencies	(18)	($5,464)
Data Centers Consolidation	-	($470)
Decommission Legacy Treasury Direct System	(12)	($1,650)
Procurement Savings	-	($650)
Subtotal FY 2012 Changes to Base	(75)	($26,609)
Total FY 2012 Base	**967**	**$165,635**
Program Changes:		
Program Decreases:	-	($2,000)
Reduction to Systems Modernization Fund	-	($2,000)
Program Increases:	20	$10,000
Do Not Pay Implementation	20	$10,000
Subtotal FY 2012 Program Changes	20	$8,000
Total FY 2012 Request	**987**	**$173,635**
User Fees	-	($8,000)
Total FY 2012 Request (Net)	**987**	**$165,635**

2A – Budget Increases and Decreases Description

Adjustment to Reach Policy Level ....-$7,458,000 / -33 FTE

Adjustment to Reach FY 2011 President's Policy -$7,458,000 / -33 FTE

Adjustment from the FY 2011 Annualized Continuing Resolution (CR) Rate to reach the FY 2011 President's Policy Level. The President's Policy Level is equal to the FY 2011 President's Budget as adjusted for the proposed pay freeze.

Maintaining Current Levels (MCLs) ....+$1,234,000 / +0 FTE

Maintaining Current Levels +$1,234,000 / +0 FTE

Funds are requested for inflation adjustments in non-labor expenses such as GSA rent, postage, supplies and equipment and health benefits and the increase in Federal Employee Retirement System participation. No inflation adjustment is requested for pay in FY 2012.

Efficiencies, Savings & Base Reductions ....-$20,385,000 / -42 FTE

Eliminate Paper Savings Bonds Sold Over-the-Counter at Financial Institutions no later than December 31, 2011 -$6,451,000 / +0 FTE

Eliminate new issues of paper savings bonds. Savings of agent fees, postage and printing by eliminating new issues of over-the-counter paper savings bonds.

<u>Eliminate new issues of paper payroll savings bonds by 1/1/2011 -$5,700,000 / -12 FTE</u>
Savings of agent fees, postage and printing by eliminating new issues of paper payroll savings bonds and FTE savings from a decline in customer service transactions after new issues of paper payroll bonds are eliminated.

<u>Program and Support Services Efficiencies -$5,464,000 / -18 FTE</u>
Savings realized from reductions in funded positions across all Public Debt programs and in administrative and IT support services. In addition, to increase operational efficiencies and reduce operating expenses, Public Debt will centralize its printing, duplicating and scanning activities.

<u>Data Centers Consolidation -$470,000 / +0 FTE</u>
Public Debt, along with the Financial Management Service, will consolidate five data centers to two, which will produce savings due to reductions in energy consumption, equipment, software, and staff.

<u>Decommission Legacy Treasury Direct System -$1,650,000 / -12 FTE</u>
Established in 1986, Legacy Treasury Direct allows marketable securities investors to do business by mail and, to a certain extent, through an automated phone system or online. Now that marketable securities are available in TreasuryDirect, an online account system, Public Debt can decommission the aging Legacy system.

<u>Procurement Savings -$650,000 / +0 FTE</u>
Cost savings by streamlining procurement operations and reducing procurement spending.

Program Decreases .... -$2,000,000 / +0 FTE
<u>Reduction to Systems Modernization Fund -$2,000,000 / +0 FTE</u>
Savings due to elimination of BPD's Systems Modernization fund.

Program Increases .... +$10,000,000 / +20 FTE
<u>Do Not Pay Implementation +$10,000,000 / +20 FTE</u>
Expand the Do Not Pay Portal and increase analytical capabilities to detect fraud patterns and reduce improper payments.

Adjustments to Request User Fee .... -$8,000,000 / +0 FTE
<u>User Fees -$8,000,000 / +0 FTE</u>
Public Debt projects that in FY 2012 there will be fewer users of the Legacy Treasury Direct system who are subject to the annual account maintenance fee. Account holders with balances over $100,000 (par value) are charged an annual account maintenance fee of $100.

