Message from the Secretary of the Treasury

Dear Member:

On behalf of President Biden, it is my pleasure to submit the Department of Treasury's budget request for Fiscal Year 2022. This request comes during a time of four converging crises: ending the COVID-19 pandemic, providing economic relief, tackling climate change, and advancing racial equity. The budget proposes investments that address each of these areas. Additionally, the Fiscal Year (FY) 2022 President's Budget invests in the core foundations of our country's strength and advances key Treasury Department priorities that will be reflected in the upcoming Treasury Strategic Plan for FYs 2022-2026, including ensuring that all Americans are treated fairly by our tax system, expanding programs that offer loans to start-ups and small businesses to promote affordable housing and community revitalization projects, and closing loopholes that allow illicit actors to evade scrutiny, mask their dealings, and shield illegal activity.

Treasury's request includes $13.2 billion for the IRS to ensure increased oversight of high-income and corporate tax returns to ensure compliance; provide new and improved online tools for taxpayers to communicate with the IRS easily and quickly; and improve telephone and in-person taxpayer customer service, including outreach and assistance to underserved communities. In addition, the American Families Plan includes proposals to overhaul tax administration and provide the IRS the resources and information it needs to address tax evasion. All told, these reforms will generate an additional $700 billion in tax revenue over the course of a decade, net of the investments made.

The budget provides $330 million, an increase of 22.2 percent above the 2021 enacted level, to support expanding the role of Community Development Financial Institutions (CDFI) with the goal of empowering the nation's most vulnerable communities, including many rural and Tribal communities. This investment builds on an unprecedented level of support for the CDFI industry in 2021, including more than $3 billion in direct funding, $9 billion for investments in CDFIs and Minority Depository Institutions (MDI), and provisions in the American Rescue Plan encouraging CDFI participation in the $10 billion State Small Business Credit Initiative.

The budget includes $191 million for the Financial Crimes Enforcement Network, $64 million above the 2021 enacted level, to create a database as required by statute, that tracks the ownership and control of certain companies and organizations and helps combat the use of complex corporate structures to shield illegal activity.

The FY 2022 Budget includes the information required for the Annual Performance Report. I have validated the accuracy, completeness, and reliability of the performance data in this report.

Sincerely,

Janet L. Yellen

Janet L. Yellen

U.S. Department of the Treasury
FY 2022 Budget in Brief

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The information presented in the FY 2022 Budget in Brief is accurate and complete as of May 29, 2021. Any updates will be reflected in the budget available on the Department of the Treasury website, www.Treasury.gov.

FY 2022 EXECUTIVE SUMMARY

President's Budget Discretionary Appropriation Request

Dollars in Thousands

	FY 2020 Enacted (post IRS transfer)[3]	FY 2021 Enacted[3]	FY 2021 Enacted (post IRS transfer)[3]	FY 2022 President's Budget
Management & Financial	**$1,538,377**	**$1,554,281**	**$1,554,281**	**$1,841,265**
Departmental Offices Salaries and Expenses	$228,373	$233,000	$233,000	$270,669
Committee on Foreign Investment in the United States (CFIUS) Fund[1]	$20,000	$20,000	$20,000	$20,000
CFIUS Fees[1]	($10,000)	($20,000)	($20,000)	($20,000)
Subtotal CFIUS Fund (non add)[1]	**$10,000**	**$0**	**$0**	**$0**
Office of Terrorism and Financial Intelligence	$169,712	$175,000	$175,000	$185,192
Cybersecurity Enhancement Account	$18,000	$18,000	$18,000	$132,027
Department-wide Systems and Capital Investments Program	$6,118	$6,118	$6,118	$6,118
Office of Inspector General	$41,044	$41,044	$41,044	$42,362
Treasury Inspector General for Tax Administration	$170,250	$170,250	$170,250	$175,762
Special Inspector General for TARP	$22,000	$19,000	$19,000	$17,000
Community Development Financial Institutions Fund	$262,000	$270,000	$270,000	$330,000
Financial Crimes Enforcement Network	$126,000	$126,963	$126,963	$190,539
Alcohol and Tobacco Tax and Trade Bureau	$119,600	$124,337	$124,337	$131,330
Bureau of the Fiscal Service	$340,280	$345,569	$345,569	$360,266
Digitization of Unredeemed Matured Savings Bonds Records	$25,000	$25,000	$25,000	$0
Tax Administration[2]				
Taxpayer Services	$2,535,554	$2,555,606	$2,587,606	$2,940,876
Enforcement	$4,909,500	$5,212,622	$5,004,622	$5,462,823
Operations Support	$3,885,000	$3,928,102	$4,104,102	$4,448,195
Business Systems Modernization	$180,000	$222,724	$222,724	$305,032
IRS Total Excluding Program Integrity Allocation Adjustment (PIAA)	**$11,510,054**	**$11,919,054**	**$11,919,054**	**$13,156,926**
PIAA	$0	$0	$0	$416,897
IRS Total, Including PIAA Adjustment	***$11,510,054***	***$11,919,054***	***$11,919,054***	***$13,573,823***
Subtotal, Treasury Appropriations excluding PIAA and TEOAF	**$13,048,431**	**$13,473,335**	**$13,473,335**	**$14,998,191**
Treasury Forfeiture Fund Total	**$0**	**($75,000)**	**($75,000)**	**$0**
Temporary Rescission	$0	$0	$0	$0
Permanent Rescission	$0	($75,000)	($75,000)	$0
Subtotal, Treasury Appropriation including TEOAF and excluding PIAA	**$13,048,431**	**$13,398,335**	**$13,398,335**	**$14,998,191**
Treasury International Programs	**$1,736,780**	**$1,890,319**	**$1,890,319**	**$3,278,034**
Multilateral Development Banks	$1,522,205	$1,481,244	$1,481,244	$1,953,746
Food Security	$30,000	$32,500	$32,500	$43,000
IMF PRGT Load Subsidy Cost	$0	$0	$0	$2,000
IMF PRGT Grant	$0	$0	$0	$100,000
Environmental Trust Funds	$139,575	$139,575	$139,575	$1,074,288
Office of Technical Assistance	$30,000	$33,000	$33,000	$38,000
Debt Restructuring - Tropical Forest Conservation Act	$15,000	$15,000	$15,000	$15,000
Debt Service Suspension Initiative and Common Framework	$0	$0	$0	$52,000
Somalia - Bilateral Debt Relief	$0	$78,000	$78,000	$0
Sudan - Bilateral and Multilateral Debt Relief[4]	$0	$111,000	$111,000	$0
Total, Treasury Appropriations excluding PIAA and TEOAF	**$14,785,211**	**$15,363,654**	**$15,363,654**	**$18,276,225**
Total, Treasury Appropriations excluding PIAA	**$14,785,211**	**$15,288,654**	**$15,288,654**	**$18,276,225**
Total, Treasury	**$14,785,211**	**$15,288,654**	**$15,288,654**	**$18,693,122**

1/ The overall request for Treasury's CFIUS costs is $39.57 million, which includes $15 million from the CFIUS Fund and $24.57 million from Departmental Offices Salaries and Expenses. CFIUS fee estimates assume full year actual collections of $20 million in FY 2021. The Congressional Budget Office estimated $5 million to be collected in the Consolidated Appropriations Act, PL 116-260 due to the timing of the rulemaking final notice and other implementation factors.

2/ FY 2021 Enacted (est. post IRS Transfer) includes a proposed transfer of $208 million from Enforcement to Taxpayer Services ($32 million) and Operations Support ($176 million).

3/ Excludes funding provided for COVID-19 Pandemic response.

4/ In FY 2021, Congress also appropriated $120 million to Treasury's debt restructuring account for clearing Sudan's arrears with the IMF on an emergency basis.

MISSION STATEMENT

Maintain a strong economy and create economic and job opportunities by promoting conditions that enable economic growth and stability at home and abroad; strengthen national security by combating threats and protecting the integrity of the financial system; and manage the U.S. Government's finances and resources effectively.

OVERVIEW OF REQUEST

The Budget requests $15.0 billion in base discretionary resources for the Department of the Treasury's domestic programs, a $1.5 billion or 11.3 percent increase from the FY 2021 enacted level.

- Provides the IRS with $13.2 billion from base discretionary appropriations to collect more than $3 trillion in revenue, process more than 245 million tax returns, ensure compliance; provide new and improved online tools for taxpayers to communicate with the IRS easily and quickly; and improve telephone and in-person taxpayer customer service, including outreach and assistance to underserved communities.
    - The request provides $305 million for multi-year modernization efforts to deliver long-term, systemic transformation of service and compliance for millions of taxpayers, small businesses, and corporations, as well as put IT operations and maintenance costs on a sustainable path. The IRS will continue developing a case management solution to replace legacy systems, new digital service options including electronic notices and live chat assistance, and new web applications to streamline taxpayer filing, payment, and authentication.
    - The request proposes $176 million for Taxpayer First Act implementation to expand digital services, provide taxpayers with a seamless user experience, and develop and implement strategies for reaching underserved communities.
    - The request includes $5.5 billion in the enforcement account to continue building compliance staffing and protect billions of dollars in revenue. The IRS is one of the best investments in the federal government with an overall return on investment of $5 for every $1 invested, not including significant deterrence effects. Every dollar invested in enforcement requires a funding increase in operations support for technology and administrative costs.
- In addition to the amounts above, the request includes a proposal to invest $80 billion in the IRS to overhaul tax administration and provide it the information it needs to address tax evasion. This investment is split between a program integrity allocation ($417 million in FY 2022) and a mandatory provision and is expected to yield approximately $700 billion in total revenue over ten years including the impact of the enforcement increases and the new information reporting requirements.

- Includes $132 million for the Department-wide Cybersecurity Enhancement Account to address Department-wide breach mitigation activities due to SolarWinds and other emerging risk areas.

- Requests $190.5 million for the Financial Crimes Enforcement Network (FinCEN), a $63.5 million increase over the FY 2021 enacted level. This increase will allow FinCEN to fully implement the provisions in the Anti-Money Laundering Act of 2020 (AML Act) and the Corporate Transparency Act (CTA). This includes the design and development of an information technology database system to collect and safely secure beneficial ownership information. In addition, the budget includes resources to address the expansion of FinCEN's role in administering the Bank Secrecy Act to include innovation, regulatory reform, and industry engagement.

- Includes $330 million for the Community Development Financial Institutions (CDFI) Fund, a $60 million increase over FY 2021 enacted and the highest level in the history of the Fund. The request supports the need for increased capital flow to communities and geographies where access to capital is least efficient and most needed – including rural areas and persistent poverty counties, and in communities that are experiencing long term and structural impacts from historically discriminatory economic and housing policies. In addition, the budget proposes to increase funding for the Capital Magnet Fund by $12 billion over ten years through an American Jobs Plan initiative.

- Provides $270.7 million for Treasury Departmental Offices (including $24.6 million for the Committee on Foreign Investment in the United States) to continue to support pandemic recovery efforts, address climate change, income equality and racial equity, and restore the Treasury Department staffing levels to support key programs and other emerging risks.

- Requests $25 million for the Special Inspector General for Pandemic Recovery by repurposing unobligated CARES Act balances.

- Proposes legislation establishing a manufacturing financing facility to support increasing the size, competitiveness, and innovation of the U.S. manufacturing sector. The program will provide capital support including direct lending, loan guarantees, and potentially public-private risk-sharing models. Investments under the facility will attract private capital where risk otherwise precludes sufficient private market participation and will target building of long-term sustainable, globally competitive manufacturing production.

Fiscal Year Comparison of Full-Time Equivalent (FTE) Staffing (Direct and Reimbursable)

	2020 Actual			2021 Operating Plan[1]			2022 President's Budget		
Appropriation	Direct	Reimb.	Total	Direct	Reimb.	Total	Direct	Reimb.	Total
Departmental Offices Salaries and Expenses[2]	638	39	**677**	721	39	**760**	836	39	**875**
Terrorism and Financial Intelligence	477	39	**516**	551	35	**586**	575	41	**616**
Cybersecurity Enhancement	4		**4**	6		**6**	10		**10**
Office of Inspector General	150		**150**	180		**180**	190		**190**
Treasury Inspector General for Tax Administration	731	2	**733**	760	2	**762**	760	2	**762**
Special Inspector General for TARP	80		**80**	74		**74**	68		**68**
Community Development Financial Institutions Fund	70		**70**	82		**82**	89		**89**
Financial Crimes Enforcement Network	264	1	**265**	300	3	**303**	380	3	**383**
Alcohol and Tobacco Tax and Trade Bureau	484	11	**495**	508	12	**520**	508	12	**520**
Bureau of the Fiscal Service	1,499	358	**1,857**	1,577	412	**1,989**	1,617	412	**2,029**
Internal Revenue Service funded from regular appropriations[3]	73,240	1,179	**74,419**	73,409	2,359	**75,768**	79,348	935	**80,283**
Subtotal, Treasury Appropriated Level	**77,637**	**1,629**	**79,266**	**78,168**	**2,862**	**81,030**	**84,381**	**1,444**	**85,825**
Office of Financial Stability (Administrative Account)	14		**14**	11		**11**	10		**10**
Small Business Lending Fund Program	3		**3**	3		**3**	3		**3**
Capital Magnet Fund	5		**5**	5		**5**	6		**6**
Office of Financial Research	102		**102**	128		**128**	145		**145**
Financial Stability Oversight Council	15		**15**	18		**18**	21		**21**
Treasury Franchise Fund		1,945	**1,945**		2,154	**2,154**		2,219	**2,219**
Bureau of Engraving and Printing		1,740	**1,740**		1,863	**1,863**		1,863	**1,863**
United States Mint		1,539	**1,539**		1,671	**1,671**		1,671	**1,671**
Office of the Comptroller of the Currency		3,589	**3,589**		3,523	**3,523**		3,523	**3,523**
Terrorism Insurance Program	5		**5**	7		**7**	8		**8**
IRS Private Collection Agent Program	274		**274**	434		**434**	434		**434**
Special Inspector General for Pandemic Recovery	2		**2**	66		**66**	76		**76**
Subtotal, Treasury Non-Appropriated Level	**420**	**8,813**	**9,233**	**672**	**9,211**	**9,883**	**703**	**9,276**	**9,979**
Total, Treasury	**78,057**	**10,442**	**88,499**	**78,840**	**12,073**	**90,913**	**85,084**	**10,720**	**95,804**

1/ Excludes funding provided for COVID-19 Pandemic response.

2/ FY 2022 Direct FTE includes 18 positions funded by transfer from CFIUS Fund.

3/ Amounts for the IRS include 86 FTE funded from user fees in FY 2022 and exclude the proposed $417 million program integrity allocation adjustment that, if enacted, would increase IRS levels by an estimated 2,554 FTE in FY 2022.