2.2 – Operating Levels Table

Dollars in Thousands

Bureau of the Public Debt	FY 2010 Enacted	FY 2011 Annualized CR Level	Proposed Reprogram mings	FY 2011 Proposed Operating Level	FY 2012 Request
FTE	**1,042**	**1,042**	**-**	**1,042**	**987**
Object Classification					
11.1 - Full-time permanent	$71,974	$65,981	$0	$65,981	$64,595
11.3 - Other than full-time permanent	$525	$533	$0	$533	$533
11.5 - Other personnel compensation	$2,474	$2,151	$0	$2,151	$2,151
11.8 - Special personal services payments	$0	$32,956	$0	$32,956	$32,956
12 - Personnel benefits	$18,874	$19,984	$0	$19,984	$19,950
13 - Benefits for former personnel	$40	$30	$0	$30	$30
21 - Travel and transportation of persons	$1,278	$1,017	$0	$1,017	$1,132
22 - Transportation of things	$79	$86	$0	$86	$91
23.1 - Rental payments to GSA	$10,605	$9,452	$0	$9,452	$15,299
23.2 - Rental payments to others	$7	$2	$0	$2	$2
23.3 - Communication, utilities, and misc charges	$9,946	$10,010	$0	$10,010	$4,952
24 - Printing and reproduction	$1,508	$1,859	$0	$1,859	$935
25.1 - Advisory and assistance services	$94	$95	$0	$95	$1,987
25.2 - Other services	$15,153	$15,332	$0	$15,332	$11,844
25.3 - Other purchases of goods and services from Govt. accounts	$55,941	$28,609	$0	$28,609	$13,417
25.4 - Operation and maintenance of facilities	$979	$991	$0	$991	$896
25.6 - Medical care	$15	$15	$0	$15	$13
25.7 - Operation and maintenance of equip	$355	$360	$0	$360	$265
26 - Supplies and materials	$1,683	$1,818	$0	$1,818	$1,757
31 - Equipment	$576	$813	$0	$813	$687
32 - Land and structures	$138	$148	$0	$148	$143
42 - Insurance claims and indemnities	$0	$2	$0	$2	$0
Total Budget Authority	**$192,244**	**$192,244**	**$0**	**$192,244**	**$173,635**
Budget Activities					
Wholesale Securities Services	$24,396	$25,049	$0	$25,049	$23,120
Government Agency Investment Services	$18,013	$16,706	$0	$16,706	$15,419
Retail Securities Services	$139,569	$140,915	$0	$140,915	$116,260
Summary Debt Accounting	$10,266	$9,574	$0	$9,574	$8,836
Do Not Pay Implementation	$0	$0	$0	$0	$10,000
Total Budget Authority	**$192,244**	**$192,244**	**$0**	**$192,244**	**$173,635**

2.3 – Appropriations Detail Table

Dollars in Thousands

Resources Available for Obligation	FY 2010 Obligations		FY 2010 Enacted		FY 2011 Annualized CR Level		FY 2012 Request		% Change FY 2010 to FY 2012	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
New Appropriated Resources:										
Wholesale Securities Services	133	$24,912	132	$24,396	136	$25,049	129	$23,120	-2.27%	-5.23%
Government Agency Investment Services	91	17,058	98	18,013	91	16,706	86	15,419	-12.24%	-14.40%
Retail Securities Services	680	127,940	756	139,569	763	140,915	703	116,260	-7.01%	-16.70%
Summary Debt Accounting	52	9,832	56	10,266	52	9,574	49	8,836	-12.50%	-13.93%
Do Not Pay Implementation							20	10,000	100.00%	100.00%
Subtotal New Appropriated Resources	**956**	**$179,742**	**1,042**	**$192,244**	**1,042**	**$192,244**	**987**	**$173,635**	**-5.28%**	**-9.68%**
Other Resources:										
Offsetting Collections - Reimbursable		21,425		21,425		20,815		24,400	0.00%	13.89%
User Fees		6,441								
Available multi-year/no-year funds		968		2,988		4,000				
Subtotal Other Resources	**0**	**$28,834**	**0**	**$24,413**	**0**	**$24,815**	**0**	**$24,400**	**0.00%**	**-0.05%**
Total Resources Available for Obligation	**956**	**$208,576**	**1,042**	**$216,657**	**1,042**	**$217,059**	**987**	**$198,035**	**-5.28%**	**-8.60%**

New Appropriated Resources for FY 2010 and FY 2011 include $10,000,000 in projected user fee collections.
New Appropriated Resources for FY 2012 include $8,000,000 in projected user fee collections.

2B – Appropriations Language and Explanation of Changes

Appropriations Language	Explanation of Changes
DEPARTMENT OF THE TREASURY BUREAU OF THE PUBLIC DEBT Federal Funds *Administering the Public Debt* *For necessary expenses connected with any public-debt issues of the United States, $173,635,000, of which not to exceed $2,500 shall be available for official reception and representation expenses, and of which $10,000,000 shall remain available until September 30, 2014, for the Do Not Pay portal initiative: Provided, That the sum appropriated herein from the general fund for fiscal year 2012 shall be reduced by not more than $8,000,000 as definitive security issue fees and Legacy Treasury Direct Investor Account Maintenance fees are collected, so as to result in a final fiscal year 2012 appropriation from the general fund estimated at $165,635,000. In addition, $165,000 to be derived from the Oil Spill Liability Trust Fund to reimburse the Bureau for administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101-380.*	

2B – Permanent, Indefinite Appropriations

Reimbursements to the Federal Reserve Banks

Public Law 101-509, 104 Stat. 1389, 1394 (1990), established a permanent indefinite appropriation to pay such sums as necessary to reimburse the Federal Reserve Banks for acting as fiscal agents. A permanent indefinite account was established in FY 1992. Claims for reimbursements are closely monitored for compliance with the Instructions for Filing Reimbursement Claims for Fiscal Agency Services Provided to the Bureau of the Public Debt (current edition). Funding for FY 2012 is estimated at $126,100,000.

Government Losses in Shipment

Public Law 103-329 established a permanent indefinite appropriation to pay such sums as necessary to make payments for the replacement of valuables, or the value thereof, lost, destroyed, or damaged in the course of United States government shipments. The Government Losses in Shipment Act was approved July 8, 1937, to dispense with the necessity for insurance by the government against loss or damage to valuables in shipment and for other purposes. The Act was amended in 1943 to cover losses resulting from the redemption of savings bonds (for example, stolen bonds which were fraudulently negotiated even though the paying agent followed identification guidelines established by the Treasury). All authority of the Treasury under the Act has been delegated to the Commissioner of the Bureau of the Public Debt. In FY 2012, the funding estimated to support payments for the replacement of valuables is $800,000.

2C – Legislative Proposals

Public Debt has no legislative proposals for FY 2012.

Section 3 – Budget and Performance Plan

This table lists all FY 2012 resources by strategic goal, objective and outcome outlined in the FY 2007-2012 Treasury Department Strategic Plan. The Treasury Strategic Plan provides a description of what the agency intends to accomplish over the next five years.
For detailed information about the FY 2007-2012 Treasury Strategic Plan, please go to: http://www.treas.gov/offices/management/budget/strategic-plan/

3.1 – Budget by Strategic Outcome

Dollars in Thousands

Treasury Strategic Outcome	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request	% Change FY10 to FY12
Accurate, timely, useful, transparent and accessible financial information	11,410	10,611	10,052	-11.90%
Government financing at the lowest possible cost over time	202,259	202,448	187,983	-7.06%
Total	**$213,669**	**$213,059**	**$198,035**	**-7.32%**

FY 2010 and FY 2011 total includes $10,000,000 in projected user fee collections.
FY 2012 total includes $8,000,000 in projected user fee collections.

3A - Wholesale Securities Services *($23,120,000 from direct appropriations, and $3,179,000 from reimbursable programs):* The Wholesale Securities Services (WSS) program is responsible for the announcement, auction, issuance and settlement of marketable Treasury bills, notes, bonds and TIPS. In FY 2010, Public Debt conducted more than 290 auctions resulting in the issuance of more than $8 trillion in marketable securities. WSS also oversees that portion of the Fedwire Securities Services infrastructure that provides for the transfer, custody and redemption of all Treasury marketable securities, which are purchased mostly by commercial market participants.

As one of the federal government's Primary Mission Essential Functions, Wholesale Securities Services ensures communications, systems, processes and contingency plans provide for high level performance and business continuity for wholesale auction operations. The program is an essential function which enables the federal government to finance government operations and programs, including the Financial Stability Plan.

In February 2010, Public Debt resumed debt issuance for the Federal Reserve's Supplementary Financing Program (SFP), to restore the balance to levels maintained between February and September 2009. The SFP is one of the programs developed in the midst of the economic disruption of 2008. Designed to support Federal Reserve initiatives to address liquidity pressures in the financial market, the program consists of a series of Treasury bills, in addition to Treasury's borrowing program.

Another major component of this program is the commercial book entry system, which holds approximately $7.2 trillion, or 99 percent, of Treasury marketable securities. Treasury uses this system to issue most of its marketable debt, make principal and interest payments and support the active secondary market in Treasury securities. It is estimated that about $1 trillion per day in Treasury securities are transferred among account holders in the commercial book-entry system.

On behalf of Treasury, Public Debt administers regulations that provide investor protection and maintain the integrity, liquidity and efficiency of the secondary market for government securities under the Government Securities Act of 1986, as amended. Public Debt also administers Treasury's auction and buyback regulations, and monitors for compliance with Treasury's auction rules. As part of this program, the bureau identifies collateral that can be pledged to the federal government to secure public monies on deposit at financial institutions and ensure that this collateral is valued appropriately.

Public Debt also evaluates its business processes for ways to enhance reporting capabilities, strengthen system security and contingency plans that are aimed at mitigating risk for the Treasury and its auction participants. Such safeguards effectively guarantee continuous operational readiness in order to meet its primary objective of borrowing at the lowest cost over time. Treasury will continue to seek opportunities in U.S. and global markets, to better serve holders of its securities and share information to further the understanding of the Treasury auction process, debt financing policies and securities.

Other Resources:
Reimbursements totaling $3,179,000 are allocated to this program for providing administrative support to Public Debt's franchise operation.