Summary of FY 2022 Increases and Decreases

(Dollars in Thousands)

	DO	CFIUS[2]	TFI	Cyber	DSCIP	OIG	TIGTA	SIGTARP	CDFI	FinCEN	TTB	FS	IRS	Total
FY 2021 Operating Plan[1]	**$233,000**	**$20,000**	**$175,000**	**$18,000**	**$6,118**	**$41,044**	**$170,250**	**$19,000**	**$270,000**	**$126,963**	**$124,337**	**$370,569**	**$11,919,054**	**$13,493,335**
Maintaining Current Levels (MCLs)	$6,540	$0	$4,817	$0	$0	$1,258	$5,300	$544	$0	$3,210	$3,885	$10,234	$327,995	$363,783
Pay Annualization	$349		$234			$75	$349	$39		$137	$196	$557	$22,442	$24,378
Pay Raise	$3,160		$2,119			$677	$3,165	$313		$1,109	$1,774	$5,049	$182,239	$199,605
FERS Contribution Increase	$1,163		$836			$284	$1,177	$120		$517	$995	$1,676	$67,673	$74,441
Non-Pay	$1,868		$1,628			$222	$609	$72		$1,447	$920	$2,952	$55,641	$65,359
Non-Recurring Costs	(1,390)			($18,000)	($6,118)							($25,000)		($50,508)
Efficiency Savings/Reinvestment												($5,428)	($5,585)	($11,013)
Other Adjustment/Initiative Annualization												$5,428		$5,428
Adjustments to Base	**$5,150**	**$0**	**$4,817**	**($18,000)**	**($6,118)**	**$1,258**	**$5,300**	**$544**	**$0**	**$3,210**	**$3,885**	**($14,766)**	**$322,410**	**$307,690**
FY 2022 Base	**$238,150**	**$20,000**	**$179,817**	**$0**	**$0**	**$42,302**	**$175,550**	**$19,544**	**$270,000**	**$130,173**	**$128,222**	**$355,803**	**$12,241,464**	**$13,801,025**
Program Decreases						($1,709)		($2,544)						($4,253)
CFIUS User Fees		($20,000)												($20,000)
Program Increases/Reinvestments	$32,519		$5,375	$132,027	$6,118	1,769	212		60,000	$60,366	$3,108	$4,463	$915,462	$1,221,419
Subtotal, Program Changes	**$32,519**	**($20,000)**	**$5,375**	**$132,027**	**$6,118**	**$60**	**$212**	**($2,544)**	**$60,000**	**$60,366**	**$3,108**	**$4,463**	**$915,462**	**$1,197,166**
FY 2022 President's Budget funded from discretionary resources	**$270,669**	**$0**	**$185,192**	**$132,027**	**$6,118**	**$42,362**	**$175,762**	**$17,000**	**$330,000**	**$190,539**	**$131,330**	**$360,266**	**$13,156,926**	**$14,998,191**
Program Integrity Allocation Adjustment													$416,897	$416,897
FY 2022 President's Budget including program integrity allocation adjustment	**$270,669**	**$0**	**$185,192**	**$132,027**	**$6,118**	**$42,362**	**$175,762**	**$17,000**	**$330,000**	**$190,539**	**$131,330**	**$360,266**	**$13,573,823**	**$15,415,088**

1/ Excludes funding provided for COVID-19 Pandemic response.

2/ CFIUS Fund enacted levels are net appropriations including user fees.

Departmental Offices Salaries and Expenses

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Operating Plan	FY 2021 Operating Plan	FY 2022 Request	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % 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 Investments	0	($4,364)
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

<u>Pay Annualization (1.0%) +$349,000 / +0 FTE</u>

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

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

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

<u>FERS Contribution Increase +$1,163,000 / +0 FTE</u>

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

<u>Non-Pay +$1,868,000 / +0 FTE</u>

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

<u>Replacement of End of Life Servers +$3,341,000 / +0 FTE</u>
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.

<u>IT Modernization +$7,484,000 / +0 FTE</u>
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.

<u>Electric Vehicles and Associated Infrastructure +$304,000 / +0 FTE</u>
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 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 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

<u>Office of Technical Assistance (OTA) Program Engagement (Traction)</u>:
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.

Cybersecurity Enhancement Account

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Operating Plan	FY 2021 Operating Plan	FY 2022 Request	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % Change
Cybersecurity Enhancement Account	20,538	18,000	$132,027	114,027	633.5%
Total Program Operating Level	**$20,538**	**$18,000**	**$132,027**	**$114,027**	**633.5%**
Direct FTE	3	6	10	4	66.7%
Total Full-time Equivalents (FTE)	**3**	**6**	**10**	**4**	**66.7%**

Summary

The Department's strategic plan guides program and budget decisions for the Cybersecurity Enhancement Account (CEA).

To proactively and strategically protect Treasury Information Technology (IT) systems against cybersecurity threats, the FY 2022 budget request includes $132.027 million for the CEA. The total President's Budget requests $114.027 million to mitigate weaknesses identified through the SolarWinds incident at Treasury plus an additional $18 million for new and continued investments that support the critical IT improvements.

The FY 2022 discretionary request identified a cyber reserve of $750 million. The President's Budget allocates these resources to nine agencies that were significantly impacted by the SolarWinds incident, one of which is the Department of Treasury. The purpose of the funding is to address immediate response needs and does not focus on wholesale replacement of IT systems at this time. The funding request targets critical cybersecurity needs at these nine agencies which prioritizes basic cybersecurity enhancements, including: cloud security, Security Operations Center (SOC) enhancements, encryption, Multi-Factor Authentication (MFA), increased logging functions, and enhanced monitoring tools. Treasury is also bolstering its cybersecurity posture with investments that provide a comprehensive assessments to identify the breadth and depth of this attack, along with containment and post-incident analysis to ensure the appropriate response is deployed to both protect and minimize the impacts of such attacks in the future.

Treasury will use the CEA to centrally fund the assessment, response, recovery, and mitigation efforts to prevent or respond to instances where threat actors have the ability to pose a great risk to the Treasury IT infrastructure. The CEA is a multi-year account and managing CEA centrally allows Treasury to be more agile in its response to cybersecurity incidents and threats as well as leverage enterprise-wide services and capabilities. This account allows for enhanced efficiency, communication, transparency, and accountability around the mission of strengthening Treasury's cybersecurity posture. Treasury elevates the importance of such initiatives and provides Treasury leadership, OMB, and Congress with better transparency into cybersecurity activities across the Department.

The investments within the CEA account align with the National Institute of Standards and Technology (NIST) Cybersecurity core framework and reporting standards. This includes common cybersecurity activities and outcomes that are gaining use industry-wide: Identify, Protect, Detect, Respond, and Recover. Treasury believes the NIST's framework provides better clarity into the strategic focus of the Department's cybersecurity investments, aligns with accepted industry standards, guidelines, and practices, and allows Treasury to more effectively respond to government-wide reporting requirements.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Operating Plan	**6**	**$18,000**
Changes to Base:		
Non-Recurring Costs	(6)	(18,000)
Subtotal Changes to Base	(6)	(18,000)
FY 2022 Current Services	**0**	**$0**
Program Changes:		
Program Increases	10	132,027
Identify the Business Context, Resources & Cybersecurity Risk	3	31,842
Protect the Delivery of Critical Infrastructure Services	3	50,433
Detect Cybersecurity Events	2	18,713
Respond to Detected Cybersecurity Incidents	2	21,258
Recover by Maintaining Resilience and Restoration Plans	0	9,781
Total FY 2022 President's Budget Request	**10**	**$132,027**

*The budget includes $114.027 million designated to strengthen Treasury's cybersecurity posture and address the impacts of the SolarWinds incident.

Budget Adjustments

Program Increases ……………………………………………………+$132,026,534 / +10 FTE

<u>Identify the Business Context, Resources & Cybersecurity Risk +$31,841,424 / +3 FTE</u>

Goal: Develop an organizational understanding to manage cybersecurity risk to systems, people, assets, data, and capabilities.

<u>Risk Management Framework (RMF) Automation Tool +$2,100,672 / +0 FTE</u>

This is a continuation of a prior year request. While the FY 2021 request supports deployment in Departmental Offices (DO) and some Bureaus, the FY 2022 request plans to expand capabilities to all other Bureaus, including IRS.

The RMF Automation Tool initiative will replace the Treasury Federal Information Security Modernization Act (FISMA) Treasury Federal Information Management System (TFIMS). TFIMS is Treasury's system to track metadata, artifacts, and interconnections between systems. However, TFIMS currently operates largely as a document storage solution. It does not offer workflows or process automation and has limited reporting capabilities. The RMF Tool will automate a broad range of services for comprehensive, full integrated risk management, including controls scorecard measurement, dashboard reporting, and the generation of RMF System Assessment and Accreditation (SA&A) artifacts. Pivoting to digitally based processes will improve FISMA compliance without increasing security personnel costs. SA&A package generation within Treasury presently averages over 6 months. The RMF's automation and workflow capabilities will reduce costs and improve efficiency based on analysis of cybersecurity personnel workloads. It will also provide an integrated suite of ongoing authorization capabilities. The tool would be deployed within DO first and then progressively rolled out to Treasury Bureaus.

Enterprise Cyber Risk Management (ECRM) +$2,395,967 / +1 FTE
The Enterprise Cyber Risk Management (ECRM) initiative will continue to evolve Treasury's approach to managing risks across the enterprise and will begin a continuous review of all of Treasury's critical networks, systems, and data. ECRM enhances existing risk management processes through continuous planning, identification, categorization, prioritization, reporting, assessing, scoring, and remediation. Bureaus currently capture their system risk information into TFIMS. The ECRM ingests data from TFIMS, High Valued Assets (HVAs), Continuous Diagnostic and Monitoring (CDM) and other data sources at the department level to create an aggregated enterprise level cybersecurity risk register. This capability does not currently exist and implementing this process will enable Treasury to better understand the specific security needs of its most critical vulnerabilities, while gaining new insight as to how those vulnerabilities and mitigation strategies lower the risk across the larger federal enterprise. The funding and FTEs will support a continuous review of all enterprise risks which enables Treasury to achieve a better understanding of systems' cyber vulnerabilities and the associated costs. ECRM will also enable Treasury to better prioritize risks and quantify the levels of effort and magnitude needed to reduce risk exposure.

Supply Chain Risk Management Enhancements (SCRM) +$1,135,361 / +2 FTE
Supply chain risk management (SCRM) has become an increasingly critical cybersecurity issue The FY 2019 National Defense Authorization Act prohibited agencies from procuring or renewing contracts for equipment, systems or services that use certain covered telecommunications. During a recent GAO audit, seven findings related to Treasury's SCRM program were identified that must be addressed. The SCRM initiative will establish a process for Treasury to identify the types of hardware/software and third parties being utilized throughout Treasury and identify associated risks. This funding and FTEs will support efforts to identify SCRM risks and threats as well as provide needed support to bureaus in the form of guidance, facilitation of requirements, analysis, and tracking/oversight for software and hardware acquisitions.

NIST Cross-Functional Investments (Identify the Business Context, Resources & Cybersecurity Risk) +26,209,424 / +0 FTE
The following investments are allocated across multiple NIST framework categories for improving critical infrastructure cybersecurity.

Post-Incident Response +$5,397,500 / +0 FTE
Additional details about this investment is available at the end of this section.

Threat Hunting, Treasury-wide Log Collection, Management and Certificate Security for Identification Management +$20,811,924 / +0 FTE
Additional details about this investment is available at the end of this section.

<u>Protect the Delivery of Critical Infrastructure Services +$50,432,839 / +3 FTE</u>
Goal: Develop and implement appropriate safeguards to ensure delivery of critical services.

<u>Cloud-Based Security +$7,500,000 / +0 FTE</u>
Investments in cloud-based security will focus on the sufficient security of systems and information that have been moved to cloud-based platforms. This includes; assessing potential cloud services for alignment with established Federal Risk Authorization Management Program (FedRAMP) security baselines, acquiring tools to enhance the security of cloud-based applications, granting agency Authority to Operate (ATO) for systems and service with an existing FedRAMP ATO, and the granting of ATOs to cloud service providers.

<u>High Value Assets (HVA) +$2,834,536 / +2 FTE</u>
In FY 2017, Treasury began funding Risk Vulnerability Assessments (RVA) and Security Architectural Reviews (SAR) within the CEA Account. This has allowed Treasury to analyze key systems more frequently than the SARs/RVAs performed by the Department of Homeland Security (DHS). To date, Treasury has conducted 11 RVAs/SARs (9 in FY 2020 and 2 in FY 2021) outside of the DHS process. This request is estimated to fund approximately 18 additional assessments. These assessments include a review of Treasury's critical networks, systems, and data through a continuous cycle of planning, identification, categorization, prioritization, reporting, assessment, and remediation. This cycle enables Treasury to better understand the security needs of its most critical assets and how these assets fit into the larger Federal enterprise. The increase in funding and FTEs will support continuous reviews of all critical assets, systems, information, and data, which will help Treasury better understand what is on their network, what is valuable to their stakeholders, and what is valuable to individuals with malicious intent.

<u>Infrastructure +$2,037,000 / +0 FTE</u>
IT infrastructure improvements will include expanding the security controls for enterprise applications through secured license upgrades, expanded data processing and storage, and new recovery capabilities. This will help to protect the conversion of Active Directory Trusts to Federation, the hardening of shared service applications which provides for the authorization, and the authentication and single sign-on functionalities for applications and incident managements tools.

<u>Centralized Key Management Services (CKMS) +$740,197 / +0 FTE</u>
In the Cybersecurity Act of 2015, agencies were directed to encrypt information at rest and in transit. While increasing encryption ensures that data is being processed and stored securely, it also creates new requirements for managing the encryption keys required to access this data and increases the number of keys to be inventoried and managed. Further, Treasury may decide that segmenting keys by system, service, or mission function may be advantageous. As decisions are made to segment keys, tracking and maintaining inventory becomes increasingly complex.

This initiative is a second-year investment building upon a CEA FY 2021 request to design, procure, and implement a service for Treasury and its Bureaus to manage encryption keys centrally. The initial 12-month pilot will have been completed using CEA FY 2021 funds.

This request will be used to fund the subsequent 18 months needed to reach initial operating capabilities. Once operational, CKMS will provide Treasury with the ability to automate key management and quickly revoke keys should they be compromised. The ability to quickly revoke keys is important to keeping Treasury systems and data safe; it extends to the overall IT Operations environment, since expiring certificates/keys can contribute to availability failures.

NIST Cross-Functional Investments (Protect the Delivery of Critical Infrastructure Services) +37,321,106 / +1 FTE

The following investments are allocated across multiple NIST framework categories for improving critical infrastructure cybersecurity.

Post-Incident Response +$5,397,500 / +0 FTE

Additional details about this investment is available at the end of this section.

Treasury Shared Services Secure Operations Center (TSSSOC) +$8,707,267 / +1 FTE

Additional details about this investment is available at the end of this section.

Threat Hunting, Treasury-wide Log Collection, Management and Certificate Security for Identification Management +$23,216,339 / +0 FTE

Additional details about this investment is available at the end of this section.

Detect Cybersecurity Events +18,712,493 / +2 FTE

Goal: Develop and implement appropriate activities to identify the occurrence of a cybersecurity event.

NIST Cross-Functional Investments (Detect Cybersecurity Events) +18,712,493 / +2 FTE

The following investments are allocated across multiple NIST framework categories for improving critical infrastructure cybersecurity.

Treasury Shared Services Secure Operations Center (TSSSOC) +$8,707,267 / +2 FTE

Additional details about this investment is available at the end of this section.

Threat Hunting, Treasury-wide Log Collection, Management and Certificate Security for Identification Management +$10,005,226 / +0 FTE

Additional details about this investment is available at the end of this section.

Respond to Detected Cybersecurity Incidents +$21,258,493 / +2 FTE

Goal: Develop and implement appropriate activities to take action regarding a detected cybersecurity incident.

Incident Analysis +2,546,000 / +0 FTE

This investment is designated for Treasury's efforts in investigative, forensics, advisory and strategic support in response to ongoing cybersecurity incident response. DO will also strategically source additional professional support services to maintain daily operational needs and capabilities for incident response activities.

NIST Cross-Functional Investments (Respond to Detected Cybersecurity Incidents) +18,712,493 / +2 FTE

The following investments are allocated across multiple NIST framework categories for improving critical infrastructure cybersecurity.

Treasury Shared Services Secure Operations Center (TSSSOC) +$8,707,267 / +2 FTE

Additional details about this investment is available at the end of this section.

Threat Hunting, Treasury-wide Log Collection, Management and Certificate Security for Identification Management +$10,005,226 / +0 FTE

Additional details about this investment is available at the end of this section.