3.2.1 Wholesale Securities Services Budget and Performance Plan

Wholesale Securities Services Budget Activity

Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	$21,350	$23,444	$24,396	$25,049	$23,120
Reimbursable Resources	$1,494	$2,821	$2,719	$2,712	$3,179
Total Resources	**$22,844**	**$26,265**	**$27,115**	**$27,761**	**$26,299**
Budget Activity Total	**$22,844**	**$26,265**	**$27,115**	**$27,761**	**$26,299**

Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
Cost Per Debt Financing Operation ($) (E)	220,732	170,214	162,378	161,726	172,979
Percent of Auction Results Released in Two Minutes +/- 30 Seconds (%) (Oe)	100.0	100.0	100.0	100.0	100.0
Percent of Primary Dealers that submit live bids from their disaster recovery site on two separate auction dates (%) (Ot)	N/A	N/A	78.0	70.0	90.0

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline

Description of Performance: The cost per debt financing operation is estimated at $161,726 in FY 2011 and $172,979 in FY 2012. For FY 2012, the new calculation of the cost per item is based upon a five-year rolling average volume to limit exogenous factors impacting this measure and establish more meaningful reporting. Cost increases in the cost per debt financing operation are primarily due to scheduled upgrades to the TAAPS system to keep pace with changes in technology that will ensure financing operations are conducted timely and with 100 percent accuracy and to improve the availability of auction-related data for Treasury's debt managers.

Public Debt continues to achieve its target of releasing auction results within two minutes, plus or minus 30 seconds, 100 percent of the time.

Public Debt has implemented a strategic plan with primary dealers for contingency auction processing. The plan outlines various operational tests and events that strengthen overall readiness to deal with contingencies and ensure the continuity of the auction process. In FY 2009, the bureau exceeded its target of 10 percent of all primary dealers participating in a live auction from their respective disaster recovery sites. To further improve performance, Public Debt developed a new long-term goal which states that 90 percent of primary dealers will submit live bids from their disaster recovery sites on two separate auction dates in FY 2012.

3B - Government Agency Investment Services *($15,419,000 from direct appropriations, and $2,121,000 from reimbursable programs):* The Government Agency Investment Services (GAIS) program includes the offering of specialized investments for government entities at the federal, state and local levels, as well as borrowings by federal agencies. This program consists of three distinct components: Federal Investments, Special Purpose Securities and Federal Borrowings.

The Federal Investments component includes issuing, servicing and redeeming Government Account Series securities for federal agencies that have specific statutory authority to invest. Federal agencies hold 233 trust and investment funds that total more than $4 trillion in investments, which is over one third of the total public debt outstanding. These special, nonmarketable Treasury securities include such items as the 18 trust funds in which the Secretary of the Treasury, designated by statute, is the managing trustee. Some of the more recognizable federal trust funds are the four Social Security and Medicare Funds, as well as the Unemployment and Highway Trust Funds.

Special Purpose Securities include issuing, servicing and redeeming a variety of special purpose securities including Treasury's State and Local Government Series (SLGS) securities, which offer a flexible investment alternative for state and local governments to refinance their outstanding, tax-exempt debt. At nearly $195 billion, the SLGS program is critical for the more than 5,000 state and local government entities that use these securities to help comply with provisions of the Internal Revenue Code.

Federal Borrowings accounts for and reports on the principal borrowings from and repayments to Treasury for 86 funds managed by other federal agencies, as well as the related interest due to Treasury. These agencies are statutorily authorized to borrow from Treasury to make loans for a broad range of purposes, such as education, housing, farming and small business support. The funds hold approximately $972 billion in loans and loan guarantees.

Public Debt's services in the GAIS program directly help customers produce timely and accurate financial information contributing to the reliability and usefulness of the government-wide financial statements. Instant access to account information has significantly simplified reconciliation and audit confirmation efforts across the country and assisted SLGS purchasers in complying with Internal Revenue Service requirements related to the issuance of tax-exempt securities.

Other Resources:
Reimbursements totaling $2,121,000 are allocated to this program for providing administrative support to Public Debt's franchise operation.

3.2.2 Government Agency Investment Services Budget and Performance Plan

Government Agency Investment Services Budget Activity					
Resource Level	**FY 2008 Obligated**	**FY 2009 Obligated**	**FY 2010 Enacted**	**FY 2011 Annualized CR Level**	**FY 2012 Request**
Appropriated Resources	$15,445	$17,702	$18,013	$16,706	$15,419
Reimbursable Resources	$4,279	$2,130	$2,008	$1,809	$2,121
Total Resources	**$19,724**	**$19,832**	**$20,021**	**$18,515**	**$17,540**
Budget Activity Total	**$19,724**	**$19,832**	**$20,021**	**$18,515**	**$17,540**

Measure	**FY 2008 Actual**	**FY 2009 Actual**	**FY 2010 Actual**	**FY 2011 Target**	**FY 2012 Target**
Cost Per Government Agency Investment Services Transaction ($) (E)	64.98	41.71	82.08	86.18	33.31
Number of Government Agency Investment Services Control Processes Consolidated (Oe)	2.0	0.0	5.0	0.0	2.0
Percent of Respondents Selecting the Highest Rating of Customer Satisfaction with Government Agency Investment Services (%) (Oe)	N/A	N/A	55.0	56.0	57.0

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline

Description of Performance: Public Debt established a long-term goal to reduce the number of systems used to support GAIS. This will streamline the diversity of technology and allow the bureau to consolidate and standardize internal controls over GAIS processes. The control environment originally consisted of 18 processes in 2006 that will be transformed into six standardized processes by FY 2012. The six processes include funds management, investment accounting, standard reporting, customer interface, enhanced reporting and account maintenance. Consolidating the systems that house GAIS data into a single, integrated control environment now provides one location for all investment activities, which will reduce operational risks, while standardizing system, business and data elements. In FY 2012, the eight remaining processes will be reduced to six standardized processes.

The cost per GAIS transaction was projected to be $86.18 for FY 2011. For FY 2012, the calculation of the cost per item volumes will change to a summary level indicator that better presents all of Government Agency Investment Services and is based upon a five- year rolling average volume. This new measure is a direct result of the GAIS program recognizing the benefit of streamlining and standardizing common business processes for all components of the proposed measure. Even though Federal Funds Investments is the largest component of GAIS, from a "unified" program perspective, it is more meaningful to the program managers to include all components of GAIS into the reported cost per item calculation. The new consolidated GAIS cost per transaction for FY 2012 is $33.31.

Public Debt established a goal to provide high quality customer satisfaction for GAIS.
In FY 2010, the bureau conducted an initial customer survey to focus on program and system satisfaction, set a baseline, and identified opportunities for improvement in the future. This GAIS measurement supports an objective to provide quality customer service, transaction processing, and accurate and timely payments to investors.

3C - Retail Securities Services *($116,260,000 from direct appropriations, including $8,000,000 from user fee collections, and $17,884,000 from reimbursable programs):* Public Debt's Retail Securities program serves more than 50 million retail customers who have invested in marketable and savings securities directly with Treasury. Investors may hold these securities in book-entry or paper form.

The retail program will eliminate new issues of paper savings bonds sold over-the-counter at financial institutions no later than December 31, 2011. By January 1, 2011, new issuance of paper payroll bonds will have ended. Public Debt will continue to encourage investors to move to TreasuryDirect as their preferred way of buying and holding savings bonds. Efforts to transition customers will be educational, such as financial literacy programs that target customers not yet accustomed to conducting financial transactions online.

In FY 2012, the retail program will continue focusing on delivering a high-quality customer experience. Public Debt will streamline how it processes customer service correspondence (i.e., printed forms and letters) by centralizing print and mail functions and by using intelligent barcodes. Centralized printing and mailing of outgoing correspondence will take advantage of postal presort rates. At the same time, using intelligent barcodes along with existing scanning capabilities will create efficiencies in routing correspondence returned by customers to appropriate service representatives. Public Debt will also enhance its telephone access and interactive voice response architecture. Through these changes, Public Debt will be able to respond to retail securities customers more quickly and thoroughly.

Other Resources:
Offsetting collections totaling $8,000,000 are collected for Legacy Treasury Direct Investor Account maintenance fees. In addition, $17,884,000 in reimbursements are allocated to this program for providing administrative support to Public Debt's franchise operation.

3.2.3 Retail Securities Services Budget and Performance Plan

Retail Securities Services Budget Activity

Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	$127,079	$127,909	$139,569	$140,915	$116,260
Reimbursable Resources	$9,006	$15,393	$15,554	$15,257	$17,884
Total Resources	**$136,085**	**$143,302**	**$155,123**	**$156,172**	**$134,144**
Budget Activity Total	**$136,085**	**$143,302**	**$155,123**	**$156,172**	**$134,144**

Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
Cost Per TreasuryDirect Assisted Transaction ($) (E)	8.19	8.72	8.23	7.95	6.86
Cost Per TreasuryDirect Online Transaction ($) (E)	4.34	5.21	6.12	5.46	4.16
Percentage of Retail Customer Service Transactions Completed within 5 Business Days (%) (Ot)	N/A	86.0	92.7	87.0	87.0

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline

Description of Performance: Although TreasuryDirect promotes investor self-sufficiency, there are times when assistance from a customer service representative is necessary. Representatives handle phone and email inquiries, offline authentication forms processing, conversions, changes in bank information and transactions requiring legal evidence. One of the performance measures of the retail program is the cost per TreasuryDirect assisted transaction, which is projected at $7.95 in FY 2011 and $6.86 in FY 2012.