Recover by Maintaining Resilience and Restoration Plans +$9,781,285 / +0 FTE

Goal: Develop and implement appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident.

Enterprise Wide Cyber Exercise and Instrumentation +$998,000 / +0 FTE

This initiative will plan, conduct, and report results from a large-scale cyber exercise across Treasury, in addition to implementing security instrumentation that empowers incident responders to share a common system view. This would be the first enterprise wide cybersecurity exercise conducted by Treasury and would test existing incident plans to ensure that plans recover vital services in the order needed.

Treasury will also test to ensure that components work together effectively in the face of a large-scale cyber incident and ensure that existing instrumentation within Treasury (e.g. Splunk, SCCM, Active Directory, etc.) are normalized to report consistent information.

This initiative aims to improve visibility into cybersecurity efforts, encourage information sharing across Bureaus, identify potential gaps in present plans, and reduce inconsistencies between systems to provide Treasury leadership with a Department-wide view while working to protect information systems from attack and recover critical functionality.

Containment +5,092,000 / +0 FTE

These investments, to rebuild a clean environment, will provide full confidence to mission support activities. Safeguarding against threats requires investments to rebuild Treasury's compromised environment to mitigate threat of lateral movement/burrowing by adversaries.

NIST Cross-Functional Investments (Recover by Maintaining Resilience and Restoration Plans) +$3,691,285 / +0 FTE

The following investments are allocated across multiple NIST framework categories for improving critical infrastructure cybersecurity.

Threat Hunting, Treasury-wide Log Collection, Management and Certificate Security for Identification Management +$3,691,285 / +0 FTE

Additional details about this investment is available at the end of this section.

<u>NIST Cross-Functional Investments</u>

The following investments are allocated across multiple NIST framework categories for improving critical infrastructure cybersecurity.

- **Post-Incident Response,**

  This will enhance cybersecurity posture by addressing the IT architecture with investments in zero trust implementation, expanded SOC capabilities and data scanning tools for better threat analysis. The functions of this investment align with the Identify and Protect categories.

- **Treasury Shared Services Secure Operations Center (TSSSOC),**

  Treasury’s Security Operations Centers (SOCs) are presently set up with GSOC to monitor the security for the perimeter of the Treasury enterprise’s Trusted Internet Connections (TIC), while Bureaus are responsible for their own SOCs which monitor Bureau-specific perimeters and systems. All of Treasury’s Bureaus utilize at least a portion of the 39 shared service services from the Treasury Franchise Fund. These services include programs that form the backbone of Treasury's HR systems (HR Connect) and security credentials (TEICAM). Currently, there is no dedicated SOC responsible for monitoring these shared services systems. This investment will establish the new SOC capabilities and FTEs will be supporting these efforts for implementation and ongoing monitoring.

  Presently, these systems utilize siloed approaches to incident response, log/vulnerability analysis, and system monitoring. While each system individually has some of these capabilities, no single entity has a mission to comprehensively manage them. This creates possible security gaps. As a result, past alerts have been missed, coordination problems exacerbated, and incident response time lengthened. For example, when security incidents occur that impact multiple systems, IT teams need additional time to manually consolidate data to obtain decisions from authorizing officials. Any delay in response time increases security risks for the shared services programs, some of which manage massive amounts of important data, such as HR Records and identity management. To cite a specific example, on August 29, 2019, an Enterprise Application Cybersecurity (EAC) system was improperly made Internet accessible. No alerts or alarms went off when Internet traffic started going to the system. EAC only possesses system-specific monitoring capabilities, and GSOC only monitors the Department’s perimeter. All traffic had gone through Network Address Translation at Fiscal Service and consisted of valid, internal IPs. At the perimeter, GSOC did not possess system-specific workflow knowledge to discern “good” versus “bad” traffic, so they also did not raise any alarms. In this instance, Treasury was able to mitigate the problem, but any time an internal facing system is hacked or becomes exposed to the internet numerous potential risks can occur, including unauthorized access or data loss. The functions of the TSSSOC investment align with the Protect, Detect and Respond categories.

- **Threat Hunting, Treasury-wide Log Collection, Management and Certificate Security for Identification Management,**

  The funding and FTEs will be used to address the critical cybersecurity needs across the Treasury network enterprise to support the deployment and implementation of advanced network traffic protocol analysis, dynamic and static malware analysis, and applicable forensic analytics. This funding will also support the threat intelligence providing proactive posture with regards to emergent threats. Investments in annual exercises to identify threats in targeted systems provides for automated incident investigations and accelerates triage and response to operational incidents with advanced reporting and resource, and access to threat analysts. This will also assist in automating prevention and detection of malware, exploits, and in-process attacks through enhanced endpoint visibility. The functions of this investment align with the Identify, Detect and Respond categories.

Legislative Proposals

The Cybersecurity Enhancement Account has no legislative proposals.

Strategic Alignment

In accordance with the Government Performance and Results Act Modernization Act (GPRAMA) of 2010, the Department of the Treasury is currently developing the FY 2022 – 2026 Departmental Strategic Plan. The Strategic Plan is scheduled for publication in 2022. The Annual Performance Plan will be updated in the FY 2023 President's Budget to reflect new departmental strategic goals and objectives.

Performance Highlights

Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Number of Major Incidents	0	0	1	0	1
Number of Reported Incidents	225	152	206	150	150
Percentage of Tier I HighValue Assets (HVA) where Risk and Vulnerability Assessment (RVA) or Security Architecture Review (SAR) are Completed on Time	100	100	100	100	100
Percentage of High and/or Critical Findings from RVAs or SARs on Tier I HVAs that are closed by the end of the FY	N/A	57	80	75	75
Risk Management Assessment Overall Rating %	68	68	75	DISC	DISC

Key: Disc - Discontinue

Description of Performance

Number of Major Incidents: The number of major incidents, as defined in OMB M-19-02, reported by Treasury to Congress in a given fiscal year. This is a measure of how effective Treasury's collective defenses are at mitigating the most damaging security threats.

On December 12, 2020, the Department of the Treasury notified the Department of Homeland Security (DHS) Cybersecurity and Infrastructure Security Agency (CISA) of a major security incident as a result of the Department's deployment of the SolarWinds Orion software product. The Department has completed compromise assessments, and all SolarWinds Orion products continue to remain offline across the Treasury Enterprise environment. The FY 2022 request includes additional funding to mitigate weaknesses identified through the SolarWinds incident and for investments that support critical IT improvements.

<u>Number of Reported Incidents</u>: Each fiscal year, Treasury tracks the number of cybersecurity incidents reported to the United States Computer Emergency Readiness Team (US-CERT). This measures the effectiveness of Treasury's defenses at mitigating security threats and indicates how often Treasury is being targeted by malicious actors. In FY 2020, Treasury witnessed a greater number of incidents being reported, this is indicative of increased threat activity coupled with enhanced detection and mitigation capabilities. The enhanced capabilities factored into the elevated target projection for FY 2020. Natural variation in actual results also played a role in the variation from FY 2019 to FY 2020. The FY 2021 target was decreased to reflect improved ability to validate incidents prior to submission. It was decided that the FY 2022 target should remain flat from FY 2021 numbers.

<u>Percentage of High and/or Critical Findings from Risk and Vulnerability Assessment (RVAs) or Security Architecture Review (SARs) on Tier I High Value Assets (HVAs) that are closed by the end of the Fiscal Year (FY)</u>: This is a measure of how Treasury addresses the vulnerabilities and potentially exploitable weaknesses of its most important systems, based on its HVA assessment process. Treasury's CEA performance targets are based upon the percentage of HVA system assessments that are conducted in accordance with the HVA assessment cycle and the closure rate of resulting findings and/or Plans of Action and Milestones (POAMs) within the fiscal year. Treasury has consistently recorded a 100% completion rate for system assessments and currently has a 77% closure rate for associated findings and POAMs. This focus helps to ensure that the proper POAMs are in place for all assessed systems and that they are being acted upon in a timely manner. The investment will focus on remediation of vulnerabilities, as well as increased review and reporting on corrective actions to resolve all findings and recommendations discerned during the assessment process. It was decided that the FY 2022 target should remain flat from FY 2021 numbers.

Additionally, the FY 2020 Risk Management Rating of 70 percent was exceeded through mitigation of known vulnerabilities and deployment of additional cyber capabilities. This performance measure was discontinued for FY 2021.

Department-wide Systems and Capital Investments Program

Program Summary by Budget Activity

Dollars in Thousands

	FY 2020	FY 2021	FY 2022	FY 2021 to FY 2022	
Budget Activity	Operating Plan	Operating Plan	Request	$ Change	% Change
Department-wide Systems and Capital Investments Program (DSCIP)	$6,118	$6,118	$6,118	$0	0.00%
Total Program Operating Level	**$6,118**	**$6,118**	**$6,118**	**$0**	**100.00%**
Total Full-time Equivalents (FTE)	**0**	**0**	**0**	**0**	**0.00%**

Summary

An icon of American architecture, the Main Treasury Building is the third oldest Federal building in Washington, after the Capitol and the White House, in continuous use. Unlike the Capitol or the White House, the Main Treasury Building is not under the jurisdiction of the Architect of the Capitol or GSA, respectively, but rather is the direct responsibility of the Treasury Department. The bulk of funding for its care through capital investments is provided through Department-wide Systems and Capital Investments Program (DSCIP).

The Main Treasury Building was built with Congressional appropriations from 1836 to1869. From 1909 to 1910, the building received a special appropriation to modernize its infrastructure, which helped to bring the building into the 20th century. A major fire in 1996 resulted in a series of Congressional appropriations that ushered the Treasury Building into the 21st century. Now, 25 years later, the building faces a magnitude of issues that need to be addressed, some of which pose life safety concerns, including issues related to Treasury and the Freedman's Bank Buildings' external and internal infrastructure and security posture.

In FY 2016, Treasury conducted an internal facilities condition assessment of both buildings and found a range of needs to be addressed. Problems that were identified include immediate health and safety, potential system and mechanical failures, as well as areas in need of building modernization to improve efficiency, safety, and security. In FY 2017, an external architectural and engineering firm validated an estimated $98.7 million in remaining costs from that report. In addition to validating the identified repair needs, the report identified additional repairs and cyclic investment needs that are required over the next 20 years to maintain the building in adequate working order.

Treasury's FY 2022 request reflects a limited subset of those previously identified needs, which the Department plans to continue to work to address over time. Treasury will use a three-step long-term strategy to continue to maintain and modernize its owned spaces: (1) secure the building's outer envelope; (2) conduct a condition assessment to identify additional needs associated with the buildings' continual aging and deferred maintenance; and (3) based on this assessment, conduct an holistic modernization of the building's systems and infrastructure.

The FY 2021 Operating Plan prioritized $0.550 million to update the facility condition assessment. The FY 2022 request prioritizes work on the outer envelope of the Main Treasury Building.

May 2021, Treasury Departmental Offices provided notification of our intent to reallocate $3.7 million originally provided as part of the FY 2021 Department-wide Systems and Capital Investment Program (DSCIP) appropriation to meet pressing needs associated with the SolarWinds incident. In parallel with this change, DO is realigning currently available DSCIP resources towards priority capital facilities investments.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Operating Plan	**0**	**$6,118**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$0
Non-Recurring Costs	0	($6,118)
MT Exterior Repairs	0	($5,118)
MT/FBB interior repairs	0	($450)
Condition Assessment	0	($550)
Subtotal Changes to Base	0	($6,118)
FY 2022 Current Services	**0**	**$0**
Program Changes:		
Program Increases:	0	$6,118
Main Treasury Exterior Repairs	0	$6,118
FY 2022 President's Budget Request	**0**	**$6,118**

Budget Adjustments

Adjustments to Request

Program Increases………………………………………………………… +6,118,000 / +0 FTE

Main Treasury Exterior Repairs *+6,118,000 / +0 FTE*

Funds the multiyear building maintenance effort to prevent more expensive repair work. Exterior repairs are needed to address weather-related intrusion which are impacting interior spaces, creating the need for require water damage remediation and mold control. Work items include:

- Repairing failed masonry joints to protect from moisture penetration, cleaning the stone surfaces, and repairing damaged stone;
- Repairing or replacing window frames suffering varying degrees of damage after years of weather exposure. Window work will require scaffolding which is expensive to rent/contract.

Legislative Proposals

The DSCIP has no legislative proposals.

Description of Performance

DSCIP enables the Department to make investments in capital improvements that support the missions of Treasury bureaus and programs. Treasury Operations has continued to strategically focus on restoring the health of the building envelope (shell), in an effort to correct the deteriorating building structure and infrastructure. Components of the Main Treasury building that have been repaired, replaced, or funded, include new roofs FY 2019/2021 and repairs to 40 percent of the windows FY 2015/2017. The Freedman's Bank Building components that have been repaired, replaced, or funded include new roofs FY 2017/2019, repair of the domestic water line FY 2020/2022, and replacement of all windows FY 2009/2011. Funding and completion of these exterior items represent significant progress towards the preservation of the two buildings, maintaining a safe and healthy workplace, and reducing damage to the interior plaster and paint.

The FY 2021 award of the expanded Facility Condition Assessment (FCA) will provide an update and validation to the immediate repair needs previously identified that will identify long-term capital expenses based on the expected useful life of the building systems and components. In addition to immediate repairs and long-term needs, the expanded FCA will provide feedback on code compliance, energy saving opportunities, and ADA compliance.

Terrorism and Financial Intelligence

Program Summary by Budget Activity

Dollars in Thousands

	FY 2020	FY 2021	FY 2022	FY 2021 to FY 2022	
Budget Activity	Operating Plan	Operating Plan	Request	$ Change	% Change
Terrorism and Financial Intelligence	$169,712	$175,000	$185,192	$10,192	5.82%
Subtotal, TFI	**$169,712**	**$175,000**	**$185,192**	**$10,192**	**5.82%**
Offsetting Collections - Reimbursable	$8,543	$10,500	$10,500	$0	0.00%
Total Program Operating Level	**$178,255**	**$185,500**	**$195,692**	**$10,192**	**5.49%**
Direct FTE	477	551	575	24	4.36%
Reimbursable FTE	39	35	41	6	17.14%
Total Full-time Equivalents (FTE)	**516**	**586**	**616**	**30**	**5.12%**

Summary

The Department of the Treasury's Office of Terrorism and Financial Intelligence (TFI) requests $185.192 million, which is a $10.192 million increase from the FY 2021 enacted level. TFI requests these additional resources to continue to invest in its people as well as infrastructure, systems, and automated tools, thereby ensuring that TFI remains agile, innovative, and strategic in responding to the most pressing U.S. national security concerns. The budget prioritizes funding for Treasury's targeted financial tools that protect the U.S. and international financial system from abuse, as well as countering the financial networks that support terrorists, weapons proliferators, organized transnational crime, rogue regimes, and other threats. This request covers three TFI components: 1) the Office of Terrorist Financing and Financial Crimes (TFFC), responsible for policy and outreach such as U.S. representation to the Financial Action Task Force (FATF); 2) the Office of Intelligence and Analysis (OIA), the sole intelligence community (IC) component in the Department of the Treasury; and 3) the Office of Foreign Assets Control (OFAC), which administers and enforces economic and trade sanctions. Separate requests were provided for: 1) the Financial Crimes Enforcement Network (FinCEN), responsible for BSA and CTA regulation, and 2) the Treasury Executive Office for Asset Forfeiture (TEOAF).