In the internet-accessed TreasuryDirect system, investors can set up accounts, purchase electronic securities, and manage their holdings, without customer assistance. Since investors have self-service capability, Public Debt also tracks the cost of online transactions. The cost per TreasuryDirect online transaction is projected at $5.46 in FY 2011 and $4.16 in FY 2012.

The drop in the cost per transaction in FY 2012 for assisted and online transactions is a result of an increase in projected volumes as customers are expected to transition to TreasuryDirect from employer-sponsored paper savings bond payroll plans and from the Legacy Treasury Direct system.

Public Debt projects to complete 87 percent of time-sensitive retail customer service transactions within five business days in FY 2012. Transactions include answering phone and email inquiries, processing payments or changes to payment instructions, and handling TreasuryDirect requests. The goal will be achieved by continually streamlining work processes and increasing the volume of electronic business transactions.

3D - Summary Debt Accounting *($8,836,000 from direct appropriations, and $1,216,000 from reimbursable programs):* The Summary Debt Accounting program is key to meeting Public Debt's responsibility to annually account for more than $13 trillion of public debt and nearly $400 billion in related interest expense incurred to finance the operations of the federal government. This program provides the overarching control structure for dozens of subordinate securities systems and reconciles more than $107 trillion annually of securities transactions and related cash flows handled by these subsystems. These cash flows represent funds received from the sale of securities and funds disbursed as interest and principal payments.

The program produces daily reports on the balances and composition of the public debt, the *Monthly Statement of the Public Debt,* and the annual, audited *Schedules of Federal Debt*, which reports on the single largest liability in the annual *Financial Report of the United States Government.* For each year an audit has been conducted, Public Debt has received an unqualified opinion on the *Schedules of Federal Debt.*

Public Debt is currently engaging in a thorough reengineering of Summary Debt Accounting business processes. This effort will redefine many reporting requirements, responsibilities and informational needs, produce more consistent processes across the board, drive improvements in the subsidiary reporting systems and ultimately create greater efficiency within the debt accounting programs at the summary and subsidiary levels.

While the Public Debt Accounting and Reporting System currently accounts for the public debt of the United States, this investment is nearing the end of its useful life. In response, the bureau is seeking a shared-service solution to meet its current and future accounting responsibilities for the Summary Debt Accounting program. This approach offers many benefits including faster migrations of new or modified functionality and reduced operational risks.

Other Resources:
Reimbursements totaling $1,216,000 are allocated to this program for providing administrative support to Public Debt’s franchise operation.

3.2.4 Summary Debt Accounting Budget and Performance Plan

Summary Debt Accounting Budget Activity					
Resource Level	**FY 2008 Obligated**	**FY 2009 Obligated**	**FY 2010 Enacted**	**FY 2011 Annualized CR Level**	**FY 2012 Request**
Appropriated Resources	$6,793	$7,081	$10,266	$9,574	$8,836
Reimbursable Resources	$475	$852	$1,144	$1,037	$1,216
Total Resources	**$7,268**	**$7,933**	**$11,410**	**$10,611**	**$10,052**
Budget Activity Total	**$7,268**	**$7,933**	**$11,410**	**$10,611**	**$10,052**

Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
Cost Per Summary Debt Accounting Transaction ($) (E)	9.11	8.66	11.28	15.50	14.95
Percent of Summary Debt Accounting business processes restructured or eliminated (%) (Oe)	N/A	N/A	6.0	6.0	6.0

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline

Description of Performance: Public Debt tracks the cost per transaction of performing summary debt accounting, which includes reporting all financial activity related to the public debt of the United States. Issues, redemptions and interest payments on the public debt must be accounted for to calculate the amount of debt outstanding and interest paid. The bureau projects the cost per summary debt accounting transaction to be $15.50 in FY 2011 and $14.95 in FY 2012. For FY 2012, the calculation of the cost per item is based upon a five-year rolling average volume in order to limit exogenous factors impacting this measure and establish more meaningful reporting. The projected cost per summary debt accounting transaction is escalating over FY 2010 as a result of inflation, increased support charges and the development costs to redefine and modernize the Summary Debt Accounting environment.

Public Debt established a long term goal to migrate Summary Debt Accounting to a shared service solution by FY 2013. The measurement of this goal is the percent of Summary Debt Accounting business processes restructured or eliminated. In FY 2012, the bureau will restructure or eliminate six percent of the business processes that support Summary Debt Accounting.

3E - Do Not Pay Implementation *($10,000,000 from direct appropriations):* In June 2010, a Presidential Memorandum (*Enhancing Payment Accuracy Through a "Do Not Pay List"*) established the creation of a comprehensive Do Not Pay List against which agency payments could be cross-checked to prevent ineligible recipients from receiving payments from the federal government. To make this list more beneficial, VerifyPayment.Gov has been created to serve as a one-stop-shop for agencies. The Bureau of the Public Debt has been given responsibility for maintaining and expanding VerifyPayment.Gov. Additionally, Public Debt will work with the

Recovery Accountability and Transparency Board, to support an operations center to analyze fraud patterns and refer potential issues to agency management.