TFI's economic authorities continue to play an increasingly central role in countering some of the nation's most critical security threats. This Administration and Congress rely upon TFI to develop strategies that employ all targeted financial measures, including sanctions, to implement U.S. national security and foreign policy goals towards China, Iran, Russia, Venezuela, Burma, Islamic State of Iraq and Syria (ISIS) and other terrorist organizations, human rights abusers and corrupt actors, narcotics traffickers, and other malign and destabilizing actors. This request also includes targeted tools that protect the U.S. and international financial system from abuse by illicit actors, to include unexpected challenges such as COVID 19-related illicit finance concerns. As reliance upon TFI's authorities has grown, the corresponding growth in personnel across TFI and increased demand placed upon secure systems requires additional investment in mission support areas. TFI's infrastructure investments have been developed with careful consideration of the personnel increase request with the intent of developing and maintaining a collaboration network that facilitates our operational and policy goals.

Budget Highlights

	FTE	Amount
FY 2021 Operating Plan	**551**	**$175,000**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$4,817
Pay Annualization (1.0% average pay raise)	0	$234
Pay Raise (2.7% average pay raise)	0	$2,119
FERS Contribution Increase	0	$836
Non-Pay	0	$1,628
Other Adjustments:	8	$0
Contracts	0	($1,330)
FTE Adjustment	8	$1,330
Subtotal Changes to Base	8	$4,817
FY 2022 Current Services	**559**	**$179,817**
Program Changes:		
Program Adjustments	16	$0
Non-recur	0	($2,750)
FTE Adjustment	16	$2,750
Program Increases:	0	$5,375
Replacement of End of Life Servers	0	$1,659
IT Modernization	0	$3,716
FY 2022 President's Budget Request	**575**	**$185,192**

Budget Adjustments

Maintaining Current Levels (MCLs) .... +$4,817,000 / +0 FTE

<u>Pay Annualization (1.0%) +$234,000 / +0 FTE</u>

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

<u>Pay Raise (2.7% in 2022) +$2,119,000 / +0 FTE</u>

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

<u>FERS Contribution Increase +$836,000 / +0 FTE</u>

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

<u>Non-Pay +$1,628,000 / +0 FTE</u>

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

Other Adjustments .... +$0/ +8 FTE

<u>Contracts -$1,330,000 / -0 FTE</u>

As a result of hiring delays due to the pandemic, funds initially intended to support FTE increases were re-programmed to finance one-time contract requirements in FY 2021. These funds are no longer needed to support contracts in FY 2022.

<u>FTE Adjustment +$1,330,000 / +8 FTE</u>
The FY 2022 Budget reflects a +8 FTE technical adjustment from the FY 2021 Enacted Budget. This technical adjustment reflects increased efforts at TFI to hire and on-board new staff.

Program Adjustments .... +$0 / +16 FTE
<u>Non-recur -$2,750,000 / +0 FTE</u>
These funds are no longer needed to support renovation requirements in FY 2022 and can support expanded staffing.

<u>FTE Adjustment +$2,750,000 / +16 FTE</u>
The FY 2022 Budget reflects a +16 FTE technical adjustment from the FY 2021 Enacted Budget. This technical adjustment reflects increased efforts at TFI to hire and on-board new staff with funds no longer required for use towards renovations that program anticipates will be completed in FY 2022.

Program Increases .... +$5,375,000 / +0 FTE
<u>Replacement of End of Life Servers +$1,659,000 / +0 FTE</u>
Funds are requested for TFI's portion of a larger DO project to replace servers that have now reached the end of their useful life. Over the past several years, DO has prioritized its policy-related mission by restricting inflationary increases for DO management offices. These reductions have impacted all facets of management, to include the Office of the Chief Information Officer.

<u>IT Modernization +$3,716,000 / +0 FTE</u>
Funds are requested for TFI's portion of a larger DO project to modernize critical equipment and software that supports the TFI workforce's fundamental information technology needs.

Legislative Proposals
The Office of Terrorism and Financial Intelligence has no legislative proposals.

Performance Highlights
TFI created new indicators and measures, which are being presented for the first time in this FY 2022 Budget. The table below reflects actuals FY 2020.

Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Regulatory documents published in the Federal Register within four months of publication of an Executive order or Congressional mandate during the fiscal year	N/A	N/A	67%	75%	75%
Designations and identifications released on time to the public without errors	N/A	N/A	97%	90%	90%
Respond to de-confliction requests received from law enforcement	N/A	N/A	7 days	7 days	7 days
Percent customer satisfaction with OIA products	N/A	N/A	Customer Satisfaction Surveys not conducted in FY 2020 due to the COVID-19 pandemic.	74%	74%

Description of Performance

TFI has strategically applied Treasury's powerful tools and authorities against bad actors, including rogue regimes, terrorist financiers, human rights abusers, proliferators of weapons of mass destruction, drug kingpins, and others. Since the beginning of FY 2020, Treasury has established four new and six modified sanctions programs. This included the use of tools and authorities to deter Iran's nuclear and ballistic missile program, hindering Iran's support of global terrorism, and offsetting efforts to destabilize the Middle East, Burma, Hong Kong, Venezuela, and others.

The introduction of new government programs in response to COVID-19 and the economic distress caused by the pandemic resulted in an uptick in fraud and illicit activities. Treasury worked with the federal banking community to coordinate an interagency response and publish advisories for financial institutions (Advisories).

In FY 2020, Treasury further expanded its role in cybersecurity through the creation of the Cyber Analysis Office, which worked with governmental partners and major financial institutions to gather intelligence aimed at disrupting global cyber theft operations. OIA's Cyber Analysis Office also augmented analytic resources to detect and analyze emerging trends in state and non-state use of virtual currencies to undermine U.S. national security. In September 2020, TFI worked with the Department of Justice and Department of Homeland Security to sanction two Russian nationals for their involvement in a sophisticated phishing campaign that resulted in losses of at least $16.8 million in 2017 and 2018.

Committee on Foreign Investment in the United States

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Operating Plan	FY 2021 Operating Plan	FY 2022 Request	FY 2021 to FY 20222 $ Change	% Change
Treasury CFIUS Activities	$15,000	$15,000	$15,000	$0	0.0%
Other Member CFIUS Activities	$5,000	$5,000	$5,000	$0	0.0%
Treasury Departmental Offices S&E	$22,341	$22,661	$24,556	$1,895	8.4%
Subtotal, CFIUS	**$42,341**	**$42,661**	**$44,556**	**$1,895**	**4.4%**
Anticipated User Fees - CFIUS Fund	($20,000)	($20,000)	($20,000)	0	0.0%
Total Program Operating Level	**$22,341**	**$22,661**	**$24,556**	**$1,895**	**8.4%**
Direct FTE	56	93	120	27	29.0%
Total Full-time Equivalents (FTE)	**56**	**93**	**120**	**27**	**29.0%**

*The FY 2020 actuals for user fees collected was $3.1 million. FY 2020 collections were impacted by the timing of the final rule issuance and decreases to global merger and acquisition activity as a result of the COVID-19 pandemic.

Summary

The Committee on Foreign Investment in the United States (CFIUS) was established in 1975 under Executive Order 11858 to monitor the impact of foreign investment in the United States, and to coordinate and implement federal policy on such investment. CFIUS is composed of nine voting member agencies, some of which have multiple subcomponents. CFIUS' unique design leverages the skills, subject matter expertise, and integrated analysis of Committee members and other relevant agencies. CFIUS voting members include:

- Department of the Treasury
- Department of Commerce
- Department of Defense
- Department of Energy
- Department of Homeland Security
- Department of Justice
- Department of State
- Office of Science Technology and Policy
- Office of the United States Trade Representative

As both Chair and member of CFIUS, Treasury is responsible for leading CFIUS in establishing policies, implementing processes and functions, and managing its daily operations. Treasury participates in every aspect of CFIUS, including reviews and investigations, policy and international relations, mitigation monitoring and enforcement, non-notified transaction analysis, legal support, and national security threat assessments. The Office of International Affairs (IA) is responsible for case management and coordination and representing the Committee to parties that file notices or declarations. The Office of General Counsel (OGC) provides legal support to IA and is responsible for certain analyses conducted on each notice filed with CFIUS.

The Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) strengthened CFIUS to better address national security concerns arising from some types of investments and transactions that were previously outside of its jurisdiction. Additionally, FIRRMA modernized CFIUS' processes to better enable timely and effective reviews of covered transactions. FIRRMA also established the CFIUS Fund (the Fund), to be administered by the chairperson (the Secretary of the Treasury), to accept appropriated funds for these expanded responsibilities and functions, and to collect filing fees.

The Treasury Department issued a final rule—effective August 27, 2020—establishing fees for any formal written notice of a "covered transaction" or "covered real estate transaction" filed with CFIUS. The fee applies to transactions filed as voluntary notices and not to transactions submitted as declarations (an abbreviated notification form). The revenue generated from the filing fees will offset some of the expenses associated with CFIUS's activities to protect U.S. national security. The fee amount is based on the value of the transaction, according to tiers set forth in the rule, and range from $750 to $300,000.

Pursuant to the final rule establishing filing fees, CFIUS collected over $3 million in filing fees in FY 2020, all of which were deposited into the General Fund of the Treasury. For FY 2021, over $11 million has been collected through May 21, 2021. While informed by historical transaction data, it is inherently difficult to estimate expected filing fee collections, given the number of external factors that influence the volume and nature of CFIUS filings in any given year—especially in the first year of a new regulatory regime. FY 2020 collections differ from the estimate assumed in the FY 2020 budget request for several reasons: that estimate was prepared before the final FIRRMA regulations and fee scale were developed and finalized; Treasury's fee rule became effective later than assumed in the FY 2020 budget request; and, the COVID-19 pandemic affected global mergers and acquisition activity, which tends to broadly correlate with CFIUS filings.

Case volume has increased significantly in recent years, from 172 notices formally reviewed in calendar year (CY) 2016 to 325 cases (comprised of 231 notices and 94 declarations reviewed under the critical technology pilot program) formally reviewed in CY 2019. The expanded jurisdiction authorized by FIRRMA took effect February 13, 2020. In FY 2021, a planned final rule took effect, which modified the mandatory declaration requirement for certain transactions involving U.S. businesses that produce, design, test, manufacture, fabricate, or develop one or more critical technologies. As 2020 data is not yet publicly available, the case volume reported here does not reflect the full impact of that legislation. The FY 2022 budget requests resources necessary to handle an anticipated workload of 1,000 cases per year (including significantly expanded activity with respect to non-notified transactions), mitigation monitoring, and international engagement.

Treasury requests $20 million for the Fund in upfront appropriations that will be offset by an estimated $20 million in offsetting collections from filing fees, of which $15 million is proposed for transfer to Treasury to fund capital investments and staff to support Committee activities. The remaining $5 million will be available for transfer to other CFIUS agencies to facilitate, for example, interagency connectivity with Treasury's information technology (IT) and case management systems, and to address other emerging needs.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Operating Plan	**93**	**$22,661**
Transfer in from CFIUS Fund		$15,000
FY 2021 DO SE CFIUS Base	**93**	**$37,661**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$544
Pay Annualization (1.0% average pay raise)	0	$40
Pay Raise (2.7% average pay raise)	0	$326
FERS Contribution Increase	0	$150
Non-Pay	0	$28
Non-Recurring Costs	0	($3,013)
Non-Recur to CFIUS Investments	0	($3,013)
Subtotal Changes to Base	0	($2,469)
FY 2022 Current Services	**93**	**$35,192**
Program Changes:		
Program Increases:	27	$4,364
Staffing to Support CFIUS Caseload Growth	27	$4,364
Subtotal Program Changes	**27**	**$4,364**
FY 2022 President's Budget Request	**120**	**$39,556**

Note: CFIUS Fund transfers to non-Treasury agencies of $5 million are not included in this table.

Budget Adjustments

<u>Offsetting User Fees -$20,000,000 / -0 FTE</u>
Treasury and IA anticipate collection of filing fees that will be credited to the Fund as offsetting collections.

<u>Transfer in from CFIUS Fund +$15,000,000 / +0 FTE</u>
The CFIUS Fund anticipates transferring $15.0 million dollars to the DO Salaries and Expenses account to provide for Treasury DO CFIUS activities.

Maintaining Current Levels (MCLs) .... +$544,000 / +0 FTE
<u>Pay Annualization (1.0%) +$40,000 / +0 FTE</u>
Funds are requested for annualization of the January 2021 1.0% average pay raise.

<u>Pay Raise (2.7% in 2022) +$326,000 / +0 FTE</u>
Funds are requested for a 2.7% average pay raise in January 2022.

<u>FERS Contribution Increase +$150,000 / +0 FTE</u>
Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

<u>Non-Pay +$28,000 / +0 FTE</u>
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Non-Recurring Costs .... -$3,013,000 / -0 FTE

Non-Recur to CFIUS Investments -$3,013,000 / +0 FTE

CFIUS will non-recur costs associated with configuring secure spaces for new CFIUS staff. This money is anticipated to be reinvested as staff on-board.

Program Increases .... +$4,364,000 / +27 FTE

Staffing to Support Caseload Growth +$4,364,000 / +27 FTE

Increase in CFIUS staffing to continue in light of anticipated program growth.

Legislative Proposals

CFIUS has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Committee on Foreign Investment in the United States (CFIUS)	Timely Review of CFIUS Cases	100	100	100	100	100

Description of Performance

In February 2020, Treasury published final regulations implementing FIRRMA. These regulations effectuated FIRRMA's expansion of the jurisdiction of CFIUS to review certain non-controlling, non-passive investments by foreign persons into certain types of U.S. businesses, as well as certain transactions by foreign persons involving real estate in the United States. The regulations also implemented mandatory declarations for two types of transactions—where a foreign government is acquiring a "substantial interest" in certain U.S. businesses, and transactions involving certain U.S. businesses that produce, design, test, manufacture, fabricate, or develop one or more critical technologies. Additionally, the regulations created an exception to the mandatory declaration provision for investments by certain foreign persons defined as "excepted investors" based on their ties to certain countries identified as "excepted foreign states," and their compliance with certain laws, orders, and regulations. In May 2020, Treasury initiated the collection of filing fees for notices filed with CFIUS and launched a secure web-based portal for parties to submit notices and declarations.

Timely Review of CFIUS Cases: This measure tracks compliance with statutory deadlines for completing national security reviews of transactions notified to the CFIUS to ensure that the CFIUS process is timely and efficient. The target (100 percent) was met in CY 2020. IA's target for this measure in CY 2021 and CY 2022 is 100 percent.

Office of Inspector General

Dollars in Thousands

Budget Activity	FY 2020 Operating Plan	FY 2021 Operating Plan2	FY 2022 Request	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % Change
Audit	$30,524	$30,524	$31,182	$658	2.16%
Investigations	$10,520	$10,520	$11,180	$660	6.27%
Subtotal, Organization Title	**$41,044**	**$41,044**	**$42,362**	**$1,318**	**3.21%**
Offsetting Collections - Reimbursable	$9,000	$9,000	$9,000	$0	0.00%
Total Program Operating Level	**$9,000**	**$9,000**	**$9,000**	**$0**	**100.00%**
Direct FTE	167	180	190	10	5.56%
Total Full-time Equivalents (FTE)	**167**	**180**	**190**	**10**	**5.56%**

FY 2020 Other Resources and Full-time Equivalents (FTE) reflect actuals.
In FY 2021 additional appropriated resources were provided by the Consolidated Appropriations Act of 2021 (CAA) and the American Rescue Plan Act of 2021 (ARP) which are not included above:
1. $3 Million for oversight of the Emergency Rental Assistance program (ARP).
2. $6.5 million for oversight of the Emergency Rental Assistance program (CAA).
3. $2.6 million for oversight of the Homeowner Assistance Fund (ARP).
4. $35 million for oversight of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Summary

The FY 2022 request for $42,362,000 for the Office of Inspector General (OIG) will be used to fund critical audit, investigative, and mission-support activities to meet the requirements of the Inspector General Act of 1978, as amended, and other statutes including, but not limited to: the Cybersecurity Act of 2015; Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank); Federal Information Security Modernization Act of 2014 (FISMA); Federal Information Technology Acquisition Reform Act; Government Management Reform Act; Payment Integrity Information Act of 2019 (PIIA); Federal Deposit Insurance Act; Small Business Jobs Act of 2010; the Government Charge Card Abuse Protection Act of 2012; Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act); the Coronavirus Aid, Relief, and Economic Security Act (CARES) the FY 2021 Consolidated Appropriations Act; and the American Rescue Plan Act (ARP). Specific mandates include (1) audits of the Department's financial statements, (2) audits and/or evaluations of the Department's information systems security program and practices as required by FISMA, (3) assessments of the Department's cyber security information sharing, (4) audits of improper payments and recoveries under PIIA, (5) risk assessments and audits of charge card programs, and (6) material loss reviews of failed insured depositary institutions regulated by the Office of the Comptroller of the Currency (OCC). The OIG will also conduct audits of the Department's highest risk programs and operations and respond to stakeholder requests for specific work, including: (1) operating in an uncertain environment; (2) cyber threats; (3) Bank Secrecy Act, anti-money laundering, and and-terrorist financing enforcement; (4) efforts to promote spending transparency and to prevent and detect improper payments; (5) information technology acquisition and project management; and (6) certain Treasury Pandemic Relief programs.