3.2.5 Do Not Pay Implementation Budget and Performance Plan

Do Not Pay Implementation Budget Activity

Resource Level	FY 2008 Obligated	FY 2009 Obligated	FY 2010 Enacted	FY 2011 Annualized CR Level	FY 2012 Request
Appropriated Resources	$0	$0	$0	$0	$10,000
Reimbursable Resources	$0	$0	$0	$0	$0
Total Resources	**$0**	**$0**	**$0**	**$0**	**$10,000**
Budget Activity Total	**$0**	**$0**	**$0**	**$0**	**$10,000**

Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
Performance Measures Not Yet Created	N/A	N/A	N/A	N/A	N/A

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline

For detailed information about each performance measure, including definition, verification and validation, please go to: http://www.treasury.gov/offices/management/dcfo/accountability-reports/

Section 4 – Supporting Materials

4A – Human Capital Strategy Description

Public Debt's employees are its greatest asset and investment in the workforce is crucial. The bureau is recognized throughout the local and surrounding communities as a values-based employer where candidates want to work and employees want to stay. According to the report, *Best Places to Work in the Federal Government 2010*, the bureau ranked 6thth out of 224 federal agencies subcomponents. Additionally, Public Debt has consistently improved its overall score in every *Best Places to Work in the Federal Government* survey over the last five years.

As a values-based organization, Public Debt understands the benefits telework provides for enhancing employee morale. Telework has the potential to increase employee productivity and provides employees an additional method for balancing work and home life. Moreover, it has the added benefits of increasing the recruitment of new employees, retaining the current workforce and potentially cutting down on employee absences.

To ensure essential business functions are maintained during office closures due to weather-related situations or other emergency events, telework will be integrated into continuity of operations plans as an alternative way of conducting business. Several offices are piloting telework on a trial basis to ensure functionality of systems in the event of a real-world disaster.

Public Debt moved to a performance-based management system for non-supervisory, non-bargaining unit employees at the end of December 2008. The new appraisal system is aligned with Public Debt's strategic and annual performance plans. In December 2009, the bureau successfully completed the bargaining process to move the remaining non-supervisory employees to the same system. The date to transition bargaining unit employees is pending.

The use of statistical analysis continues to be a crucial part of workforce planning and deployment. Through FY 2015, 37 percent of Public Debt's permanent employees will be eligible for optional retirement. Thanks to the bureau's standing as an employer of choice and the large pool of highly qualified candidates in the local community, Public Debt can address the anticipated retirements successfully.

A closer analysis of the retirement data reveals 62 percent of Senior Executive Services (SES) level employee will be eligible to retire during the same period. Public Debt's SES Candidate Development Program concluded in March 2010, at which time, candidates applied for SES certification. The candidates, once certified, will be eligible for noncompetitive appointments in the Senior Executive Service. By planning ahead, the bureau will be able to counteract the potential impact of future SES retirements.

4.1 – Summary of IT Resources Table

Dollars in Thousands

Information Technology Investments								
Major IT Investments / Funding Source	Budget Activity	Restated [2/] FY 2009 Enacted	Restated [2/] FY 2010 Enacted	% Change from FY09 to FY10	FY 2011 Annualized CR Level	% Change from FY10 to FY11	FY 2012 Request	% Change from FY10 to FY12
Government Agency Investment Services	**Government Agency Investment Services**	**$5,493**	**$3,759**	**-31.6%**	**$4,269**	**13.6%**	**$4,338**	**15.4%**
Summary Debt Accounting Services	**Summary Debt Accounting**	**$2,030**	**$2,091**	**3.0%**	**$5,537**	**164.8%** [3/]	**$5,721**	**173.6%**
Wholesale Securities Services	**Wholesale Securities Services**	**$31,725**	**$34,664**	**9.3%**	**$29,344**	**-15.3%**	**$29,152**	**-15.9%**
Subtotal: Administering the Public Debt		*$11,562*	*$12,252*	*6.0%*	*$6,520*	*-46.8%* [4/]	*$5,022*	*-59.0%* [4/]
Subtotal: Reimbursements to Federal Reserve Banks		*$20,163*	*$22,412*	*11.2%*	*$22,824*	*1.8%*	*$24,130*	*7.7%*
Retail Securities Services	**Retail Securities Services**	**$18,698**	**$19,108**	**2.2%**	**$57,518**	**201.0%**	**$59,082**	**209.2%**
Subtotal: Administering the Public Debt		*$18,698*	*$19,108*	*2.2%*	*$24,139*	*26.3%*	*$24,236*	*26.8%*
Subtotal: Reimbursements to Federal Reserve Banks		*$0*	*$0*	*0.0%*	*$33,379* [5/]	*100.0%*	*$34,846* [5/]	*100.0%*
Subtotal, Major IT Investments		**$57,946**	**$59,622**	**2.9%**	**$96,668**	**62.1%**	**$98,293**	**64.9%**
Non-Major IT Investments		**$1,784**	**$1,840**	**3.1%**	**$1,945**	**5.7%**	**$2,094**	**13.8%**
Infrastructure Investments		**$0**	**$0**	**0.0%**	**$0**	**0.0%**	**$0**	**0.0%**
Enterprise Architecture		**$0**	**$0**	**0.0%**	**$0**	**0.0%**	**$0**	**0.0%**
Total IT Investments		**$59,730**	**$61,462**	**2.9%**	**$98,613**	**60.4%**	**$100,387**	**63.3%**

1/ Crosswalk of Portfolio Changes:

Prior Year Submissions		2012 Submission
Government Agency Investment Services System (GAISS)	Renamed. . .	Government Agency Investment Services
Public Debt Accounting and Reporting System (PARS)	Renamed. . .	Summary Debt Accounting Services
SaBRe	Consolidated to . . .	Retail Securities Services
Treasury Automated Auction Processing System (TAAPS)	Renamed. . .	Wholesale Securities Services
TreasuryDirect	Consolidated to . . .	Retail Securities Services
Non-Majors IT Investments (Admin Support, Transaction Support, Program & Mgmt Support)	Consolidated to . . .	Retail Securities Services and Bureau-wide Services
Infrastructure Investments	Moved to. . .	Treasury Franchise Fund Budget Submission
Enterprise Architecture	Moved to. . .	Treasury Franchise Fund Budget Submission

2/ Prior years restated for comparison to FY 2012.

3/ SDAS investment increase represents development work to redefine and modernize the debt accounting environment to ensure the collection, verification, and dissemination of all debt accounting information is accurate, appropriate, flexible, and standardized. While increasing governance, the project will maintain SDA's ability to account for and report on the public debt and related interest costs, and to establish and maintain reporting requirements and accounting procedures and controls.

4/ WSS investment reduction does not result in WSS program savings. Program operations costs were included as investment costs in prior years. In FY 2011 and 2012, program operations costs are removed from the investment baseline, but are still incurred as program operations costs.

5/ Represents share of reimbursements to Federal Reserve Banks for IT systems and services performed. Formerly recognized as program costs, starting in FY 2011, they are appropriately captured as IT costs.

Additional Note: The Oracle e-Business Suite is captured in the Franchise Financial and Administrative Services (FFAS) investment and is included in the Treasury Franchise Fund Budget Submission.

4B – Information Technology Strategy

Information Technology (IT) Resource Planning and Strategic Alignment
To ensure the success of Public Debt's mission at the lowest cost to the taxpayer, the bureau continues to strengthen its strategic planning processes to make the best possible use of resources, including IT. Public Debt created its Enterprise Architecture Group to promote strategic alignment across the Public Debt enterprise, optimize business processes by promoting an appropriate diversity and reuse of technology solutions and expose strategic planners to information that enables informed decisions.

With this budget submission, Public Debt unveiled a completely restructured IT investment portfolio, better aligning budget activities and programs. By aligning with budget activities and Enterprise Architecture, the Capital Planning and Investment Control and budget process integration provided a structured approach for long-range strategic planning and efficient management of the IT portfolio and its resources. Managers will have complete visibility into and greater control over IT spending within their respective programs.

Modern and Secure Technical Environment
The IT strategy embraces a modern and secure technical environment to support Public Debt’s programs, workforce, and customers. Public Debt's software engineering framework will leverage open source technologies. Public Debt will expand its virtual infrastructure and will leverage virtual technologies in the delivery of end user services. Furthermore, social media technologies and data services (for both structured and unstructured data) will be available for use in a secure manner as a productive means of business collaboration.

Data Centers Consolidation
In late 2009, the Office of the Fiscal Assistant Secretary asked the Commissioners of the Financial Management Service (FMS) and the Bureau of the Public Debt to assess where improvements could be made in the efficiency and effectiveness of IT infrastructures. As a result, FMS in partnership with Public Debt initiated a project to consolidate the data centers across the two bureaus to help achieve the Secretary’s objective of increasing the utilization and efficiency of combined IT assets, while reducing technology costs. This effort includes consolidation of five data centers into two shared by both bureaus with one acting as a back-up to the other, creation of a single corporate governing body, in-sourcing of select contractor functions, consolidation of application development methodologies and associated infrastructure, and importantly results in a more “green” approach to delivery of IT services. In FY 2012, Public Debt expects total net cost savings of $470,000.