Within its jurisdictional boundaries, the OIG also conducts audit of the highest risk programs and operations of the Gulf Coast Ecosystem Restoration Council (Council) established under the RESTORE Act. The highest risk programs and operations identified as the Council's management and performance challenges include: (1) Federal Statutory and Regulatory

Compliance, (2) Grant and Interagency Agreement Compliance Monitoring, and (3) Loss of Key Leadership Over Administration of Gulf Coast Restoration Activities.

The OIG will continue its investigative work to prevent, detect, and investigate complaints of fraud, waste, and abuse impacting Treasury programs and operations. This includes the detection and prevention or deterrence of employee misconduct and fraud.

In accordance with the *Government Performance and Results Act Modernization Act (GPRAMA)* of 2010, the Department of the Treasury is currently developing the FY 2022 – 2026 Departmental Strategic Plan. The Strategic Plan is scheduled for publication in 2022. The Annual Performance Plan will be updated in the FY 2023 President's Budget to reflect new Departmental strategic goals and objectives. The OIG will publish a component plan that aligns bureau activities and priorities to the Department's by early spring 2022.

FY 2022 Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Operating Plan	**180**	**$41,044**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	1,258
Pay Annualization (1.0% average pay raise)	0	75
Pay Raise (2.7% average pay raise)	0	677
FERS Contribution Increase	0	284
Non-Pay	0	222
FY 2022 Current Services	**180**	**$42,302**
Program Changes:		
Program Decreases	0	(1,709)
Reduction in Contracts and Absorption of Rent Increase	0	(1,709)
Program Increases:	10	1,769
Workforce FTE Adjustment	10	1,709
Electric Vehicles and Associated Infrastructure	0	60
Subtotal Program Changes	**10**	**$60**
FY 2022 President's Budget Request	**190**	**$42,362**

FY 2022 Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs)…………………..…………… +$1,258,000 / +0 FTE

Pay Annualization (1.0%) +$75,000 /+0 FTE

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

Pay Raise (2.7% in 2022) +$677,000 / +0 FTE

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

FERS Contribution Increase +$284,000 / +0 FTE

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

Non-Pay +$222,000 / +0 FTE

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

Program Decreases……………………………………….…………… -$1,709,000 / -0 FTE
Reduction in Contracts and Absorption of Rent Increase -$1,709,000 /-0 FTE
Program decrease in contracts and to accommodate increased administrative costs, including rent.

Program Increases………………………………………………... +$1,769,000 / +10 FTE
Workforce FTE Adjustment +$1,709,000 / +10 FTE
This adjustment is required to right-size the workforce for increased audit and investigative oversight and to provide necessary support staff.

Electric Vehicles and Associated Infrastructure +$60,000 / +0 FTE
For FY 2022, the OIG requests $60,000 to fund the eventual conversion of its fleet to Electronic Vehicles (EVs). Of that money, a to-be-determined amount will be allocated to support the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program.

Explanation of Budget Activities

Audit $31,182,000 from direct appropriations, $9,000,000 from reimbursable
The Office of Audit conducts audits to ensure the accountability of resources, protect information, and provide recommendations for improving the economy, efficiency, effectiveness, and integrity of programs and operations across its jurisdictional boundaries, which include those of Treasury and the Gulf Coast Ecosystem Restoration Council (Council). The requested funding for FY 2022 is necessary to perform mandated work and maintain an appropriate level of oversight of these programs and operations consistent with its responsibilities under the Inspector General Act, as amended. The OIG also responds to requests by Treasury and Council officials and the Congress for specific work. In FY 2022, the OIG will continue to provide oversight of Treasury's government-wide role and responsibilities under the CARES Act, FY 2021 Consolidated Appropriations Act, and American Rescue Plan. Reimbursable funding supports agreements for contracted financial statement audits as well as oversight of the Small Business Lending Fund and State Small Business Credit Initiative program.

Investigations $11,180,000 from direct appropriations
The Office of Investigations (OI) prevents, detects, and investigates complaints of fraud, waste, and abuse. This includes the detection and prevention or deterrence of employee misconduct and fraud, or related financial crimes within or directed against Treasury. OI refers its cases to the Department of Justice, State, or local prosecutors for criminal prosecution or civil litigation, or to agency officials for corrective administrative action.
With almost $4 billion in U.S. Treasury related contracts, there is an increased risk of contract fraud across all U.S. Treasury bureaus and programs. OI initiated a program of providing integrity briefs to contract personnel notifying them of the responsibilities to report fraud, waste, and abuse within U.S. Treasury contracts and programs. OI works with the U.S. Department of Justice to prosecute False Claims Acts in federal court to recover funds through civil penalties. Additionally, OI conducts criminal investigations to prosecute contractors engaging in fraudulent activity, such as kickbacks, product substitution, bid manipulation, and many other types of

contract fraud. OI continues to work allegations directly impacting the American Reinvestment and Recovery Act and the Gulf Coast Restoration Trust Fund.

OI directs investigative efforts toward those that subvert bank examination processes and/or perpetrate fraud affecting the Bank Secrecy Act oversight responsibilities of Treasury bureaus, subsequently defrauding the nation's financial infrastructure and eroding the public's trust.

In addition to the grant programs listed above, OI has seen a noted increase in fraud impacting other significant Treasury programs and operations, including leaks of Treasury information, as well as fraud impacting the Treasury payment processing service operated by the Bureau of the Fiscal Service. OI remains committed to investigating benefit, improper payment and other monetary fraud associated with the programs and operations of the Treasury Department.

The OIG conducts inquiries and investigations of waste, fraud, and abuse related to Title V of the CARES Act, which established the Coronavirus Relief Fund, as well as the Emergency Rental Assistance program (ERA/ERA2), the Homeowner Assistance Fund (HAF), American Rescue Plan Act of 2021 (ARPA), and the State Small Business Credit Initiative (SSBCI). Since the inception of the CARES Act in March 2020, the Office of Investigations has increased its caseload by 25 percent for investigations that involve potential misappropriated funds of state, local, and tribal governments.

Legislative Proposals

The OIG has no legislative proposals.

Performance Highlights

Budget	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Audit	Number of Completed Audit Products	91	79	85	74	74
Audit	Percent of Statutory Audits Completed by the Required Date	100	100	100	100	100
Investigations	Percentage of All Cases Closed During the Fiscal Year That Were Referred for Criminal/Civil Prosecution or Treasury Administrative Action	98	80	91	80	80

Description of Performance

The Office of Audit completed 85 audit products in FY 2020 and expects to complete 74 in FY 2021. In FY 2020, OA met its mandated audit requirements and identified $93.4 million of questioned costs.
In keeping with the OIG's strategy to maintain a highly skilled and motivated workforce, the OIG plans and executes a meaningful body of work designed to help ensure the integrity, efficiency, and effectiveness of programs and operations across OIG's jurisdiction while looking for opportunities to improve them.

In FY 2020 the OIG exceeded the Investigative Performance Measure target, opened 76 new investigations, and closed 107 investigations. The OIG also referred 13 investigations that substantiated administrative violations against a Treasury employee to the appropriate regulated bureau for action. In addition, the OIG referred 119 investigations for criminal prosecution and 3 investigations for civil prosecution. In FY 2020 the Office of Investigations charged and/or indicted 41 subjects. Ongoing investigations resulted in 23 subjects sentenced which resulted in fines, seizures, restitution, penalties and settlements of more than $15.6 million.

The OIG received investigative referrals regarding potential criminal misconduct that occurred prior to, or during bank failures, and has worked on criminal investigations with the Federal Deposit Insurance Corporation Office of Inspector General, the National Credit Union Administration Office of Inspector General regarding potential prosecution of acts which may have contributed to the bank failures. Additionally, the OIG continues to receive investigative referrals from Treasury bureaus, law enforcement agencies, and other sources regarding fraud impacting Treasury programs and operations and routinely conducts independent and joint investigations into these matters.

The Office of Investigations continues to support frequent congressional inquiries, sensitive investigative requests from the Council of the Inspectors General on Integrity and Efficiency, and annual peer reviews of other Offices of Inspector General, thus ensuring a high level of professionalism within the Inspector General community.

Special Inspector General for TARP

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Operating Plan	FY 2021 Operating Plan	FY 2022 Request	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % Change
Investigations	$18,920	$16,550	$14,485	($2,065)	-12.48%
Audit	$3,080	$2,450	$2,515	$65	2.65%
Subtotal, Organization Title	**$22,000**	**$19,000**	**$17,000**	**($2,000)**	**-10.53%**
Unobligated Balances Brought Forward	$1,000	$0	$0	$0	NA
Total Program Operating Level	**$1,000**	**$0**	**$0**	**$0**	**NA**
Direct FTE	80	74	68	(6)	-8.11%
Total Full-time Equivalents (FTE)	**80**	**74**	**68**	**(6)**	**-8.11%**

FY 2020 Other Resources and Full-time Equivalents (FTE) reflect actuals.
FY 2021 Operating Plan amounts and estimated FTE.

Summary

The Fiscal Year (FY) 2022 Budget proposes $17 million, a reduction of 10.5 percent from the FY 2021 enacted level of $19 million. It also reflects a reduction of 59 percent from the FY 2017 enacted level. The proposed budget is intended to fund Congressionally mandated independent oversight of Emergency Economic Stabilization Act of 2008 (EESA) programs through SIGTARP criminal and civil investigations and independent audits. SIGTARP prioritizes investigations and audits of Making Home Affordable' s (MHA) Home Affordable Modification Program (HAMP) (which has 664,644 homeowners participating as of March 17, 2021) and the Hardest Hit Fund (HHF). In April 2020, SIGTARP recommended that Treasury shift HHF to address the pandemic and shift available EESA funding to HHF unemployment mortgage assistance programs. Treasury has been implementing this recommendation. In April 2020, Treasury extended HHF, citing employment hardships caused by the pandemic.

SIGTARP's work has led to recoveries for the government and other victims of $11.2 billion – a 30 times cumulative return on investment (ROI) from SIGTARP's annual budgets. Every year, the Government and other victims recover dollars that exceed SIGTARP's enacted level. Recoveries to date in FY 2021 are $87 million, exceeding SIGTARP's $19 million enacted level by more than four times. FY 2020 recoveries were $157.3 million, exceeding SIGTARP's $22 million enacted level by more than seven times.

SIGTARP Investigations

SIGTARP is a law enforcement office as Congress provided SIGTARP the authority to search, seize and arrest. SIGTARP's law enforcement work has resulted in criminal charges against 456 defendants. SIGTARP has a 97 percent Department of Justice (DOJ) conviction rate. Courts have already sentenced 306 of these defendants to prison including 74 bankers. Other convicted defendants await sentencing. SIGTARP's investigations also resulted in enforcement actions by DOJ, the Securities and Exchange Commission (SEC) and others against 25 entities (including large Wall Street institutions).

SIGTARP Investigations Related to HAMP

SIGTARP continues its long-standing record of holding financial institutions accountable, with the top law enforcement priority to bring justice to unlawful conduct by financial institutions in HAMP. As with all investigations, SIGTARP's investigations are backwards looking, investigating past conduct, and spending. SIGTARP has a number of open confidential investigations. SIGTARP has referred some of these investigations to DOJ. SIGTARP continues to work HAMP investigations cases with DOJ, other prosecutors, and regulatory enforcement divisions.

In December 2020, SIGTARP's investigation of Nationstar resulted in an $86.3 million enforcement action by 51 state Attorney Generals, 53 state financial regulators, and the Consumer Financial Protection Bureau for violating consumer protection laws and harming 40,000 homeowners, including in HAMP, during the time period of 2012 - 2016. The investigation found that Nationstar conducted improper foreclosures, improper escrow practices, and improperly increased monthly payments, among other violations. Treasury distributed $1.7 billion to Nationstar in HAMP mortgage servicer, investor, and borrower incentives ($117.7 million in FY 2020 - 2021), making it the third largest current HAMP institution.

Recent HAMP activity and spending adds to SIGTARP's existing case load. In FY 2020 - 2021, Treasury distributed $919.5 million in incentive payments under HAMP for mortgage servicers, investors, and borrowers. Treasury sends the distributions to the mortgage servicer, including banks (i.e. $91.7 million to Wells Fargo, $51.4 million to JP Morgan Chase, $49.4 million to Bank of America, and $17.7 million to Citigroup), and non-banks (i.e. $233.6 million to Ocwen Financial, $117.7 million to Nationstar).

SIGTARP also investigated and supported the prosecution of 121 convicted scammers who victimized nearly 31,000 homeowners seeking foreclosure relief through HAMP. For example, in August 2020, a Federal court sentenced the two owners of U.S. Homeowners Relief to 12 years and 5 years in prison for a nationwide $3.5 million fraud scheme targeting more than 250 homeowners seeking loan modifications, including through HAMP. The company's marketing materials implied they were affiliated with HAMP's umbrella program the Making Home Affordable Program, made specific reference to the government website, and displayed official government logos.

SIGTARP's Investigations Related to the Hardest Hit Fund

SIGTARP also investigates corruption, fraud, and environmental/safety crimes such as illegal dumping, asbestos exposure, or contaminated dirt in demolitions of blighted properties under HHF. Public results from SIGTARP's corruption investigations in HHF blight include:

- In FY 2019, the Detroit city official in charge of demolition bids for HHF was sentenced to prison after his conviction for bribery conspiracy and fraud related to HHF contracts.
- In FY 2019, a senior official from one of the largest Detroit HHF blight contractors was sentenced to prison after his conviction to commit fraud by taking bribes and kickbacks from a subcontractor related to demolition contracts, including in HHF.
- In FY 2019, DOJ resolved False Claims Act violations against a contractor in Fort Wayne, Indiana who the city had awarded all its HHF blight contracts. Instead of filling post-

demolition excavation sites with clean fill dirt as required, the contractor filled the holes with construction debris and then falsely billed HHF.

- In FY 2020, the head of a major Detroit asbestos abatement subcontractor, and the subcontractor itself, was barred for 20 years from contracts in Detroit for paying bribes for HHF contracts.
- In FY 2020, SIGTARP agents arrested an Illinois contractor charged with fraud in HHF demolitions in Hammond, Indiana. DOJ charged the contractor with failing to dispose of demolition debris properly, and allegedly disposing of the demolition debris in unknown locations enabling him to avoid the registered facility fee. According to the indictment, the contractor allegedly submitted false disposal, dumping, and clean fill dirt documentation.
- In FY 2020, SIGTARP agents arrested an Indiana contractor who DOJ charged with submitting false documents for HHF demolitions stating that he properly disposed of demolition debris. The indictment alleges that the contractor improperly disposed of demolition debris on-site in Logansport, Indiana.
- In FY 2021, an asbestos abatement contractor who allegedly was chosen as a subcontractor in Detroit demolitions was criminally charged by the Michigan Attorney General for bribery, false pretenses, and money laundering, including charges related to public health laws for asbestos removal.
- In FY 2021, a Cleveland, Ohio land bank official was sentenced for lying to federal agents, including a SIGTARP agent, who were conducting an investigation about work by a demolition contractor awarded HHF contracts on the official's house, for which work the official did not pay.
- In FY 2021, an investigation into contractors conducting demolitions in Detroit resulted in the Detroit Inspector General finding that four contractors used unapproved dirt from I-94 as backfill.

SIGTARP also investigates HHF mortgage assistance recipients for fraud and works with DOJ or state and local prosecutors to hold these defendants accountable and recover dollars lost to fraud. In FY 2020 - 2021, defendants prosecuted defrauded HHF in California, Indiana, Illinois, Ohio, Georgia, Michigan, and South Carolina.

SIGTARP Investigations Related to EESA Investment Programs

SIGTARP continues to support criminal prosecutions by DOJ of defendants that SIGTARP investigated. SIGTARP's investigations have resulted in criminal prosecutions of 107 bankers and 100 of their co-conspirators. Courts sentenced 74 of the bankers to prison, along with 67 of their co-conspirators. Criminal prosecutions take time, and SIGTARP does not control the pace of DOJ prosecutions. Despite delays in prosecutions related to the pandemic, in FY 2020-21, SIGTARP has seen progress in several high-profile prosecutions in cases that have lasted many years, including:

- 7-year 3-month prison sentence for a Mexican national involved in a criminal enterprise to launder international narcotics trafficking proceeds including for the Sinaloa drug cartel through Saigon Bank while the bank was in TARP, in Operation Phantom Bank that charged 25 defendants.
- 2-year prison sentence for CEO of failed TARP bank Cecil Bank in Maryland for fraud conspiracy and bribery that included lying to the bank's board and a Federal Reserve

examiner. Treasury wrote off more than $10 million in TARP when the bank filed bankruptcy.
- Home confinement sentence for supervisory trader at Nomura Securities convicted of conspiracy to commit securities fraud in residential mortgage backed securities, including through EESA's PPIP program, that caused more than $15 million in losses. The SEC also brought charges against this trader, others, and Nomura (who repaid $25 million to customers).

SIGTARP Audit
SIGTARP audits promote transparency, effectiveness, and efficiency, identify waste, abuse, and mismanagement, and prevent future fraud, waste, and abuse, in HAMP and HHF. For example:
- SIGTARP audits identified obstacles and roadblocks to homeowners timely receiving assistance and made recommendations to speed assistance.
- SIGTARP identified mismanagement by the Georgia HHF agency who had the lowest admission rate of any state agency in HHF, with the agency turning away two-thirds of all applicants and made recommendations that resulted in an increase in homeowners receiving assistance.
- SIGTARP audits identified $11 million in waste, abuse, and questioned costs by HHF state agencies, including a Mercedes Benz, a motivational speaker who spoke about "Motivation by Chocolate," holiday parties, picnics, celebratory dinners, employee gifts, employee gym memberships, flowers, gift cards, conferences at resorts, etc. State agency employees were the first recipients of the $2 billion that Congress provided HHF in 2016. One state agency paid for an employee lunch, "to celebrate getting new HHF funds and an employee's upcoming wedding." Another state agency threw catered barbeques, inviting 50, 60, and 90 people, charging it to HHF.
- SIGTARP identified abuse of HHF blight demolition program when it was used to demolish lived-in houses on the desired relocation site of a car dealership.
- SIGTARP identified risks in the HHF blight demolition program of illegal dumping, contaminated dirt, and exposure to asbestos.

SIGTARP's work ensures that programs are operating effectively and efficiently, that EESA dollars are used as Congress intended, and that the government does not pay more for EESA than is necessary.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Operating Plan	**80**	**$19,000**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$544
Pay Annualization (1.0% average pay raise)	0	$39
Pay Raise (2.7% average pay raise)	0	$313
FERS Contribution Increase	0	$120
Non-Pay	0	$72
Subtotal Changes to Base	0	$544
FY 2022 Current Services	**80**	**$19,544**
Program Changes:		
Program Decreases	(12)	($2,544)
Staff Reduction	(12)	($2,298)
Efficiency Savings	0	($246)
FY 2022 President's Budget Request	**68**	**$17,000**

Budget Adjustments

Budget Increases and Decreases Description

Maintaining Current Levels (MCLs) .... +$544,000 / +0 FTE

Pay Annualization (1.0%) +$39,000 / +0 FTE

Funds are requested for annualization of the January 2020 1.0 percent average pay raise.

Pay Raise (2.7% in 2022) +$313,000 / +0 FTE

Funds are requested for a 2.7 percent average pay raise for January 2022.

FERS Contribution Increase +$120,000 / +0 FTE

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

Non-Pay +$72,000 / +0 FTE

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

Program Decreases .... -$2,544,000 / -12 FTE

Staff Reduction -$2,298,000 / -12 FTE

Reduction in SIGTARP staff levels to 68 FTE. The reduction of FTE is part of responsible planning towards SIGTARP's sunset.

Efficiency Savings -$246,000/ -0 FTE

Effect of staff reduction on Non-Personnel costs (training, travel, support services, etc.)

Other adjustment (not reflected in table)
Realignment from Annual to No-Year -$3,000,000/ -0 FTE
SIGTARP will fund a portion of its operations from its no-year account. SIGTARP actively reduces costs and its footprint, while creating an appropriately sized, skilled, and structured workforce.

SIGTARP decreased its footprint, with ~51percent reduction in square foot entering FY 2022.
- In FY 2018, SIGTARP eliminated 50 percent of its Washington, D.C. headquarters annual rent expenses.
- In FY 2019, SIGTARP eliminated 100 percent of its San Francisco annual rent expense.
- In FY 2020, SIGTARP decreased rent under Treasury lease for the New York office ≈ 43 percent reduction from $90K to $51K per year.
- At the end of FY 2021, SIGTARP will close its Atlanta office eliminating 100 percent of the Atlanta rent expense.
- SIGTARP reduced fleet-related expenses by 40 percent since FY 2014, with another 10 percent reduction planned for FY 2022.
- In FY 2022, over $6 million of the proposed budget (35 percent) will be spent on goods and services from the government, more than 90 percent of which will be paid to Treasury.
- SIGTARP has eliminated management layers and is structuring the workforce in such a way to create maximum flexibility.
- SIGTARP coordinates with other law enforcement agencies and Inspectors General, leveraging its unique position and expertise by forming law enforcement and other partnerships to create operational efficiencies and realize cost savings.

Hiring Authority Proposal

Hiring Authority Similar to Other Special IG's
SIGTARP is requesting additional special hiring authority to enable SIGTARP to backfill critical vacancies with qualified personnel. This authority is similar to the special authority available to the Office of the Special Inspector General for Afghanistan Reconstruction (SIGAR), another special inspector general, pursuant to 5 U.S.C. 3161.

Proposed Language
'Sec. _________
Section 121 of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5231) is amended in subsection (e)(1)(B)(ii) by striking "subparagraph" and all that follows through the period at the end and inserting "subparagraph, the Special Inspector General may not make any appointment that exceeds 24 months or that extends beyond the date on which the Special Inspector General terminates under subsection (k).".'

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Investigations	Percentage of Cases Accepted for Consideration by Civil or Criminal Authorities Resulting in a Positive Final Outcome	79	77	77	70	70
Investigations	Percentage of Cases Presented to Civil or Criminal Authorities within Eight Months of Being Opened	85	75	75	65	65
Investigations	Percentage of Cases That are Joint Agency/Task Force Investigations	78	76	86	70	70
Audit	Number of Completed Audit Products Identifying Waist, Abuse, Mismanagement, Inefficiencies, or Referrals to Investigations Division (units)	6	4	4	3	3

Description of Performance

SIGTARP exceeded all metric targets in FY 2020. The "Percentage of Cases Accepted for Consideration by Civil or Criminal Authorities Resulting in a Positive Final Outcome" in FY 2020 was 77 percent, which exceeded the target of 60 percent. Typically, the positive outcome is indictment and criminal conviction of individual defendants, with a high 97 percent DOJ conviction rate, and enforcement actions against 25 entities. As an investigative agency, SIGTARP must depend on DOJ's and other prosecutors' ability to accept its cases for prosecution.

The "Percentage of Cases Presented to Civil or Criminal Authorities within Eight Months of the Case Being Opened" was 75 percent, which exceeded the target of 70 percent. The "Percentage of Cases that are Joint Agency/Task Force Investigations" with other law enforcement agencies was 76 percent, which exceeded the target of 70 percent. Both measures recognize that as SIGTARP reduces spending and staffing, it must act with efficiency, shorten its investigative timeline, and leverage other law enforcement partnership resources.

SIGTARP exceeded its FY 2020 audit performance target of three for the "Number of Completed Audit Products Identifying Waste, Abuse, Mismanagement, Inefficiencies, or Referrals to Investigations Division," with four products. This included SIGTARP's recommendations to shift HHF to address hardships caused by the pandemic, including unemployment.

Treasury Inspector General for Tax Administration

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Operating Plan	FY 2021 Enacted	FY 2022 Request	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % Change
Audit	$66,260	$64,851	$65,216	$365	0.56%
Investigations	$103,990	$105,399	$110,546	$5,147	4.88%
Subtotal, TIGTA	**$170,250**	**$170,250**	**$175,762**	**$5,512**	**3.24%**
Offsetting Collections - Reimbursable	$624	$700	$700	$0	0.00%
Recovery from Prior Years	$220	$0	$0	$0	NA
Unobligated Balances Brought Forward	$5,012	$3,729	$5,000	$1,271	34.08%
Total Program Operating Level	**$5,856**	**$4,429**	**$5,700**	**$1,271**	**28.70%**
Direct FTE	731	760	760	0	0.00%
Reimbursable FTE	2	2	2	0	0.00%
Total Full-time Equivalents (FTE)	**733**	**762**	**762**	**0**	**0.00%**

Note: FY 2020 FTE & Other Resources are Actual
In FY 2021, $8M in additional appropriated resources were provided in the American Rescue Plan Act of 2021 that are not reflected above.

Summary

The Treasury Inspector General for Tax Administration's (TIGTA) Fiscal Year (FY) 2022 budget request of $175,762,000 represents an increase of 3.24 percent above its FY 2021 enacted budget. These resources will fund critical audit, investigative, and inspection and evaluation services to protect the integrity of the Nation's system of tax administration.

TIGTA's vision is to "maintain a highly skilled, proactive, and diverse Inspector General organization dedicated to working in a collaborative environment with key stakeholders to foster and promote fair tax administration." TIGTA will provide oversight in a number of critical areas in FY 2022 including:

- Identifying opportunities to improve the administration of the Nation's tax laws, improve tax compliance, and achieve program efficiencies and cost savings;
- Overseeing the Internal Revenue Service's (IRS) efforts to implement tax law changes;
- Continuing to assess the IRS's efforts to implement tax provisions, distribute Economic Impact Payments and other fast and direct relief pursuant to the Coronavirus Aid, Relief, and Economic Security Act, Division N of the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021;
- Assessing the IRS's efforts to address tax-related identity theft;
- Mitigating security risks affecting taxpayer data, tax systems, and IRS employees;
- Protecting the integrity of the IRS by effectively investigating individuals and groups who victimize senior citizens, other vulnerable Americans and the international IRS impersonation scam that has impacted more than 2.5 million Americans;
- Conducting advanced analytics and innovative approaches to help prevent and detect the flow of dollars fraudulently obtained by criminals;

- Enhancing taxpayer confidence in electronic Federal tax systems through investigation and prosecution of cyber criminals engaged in attacks against, and manipulation of, IRS taxpayer service portals as well as the IRS network;
- Improving the integrity of IRS operations by detecting and deterring waste, fraud, abuse, and misconduct, including the unauthorized disclosure of confidential taxpayer information by IRS employees; and
- Conducting comprehensive audits, inspections and evaluations that provide recommendations for achieving monetary benefits, addressing erroneous and improper payments, and enhancing the service the IRS provides to taxpayers.

TIGTA conducts audits that advise the public, Congress, the Secretary of the Treasury, and IRS management of high-risk issues, problems, and deficiencies related to the administration of IRS programs and operations. TIGTA's administrative and criminal investigations ensure the integrity of IRS employees, protect the IRS and its employees, and help the IRS protect and secure taxpayer data. TIGTA's Office of Inspections and Evaluations provides responsive, timely, and cost-effective inspections and evaluations of challenging areas in IRS programs. TIGTA's oversight is essential to the efficiency and fairness of the IRS's tax administration system. TIGTA ensures that taxpayers can have confidence that the IRS collects more than $3.5 trillion in tax revenue in an effective and efficient manner.

In accordance with the *Government Performance and Results Act Modernization Act (GPRAMA)* of 2010, the Department of the Treasury is currently developing the FY 2022 – 2026 Departmental Strategic Plan. The Strategic Plan is scheduled for publication in 2022. The Annual Performance Plan will be updated in the FY 2023 President's Budget to reflect new Departmental strategic goals and objectives. TIGTA will publish a component plan that aligns bureau activities and priorities to the Department's by early spring 2022.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Operating Plan	**760**	**$170,250**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$5,300
Pay Annualization (1.0% average pay raise)	0	$349
Pay Raise (2.7% average pay raise)	0	$3,165
FERS Contribution Increase	0	$1,177
Non-Pay	0	$609
Subtotal Changes to Base	0	$5,300
FY 2022 Current Services	**760**	**$175,550**
Program Changes:		
Program Increases:	0	$212
Electric Vehicles and Associated Infrastructure	0	$212
FY 2022 President's Budget Request	**760**	**$175,762**

Budget Adjustments

Maintaining Current Levels…………………………………………..+$5,300,000 / +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) +$3,165,000 / +0 FTE

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

FERS Contribution Increase +$1,177,000 / +0 FTE

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

Non-Pay +$609,000 / +0 FTE

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

Program Increases………………………………………………...…. +$212,000 / +0 FTE

Electric Vehicles and Associated Infrastructure +$212,000 / +0 FTE

For FY 2022, TIGTA requests $212,000 to fund the eventual full conversion of its fleet to EV. A portion of this amount will be allocated to support the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program. Currently, TIGTA has a total of 272 leased vehicles in its fleet, of which one is an EV. TIGTA owns an additional six vehicles that are used for communications and surveillance.

Legislative Proposals

TIGTA has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Audit	Percentage of Audit Products Delivered When Promised to Stakeholders	81	84	79	70	70
Audit	Percentage of Recommendations Made That Have Been Implemented	85	83	86	85	DISC
Audit	Percentage of New Audit Reports with Recommendations to Improve Tax Administration	N/A	N/A	N/A	B	70
Investigations	Percentage of Closed Investigations Resulting in a Criminal, Administrative, or Law Enforcement Action	89	91	92	85	85

Key: DISC - Discontinued; B - Baseline

Audit is performing more online auditing of the IRS's implementation of tax laws with immediate corrective action versus formal recommendations.

Description of Performance

- For FY 2020, the Office of Audit (OA) issued 75 audit reports and other products identifying approximately $17.3 billion in potential financial benefits.
- For FY 2020, the actual Percentage of Audit Products Delivered When Promised to Stakeholders was 79 percent. TIGTA exceeded the full-year target by nine percentage points.

- For FY 2022, OA's performance targets are 70 percent of Audit Products Delivered When Promised to Stakeholders and 70 percent of New Audit Reports with Recommendations to Improve Tax Administration.
- During FY 2020, TIGTA initiated 58 proactive investigative initiatives to detect systemic weaknesses or potential IRS program vulnerabilities. TIGTA processed 6,694 complaints, opened 2,580 investigations, and closed 2,380 investigations in FY 2020. During this period, TIGTA referred 835 cases of employee misconduct to the IRS for action and 132 cases, of various types of investigations, were accepted for criminal prosecution.
- For FY 2020, the Percentage of Closed Investigations Resulting in a Criminal, Administrative, or Law Enforcement Action was 92 percent, which exceeded the full-year target of 81 percent by 11 percentage points. Each result on average required 297.7 hours of work to accomplish. The Office of Investigations (OI) exceeded the FY 2020 performance measure as a result of the hard work of experienced executives, managers, and special agents.
- For FY 2022, OI's performance target will remain at 85 percent. TIGTA's OI will continue to provide the IRS with the investigative coverage and information necessary to improve the integrity of IRS operations and mitigate threats against its employees, facilities, and data systems. In addition, OI will maintain the availability of highly trained personnel to address the significant vulnerabilities of taxpayer and IRS data and effectively combat the compromising of IRS computer systems in the expanding digital environment of Federal tax administration, which will contribute to maintaining the public's confidence in the safe, fair, and effective administration of the Nation's Federal tax system.

Special Inspector General for Pandemic Recovery

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Operating Plan	FY 2021 Operating Plan	FY 2022 Request *	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % Change
Audit	$15,000	$0	$12,500	$12,500	100.00%
Investigations	$10,000	$0	$12,500	$12,500	100.00%
Subtotal, SIGPR	**$25,000**	**$0**	**$25,000**	**$25,000**	**100.00%**
Direct FTE	2	66	76	10	15,15%
Total Full-time Equivalents (FTE)	**2**	**66**	**76**	**10**	**NA**

In FY 2020, $25M in appropriated no-year resources were provided to establish SIGPR under Section 4027 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
*Includes funding for administrative, information technology, counsel, and external affairs to support the mission of the Office of Audits and the Office of Investigations.

Summary

The Special Inspector General for Pandemic Recovery (SIGPR) Fiscal Year (FY) 2022 budget request of $25,000,000 will enable SIGPR to conduct critical audit and investigative services to protect the integrity of the covered funds under the CARES Act. SIGPR's FY 2021 Full-time Equivalent (FTE) projection is 66.

SIGPR, an independent office within the Department of the Treasury (Treasury), was established by section 4018 of the CARES Act in 2020. It provides oversight of Treasury activities under the CARES Act by conducting independent audits and investigations necessary to prevent and detect waste, fraud, and abuse in programs and operations. SIGPR conducts audits of these Treasury programs, investigates fraud by recipients of CARES Act funds, and makes recommendations designed to improve the administration of pandemic recovery programs. SIGPR also conducts criminal investigations into allegations of waste, fraud, and abuse while helping to ensure that SIGPR protects and secures taxpayer data.

In accordance with the *Government Performance and Results Act Modernization Act (GPRAMA)* of 2010, the Department of the Treasury is currently developing the FY 2022 – 2026 Departmental Strategic Plan. The Strategic Plan is scheduled for publication in 2022. The Annual Performance Plan will be updated in the FY 2023 President's Budget to reflect new Departmental strategic goals and objectives. SIGPR published a Strategic Plan for FY 2021 - 2023 and will publish a new component plan that aligns bureau activities and priorities to the Department's in 2022.

Appropriations Language

Of amounts appropriated by section 4027(a) of the CARES Act (15 U.S.C. § 9061) that are available for obligation as a result of the deobligation of amounts that were, as of January 9, 2021, obligated for the credit subsidy cost of loans, loan guarantees, or other investments that the Secretary of the Treasury had committed to make under paragraphs (1) through (3) of subsection 4003(b) of the CARES Act (15 U.S.C. § 9042(b)(1)-(3)), $25,000,000 shall be available to the Special Inspector General for Pandemic Recovery to carry out section 4018 of the CARES Act

(15 U.S.C. § 9053): *Provided*, That such funds shall be available in addition to any other amounts available for that purpose.

Description of Performance

SIGPR necessarily spent much of its nascent stage navigating the challenges of standing up and operating an office in the midst of a pandemic. SIGPR developed and executed a recruitment and hiring strategy, a procurement and acquisition plan, and an information technology capital plan; executed an occupancy agreement with the General Services Administration (GSA); developed a myriad of policies, procedures and manuals to govern SIGPR's work in the area of audits, investigations and mission support services. Through it all, SIGPR continues to follow the facts through audits and investigations to uncover large-scale fraud, waste, and abuse of CARES programs. The most recent highlights include:

- Assisted the U.S. Attorney's Office for the District of South Dakota in a recently indicted case involving multiple fraud counts regarding pandemic relief programs;
- Uncovered and developed 35 new investigative leads relating to suspected fraud under various CARES Act programs;
- Compiled and developed a data set including more than 50 million rows of data, covering more than $150 billion in CARES Act funding;
- Received and vetted 363 hotline complaints during the second quarter; and
- Initiated three new projects about the Direct Loan Program, the Main Street Lending Program, and the CARES Act funds given to the U.S. Postal Service.

Community Development Financial Institutions Fund

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Operating Plan	FY 2021 Operating Plan	FY 2022 Request	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % Change
Community Development Financial Institutions Fund Program	$163,500	$165,000	$215,383	$50,383	30.54%
Economic Mobility Corps	$2,000	$2,000	$2,000	$0	0.00%
Bank Enterprise Award Program	$25,000	$26,000	$26,000	$0	0.00%
Native American CDFI Assistance Program	$16,000	$16,500	$21,500	$5,000	30.30%
Administrative	$28,500	$29,000	$33,617	$4,617	15.92%
Healthy Food Financing Initiative	$22,000	$23,000	$23,000	$0	0.00%
Small Dollar Loan Program	$5,000	$8,500	$8,500	$0	0.00%
Subtotal, Organization Title	**$262,000**	**$270,000**	**$330,000**	**$60,000**	**22.22%**
Offsetting Collections - Reimbursable	$1,043	$1,164	$1,200	$36	3.09%
Recovery from Prior Years	$600	$500	$500	$0	0.00%
Unobligated Balances Brought Forward	$193,017	$13,569	$31,169	$17,600	129.71%
Total Program Operating Level	**$456,660**	**$285,233**	**$362,869**	**$77,636**	**27.22%**
Direct FTE	70	82	89	7	8.54%
Total Full-time Equivalents (FTE)	**70**	**82**	**89**	**7**	**8.54%**

Summary

The FY 2022 Budget requests an appropriation of $330,000,000 for the Community Development Financial Institutions Fund (CDFI Fund) to administer the CDFI Fund's programs and oversee the existing portfolio of awards.

The CDFI Fund expands the availability of credit, investment capital, and financial services in distressed urban and rural communities and for underserved populations. The CDFI Fund carries out the Community Development Banking and Financial Institutions Act of 1994, as well as certain programmatic provisions of the Community Renewal Tax Relief Act of 2000, the Housing and Economic Recovery Act of 2008 (HERA), the Small Business Jobs Act of 2010, and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (P. L. 116-260) that provided $3 billion for emergency support for CDFIs and communities responding to the COVID-19 pandemic. In the spring of FY 2021, $1.25 billion of these funds will be awarded through its newly established CDFI Rapid Response Program (CDFI RRP), which is designed to quickly deploy capital to CDFIs through a streamlined application and review process. Beginning in FY 2022, the CDFI Fund will award the remaining $1.75 billion to support lending in minority communities and minority lending institutions CDFIs to expand their lending, grant making and investments activity in low- or moderate-income minority communities and minorities that have significant unmet capital or financial service needs.

The CDFI Fund supports the creation and expansion of diverse Community Development Financial Institutions (CDFIs), which provide loans, investments, business counseling, basic banking services, and financial literacy training to underserved communities. Working primarily through CDFIs, the CDFI Fund facilitates business development, commercial real estate, housing development and home ownership. The CDFI Fund's activities leverage billions of private sector investment dollars from banks, foundations, and other funding sources on a cumulative basis.

The FY 2022 Budget proposes funding for the CDFI Program and the Native American CDFI Assistance (NACA) Program, the Bank Enterprise Award Program, the Small Dollar Loan Program, and the Healthy Food Financing Initiative (HFFI). Increased investment in the CDFI Program supports the need for greater capital flow to communities and geographies where access to capital is least efficient and most needed, including rural areas and persistent poverty counties, and to CDFIs seeking to build both capital and capacity to deploy resources. Treasury's request also includes funding for the administration, operational support, and management associated with these programs, the New Markets Tax Credit (NMTC) Program, and the CDFI Bond Guarantee Program.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Enacted	**82**	**$270,000**
Program Changes:		
Program Increases:	7	$60,000
CDFI Program	0	$50,383
Native American CDFI Assistance (NACA) Program	0	$5,000
Administration	7	$4,617
FY 2022 President's Budget Request	**89**	**$330,000**

Budget Adjustments

Program Increases ....+$60,000,000/ +7 FTE

<u>CDFI Program +$50,383,000 / +0 FTE</u>

This increase will result in larger Financial Assistance (FA) awards and will support Small and/or Emerging Community Development Financial Institutions Assistance applicants, providing more funding for capacity building grants through the technical assistance component.

<u>NACA Program +$5,000,000 / +0 FTE</u>

This increase will result in larger FA awards, as well as be used to increase participation by Native communities by improving technical assistance and capacity building for Native CDFIs.

<u>Administration +$4,617,000 / +7 FTE</u>

This increase will allow the CDFI Fund to focus on hiring, data collection and infrastructure needs that have been deferred in past years due to budget constraints.

Legislative Proposals

The Budget proposes to expand the Capital Magnet Fund by $12 billion as part of the American Jobs Plan.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Community Development Financial Institutions Program	CDFI - Percentage of Loans & Investments Originated in Eligible Distressed or Underserved Communities by Dollar Amount of Loans (Annual %)	73.7	75.6	75.0	60.0	60.0
Administration	All Award Cycle Time (Months)	5.8	6.4	5.5	6.5	6.5
Administration	ALL- Number of Affordable Housing Units Developed or Produced	34,083	61,839	44,361	I	I
New Markets Tax Credit Program	NMTC - Percentage of Loans and Investments That Went Into Severely Distressed Communities	73.6	80.3	77.2	75.0	75.0

Key: I - Indicator

Description of Performance

For the FY 2020 CDFI Program round, the CDFI Fund awarded $127 million in financial assistance to 230 organizations. The CDFI Fund also awarded $18.5 million in PPC-FA to 106 CDFIs specifically to serve Persistent Poverty Counties nationwide. In addition, the CDFI Fund awarded $22 million in HFFI-Financial Assistance to 13 CDFIs, as well as $4 million in Disability Funds-Financial Assistance awards to 17 CDFIs to help finance projects and services to assist individuals with disabilities. A total of 127 organization were also awarded more than $15.8 million in Technical Assistance (TA) awards

In the FY 2020 round of the NACA Program, the CDFI Fund awarded $15.2 million in FY 2020 NACA Program Base-FA and TA awards to 40 organizations in 18 states. In addition, the CDFI Fund awarded $1.6 million in NACA Program PPC-FA awards to 11 Native CDFIs.

In the FY 2020, the CDFI Fund awarded $3.5 billion in calendar year 2019 NMTC Program allocation authority to 76 organizations out of a pool of 206 applicants that requested $14.7 billion in NMTC allocations.

Highlights of Select Performance Measures

In the FY 2020, the CDFI Program surpassed the 60.0 percent threshold for the percentage of both the dollar amount (75.0 percent) and the number of CDFI loans (79.6 percent) made to eligible distressed communities and underserved populations.

In FY 2020, the NMTC Program recipients reported that over 77 percent of NMTC investments made in FY 2019 were in highly distressed areas. These are communities with low median incomes and high rates of poverty and unemployment.

The All Award Cycle Time metric is an efficiency measure of the average time from the date when applications are received to the date of award announcement (calculated in months as an average across all programs). The Award Cycle Time in FY 2020 was 5.5 months, surpassing the target of 6.5 months. This achievement reflects improved efficiency in making awards, which is largely a function of the implementation of the Awards Management Information System (AMIS). For FY 2022 the target will remain at 6.5 months because the CDFI Fund will be standing up additional programs, including the Minority Lending Program (MLP) and the Small Dollar Loan (SDL) Program.

The Number of Affordable Housing Units Developed or Produced metric measures the number of affordable housing units developed or produced as a result of CDFI Fund awards, as reported by CDFI Program, NMTC Program, and CMF award and allocation recipients. In FY 2020, recipients reported 44,361 affordable housing units developed or produced as a result of CDFI Fund program awards, thereby exceeding the FY 2020 target for affordable housing units. The target attempts to project outcomes for program investments from prior-year award recipients' reported eligible affordable housing projects. This measure is being converted to an indicator because of the variability in projecting annually the number of affordable housing units funded for three programs makes it difficult to project a reliable target.

Financial Crimes Enforcement Network

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Operating Plan	FY 2021 Operating Plan	FY 2022 Request	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % Change
BSA Administration and Analysis	$126,000	$126,963	$190,539	$63,576	50.07%
Subtotal, Organization Title	**$126,000**	**$126,963**	**$190,539**	**$63,576**	**50.00%**
Offsetting Collections - Reimbursable	$1,613	$6,000	$6,000	$0	0.00%
Recovery from Prior Years	$143	$0	$0	$0	NA
Unobligated Balances Brought Forward	$26,416	$29,000	$29,000	$0	0.00%
Total Program Operating Level	**$154,172**	**$161,963**	**$225,539**	**$63,576**	**39.3%**
Direct FTE	264	300	380	80	26.67%
Reimbursable FTE	1	3	3	0	0.00%
Total Full-time Equivalents (FTE)	**265**	**303**	**383**	**80**	**26.40%**

Summary

The Federal Crimes Enforcement Network (FinCEN) is the primary Federal regulator for the Bank Secrecy Act (BSA) and is responsible for the regulations and implementation of the non-public database of ownership and/or effective control of firms (i.e. beneficial ownership) pursuant to the Corporate Transparency Act (CTA). The mission of FinCEN is to safeguard the financial system from illicit use, combat money laundering, and promote national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence.

The FY 2022 President’s Budget requests additional resources totaling $63,576,000, providing $60,279,000 for the implementation of the Anti-Money Laundering Act/Corporate Transparency Act (AMLA/CTA) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year (FY) 2021 and $87,000 for the leasing of electric vehicles and purchase of associated infrastructure.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Operating Plan	**300**	**$126,963**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$3,210
Pay Annualization (1.0% average pay raise)	0	$137
Pay Raise (1.0% average pay raise)	0	$1,109
FERS Contribution Increase	0	$517
Non-Pay	0	$1,447
Subtotal Changes to Base	0	$3,210
FY 2022 Current Services	**300**	**$130,173**
Program Changes:		
Program Increases:	80	$60,366
FinCEN AMLA/CTA Implementation*	80	$60,279
Purchase of Electric Vehicles and Associated Infrastructure	0	$87
FY 2022 President's Budget Request	**380**	**$190,539**

*Amounts shown reflect enacted appropriations for 2021, which do not include dedicated funding for development of the beneficial ownership data system and CTA implementation. However, FY 2022 staffing does assume funding, yet to be identified, is provided for this purpose in 2021. FinCEN estimates a total of 131 new positions will be needed for full implementation of the CTA and Anti-Money Laundering Act (P.L. 116-283).

Budget Adjustments

Adjustments to Request

Maintaining Current Levels (MCLs) ....+3,210,000 / +0 FTE

Pay Annualization (1.0%) +137,000 / +0 FTE

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

Pay Raise (2.7% in 2022) +$1,109,000 / +0 FTE

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

FERS Contribution Increase +$517,000 / +0 FTE

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

Non-Pay +$1,447,000 / +0 FTE

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

Program Increases ....+$60,366,000 / +80 FTE

FinCEN AMLA/CTA Implementation +$60,279,000 / +80 FTE

The enactment of the FY 2021 National Defense Authorization Act (NDAA) included significant reforms to the U.S. anti-money laundering and countering the financing of terrorism (AML/CFT) regime through the AMLA and the CTA.

The AMLA seeks to strengthen, modernize, and streamline the existing AML/CFT regime by promoting innovation, regulatory reform, and industry engagement through forums, such as the Bank Secrecy Act Advisory Group (BSAAG) and FinCEN Exchange. The AMLA calls for FinCEN to work closely with our regulatory, national security, and law enforcement partners to identify risks and priorities and provide valuable feedback to our industry partners.

Within the AMLA, the CTA establishes uniform beneficial ownership reporting requirements for corporations, limited liability companies, and other similar entities formed or registered to do business in the United States. The CTA provides FinCEN with the authority to collect that information and share it with authorized government authorities and financial institutions, subject to effective safeguards and controls. To that end, FinCEN will use this funding to develop and maintain a data system for the reporting of information on beneficial ownership, collecting and securing the data, and creating access protocols.

The AMLA and the CTA together set forth approximately 40 rulemaking or other requirements, including periodic Congressional reporting on implementation efforts, assessments, and findings. Some key requirements include:

1. Establishing standards for the reporting of information on beneficial ownership, building an information technology system to collect and secure the data, and creating access protocols;
2. Establishing national anti-money laundering and countering the financing of terrorism priorities;
3. Enhancing the whistleblower provisions to provide for a robust whistleblower program and new anti-retaliation protections;
4. Reviewing, and revising as appropriate, Currency Transaction Report (CTR) and Suspicious Activity Report (SAR) reporting requirements, and other existing Bank Secrecy Act (BSA) regulations and guidance;
5. Expanding BSA requirements and obligations to persons engaged in the trade of antiquities, and mandating a study on the potential expansion of BSA requirements to persons engaged in the art trade;
6. Codifying the FinCEN Exchange program;
7. Hosting a Financial Crimes Tech Symposium, and establishing two new BSAAG subcommittees to enhance public-private partnerships in the areas of innovation and technology as well as information security;
8. Establishing a BSA Analytical Hub;
9. Law enforcement reporting to FinCEN on the use of BSA data, procedures for additional feedback between FinCEN and financial institutions on the usefulness of SARs, and semi-annual publication of review of SAR activity and other BSA reports, including threat patterns, trends, and typologies; and
10. Codifying a pilot program to allow financial institutions to share SARs with their foreign branches, subsidiaries, and affiliates.

Timely and effective AMLA and CTA implementation will be challenging and is FinCEN's top priority, and we are working diligently with our domestic and international industry partners and law enforcement and regulatory stakeholders to implement these numerous provisions to further the national security and innovative strength of the United States and protect the American people.

The January 1, 2021, enactment of the AMLA and CTA did not come with accompanying funding, and FinCEN has been diverting existing resources to meet the rigorous deadlines set forth in the legislation. Therefore, in order to meet this new, expansive statutory mandate, FinCEN requests this significant program increase to fund the FTE positions and information technology systems needed to effectively implement the AMLA and CTA.

Purchase of Electric Vehicles and Associated Infrastructure +$87,000 / +0 FTE
Following the lead from Executive Order (E.O.) 14008, "Tackling the Climate Crises at Home and Aboard", 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 leasing of electric vehicles (EV) and purchasing, installing, and maintaining 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.

For FY 2022, the Financial Crimes Enforcement Network (FinCEN) will receive $87,000 to fund the full conversion of its fleet to EV. Of that money, approximately $25,000 will be allocated to the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program. Additionally, FinCEN will purchase one additional charging station to support its future EV state. Currently, FINCEN has a total of four vehicles in its fleet, of which two are EVs.

Legislative Proposals

FinCEN has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
BSA Administration and Analysis	Percentage of Domestic Law Enforcement and Regulators Who Assert Queried BSA Data Led to Detection and Deterrence of Illicit Activity	85%	92%	90%	89%	90%
BSA Administration and Analysis	Percentage of Users Satisfied with FinCEN Information Sharing Systems	86%	89%	88%	85%	85%

Description of Performance

FinCEN conducts four annual surveys of the BSA user-facing systems, information sharing tools and to assess the value of FinCEN's data and analysis. The results provide valuable feedback on

FinCEN's performance safeguarding the financial system from illicit use, combatting money laundering, and promoting national security.

Additionally, FinCEN monitors the percentage of domestic law enforcement and regulators who assert that queried BSA data led to the detection and deterrence of illicit activity. The survey looks at the value of FinCEN data, such as whether the data provided unknown information; supplemented or expanded known information; verified information; helped identify new leads; opened a new investigation or examination; supported an existing investigation or examination; or, provided information for an investigative or examination report. In FY 2020, FinCEN surpassed its target of 88 percent with 90 percent asserting the queried BSA data led to the detection and deterrence of illicit activity. FinCEN achieved this performance by expanding its FinCEN Portal and Query training efforts and supplementing that training by posting useful, mission-oriented material on FinCEN Portal**.** In FY 2021, FinCEN will continue to expand its training efforts and content to provide the FinCEN Portal and FinCEN Query user community with the information they need to successfully enhance their investigative efforts. In FY 2021, the target is set at 89 percent and in FY 2022 at 90 percent.

This measure is based on survey responses and represents user satisfaction with the BSA E-Filing System, FinCEN Query, and the Egmont Secure Web (ESW). Starting with industry, FinCEN collects and maintains BSA reports filed by financial institutions and other filers. In turn, FinCEN provides authorized users (including Treasury components) access to a query system containing 15 years of BSA data. FinCEN also provides foreign Financial Intelligence Units in the Egmont Group with a secure system for exchanging financial intelligence to combat money laundering and terrorist financing. This measure is meaningful because the technology allows authorized persons to more readily access BSA information and better enable them to conduct investigations more efficiently and effectively. In FY 2020, FinCEN exceeded its target of 84 percent with 88 percent of the users satisfied with information sharing systems. FinCEN attributes the increase to specific customer service support provided to the Egmont Group with tasks, such as improving the content management organization and how users access much of the content within the ESW. FinCEN recently completed a technology refresh of ESW and is targeting completion of a technology refresh of the FinCEN Portal and Query applications in FY 2021. These efforts will make significant updates to the underlying technologies and bring about some enhanced capabilities to the user community for the Portal/Query applications. Since we anticipate some learning curve associated with these updates, the targets are set at 85 percent for FY 2021 and FY 2022.

Alcohol and Tobacco Tax and Trade Bureau

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Operating Plan [1]	FY 2021 Operating Plan	FY 2022 Request	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % Change
Collect the Revenue	$57,513	$57,526	$60,761	$3,235	5.62%
Protect the Public	$62,087	$66,811	$70,569	$3,758	5.62%
Subtotal, TTB	**$119,600**	**$124,337**	**$131,330**	**$6,993**	**5.62%**
Reimbursable and Offsetting Collections[2]	$6,744	$7,977	$7,977	$0	0.00%
Unobligated Balances Brought Forward[3]	$4,577	$4,696	$4,680	($16)	-0.34%
Transfers In/Out[4]	$349	$350	$0	($350)	-100.00%
Total Program Operating Level	**$131,270**	**$137,360**	**$143,987**	**$6,627**	**4.82%**
Direct FTE	484	508	508	0	0.00%
Reimbursable FTE	11	12	12	0	0.00%
Total Full-time Equivalents (FTE)	**495**	**520**	**520**	**0**	**0.00%**

1/ FY 2020 Resources by Budget Activity reflect levels appropriated in P.L. 116-93, the Consolidated Appropriations Act of 2020. FY 2020 Full-time Equivalents (FTE) and FY 2020 Other Resources reflect actuals.
2/ Includes reimbursements from the Treasury Executive Office of Asset Forfeiture (TEOAF) Mandatory Fund, CDFI Fund, and Treasury Departmental Offices, and offsetting collections from Puerto Rico Cover-Over Program.
3/ All years include carryover of prior two-year set aside funding for trade practice enforcement and education as well as recoveries of 50 percent in unobligated balances from prior one-year funding.
4/ Actual obligations (FY 2020) and approved allocation (FY 2021) from TEOAF Secretary's Enforcement Fund transfer.

Summary

The Alcohol and Tobacco Tax and Trade Bureau (TTB) serves as the nation’s primary Federal authority in the taxation and regulation of the alcohol and tobacco industries. TTB is responsible for the administration and enforcement of the Internal Revenue Code (IRC) provisions for excise taxes on alcohol, tobacco, firearms, and ammunition, and the Federal Alcohol Administration (FAA) Act, which provides for the regulation of the alcohol beverage industry to protect U.S. consumers and ensures a fair and competitive marketplace for U.S. businesses.

Many U.S. businesses experienced significant financial hardships due to the pandemic, including many of the small breweries, wineries, and distilleries that comprise the majority of TTB taxpayers. In FY 2022, in support of the Administration’s pandemic recovery and economic growth priorities, TTB plans to focus on timely service levels and facilitating voluntary compliance by simplifying tax and regulatory requirements, issuing clear and timely industry guidance, and modernizing its online filing systems.

At the FY 2022 funding level, TTB will make critical investments in online filing systems as part of its multi-year IT modernization strategy to develop an integrated online experience for all tax and regulatory transactions with TTB. By improving the ease and usability of its online platforms, TTB aims to increase electronic submissions, improve timely filings, and support taxpayer compliance. Reducing paper submissions also supports “green” filing practices in line with the Administration’s climate change agenda.

Additionally, TTB is working with Treasury on options to implement statutory changes that transfer responsibility for administering the Craft Beverage Modernization Act certain provisions related to imported alcohol from U.S. Customs and Border Protection to Treasury after December 31, 2022. The law requires that importers submit refund claims to Treasury to receive the reduced CBMA tax rates and credits as opposed to taking them at the time of entry. TTB and Treasury are still assessing the overall impact, including the resources, personnel, and information technology systems needed to implement and administer the import claims program. A report detailing Treasury's plans to implement and administer the refund program starting in 2023 will be submitted to Congress and made publicly available in June 2021 as required by P.L. 116-260.

Budget Highlights

Dollars in Thousands

Alcohol and Tobacco Tax and Trade Bureau	FTE	Amount
FY 2021 Operating Plan	**508**	**$124,337**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$3,885
Pay Annualization (1.0% average pay raise)	0	$196
Pay Raise (2.7% average pay raise)	0	$1,774
FERS Contribution Increase	0	$995
Non-Pay	0	$920
Subtotal Changes to Base	0	$3,885
FY 2022 Current Services	**508**	**$128,222**
Program Changes:		
Program Increases:	0	$3,108
MyTTB IT System Modernization	0	$2,500
Electric Vehicles and Associated Infrastructure	0	$608
FY 2022 President's Budget Request	**508**	**$131,330**

Budget Adjustments

Adjustments to Request

Maintaining Current Level (MCLs)……………………………………. +$3,885,000 / +0 FTE

Pay Annualization (1.0%) +$196,000 / +0 FTE

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

Pay Raise (2.7% in 2022) +$1,774,000 / +0 FTE

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

FERS Contribution Increase +$995,000 / +0 FTE

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

Non-Pay +$920,000 / +0 FTE

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

Program Increases………………………………………………………….. +$3,108,000 / +0 FTE

MyTTB IT System Modernization +$2,500,000 / +0 FTE

TTB will continue to invest in IT system modernization to incrementally transform the industry member service experience across all permitting, tax, and alcohol labeling interactions. The desired end state, known as MyTTB, will provide a personalized "one-stop shop" to help industry members efficiently conduct all business transactions online. MyTTB will also facilitate improved data integration and data quality across TTB programs and systems, enabling TTB to better detect noncompliance and fraud, validate application data, automate workflows, and increase data-driven decision making.

Electric Vehicles and Associated Infrastructure +$608,000 / +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 leasing of electric vehicles (EV) and purchasing, installing, and maintaining its essential infrastructure. The requested resources will help Treasury comply with the requirements of 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.

For FY 2022, TTB requests $608,000 to fund the conversion of its fleet to EV. Of that money, approximately $50,000 will be allocated to the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program, including charging stations to support its future EV fleet. Currently, TTB has a total of 21 vehicles in its fleet, none of which are EVs.

Legislative Proposals

TTB has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Collect the Revenue	Amount of Revenue Collected Per Program Dollar	369	339	380	I	I
Collect the Revenue	Voluntary Compliance from Large Taxpayers - Overall (%) [1]	90	91	91	95	95
Collect the Revenue	*By Payment*	99	99	99	-	-
Collect the Revenue	*By Tax Return*	82	84	84	-	-
Collect the Revenue	*By Operational Report*	82	83	83	-	-
Collect the Revenue	Electronically Filed Tax Returns - Pay.gov (%)	37	41	43	55	65
Collect the Revenue	Electronically Filed Operational Reports - Pay.gov (%)	42	46	50	55	65
Protect the Public	Permit Applications Processed within Service Standards (75 days) (%)	71	58	84	85	85
Protect the Public	Alcohol Beverage Label and Formula Applications Processed within Service Standards (15 days) (%) [2]	84	48	83	85	85
Protect the Public	Initial Error Rate for Permit Applications	80	71	62	25	25
Protect the Public	Initial Error Rate for Label and Formula Applications	40	37	34	25	25
Protect the Public	Electronically Filed Permit Applications (%)	87	89	92	95	98
Protect the Public	Electronically Filed Label and Formula Applications (%)	98	99	99	I	I
Protect the Public	Customer Satisfaction Rate with eGov Systems - COLAs Online	81	77	80	80	80
Protect the Public	Customer Satisfaction Rate with eGov Systems - Permits Online [3]	77	68	78	80	80
Protect the Public	Customer Satisfaction Rate with eGov Systems - Formulas Online [3]	79	70	73	80	80

Key: I – Indicator
1/ TTB revised its measure of taxpayer compliance for FY 2020, enabling more accurate and timely analysis of compliance trends by taxpayers; the new method also supports separate reporting of compliance rates by payments, tax returns, and operational reports.
2/ Service standards are set annually based on TTB analysis of submission volume, error rates, and resource levels. In FY 2016, the service standards were 30 days for labels and 45 days for formulas. In FY 2017, TTB set the service standards at 10 days for both labels and formulas, after receiving dedicated funding to support accelerated processing times. In FY 2018, following a spike in submission volume, TTB established new service standards of 15 days for both labels and formulas; these standards remain in effect through 2020.
3/ Results represent beverage alcohol filers only (nonbeverage alcohol formula submissions are excluded).

Description of Performance

In FY 2020, TTB met or exceeded the performance targets for 5 of its 14 performance measures. TTB also monitored performance through several key indicators that support data-driven decision making across TTB's strategic goals. Across its performance measures, TTB made substantial improvements in FY 2020 in key service and operational measures, with most trending in a positive direction by year-end, demonstrating TTB's effective balancing of competing priorities during COVID-19 to address critical emerging risks while still providing improved service levels to industry. To meet its performance goals in FY 2022, TTB will implement an aggressive strategic agenda that integrates policy updates, process improvements, and modern technology, as well as data-driven outreach and enforcement.

TTB's Collect the Revenue budget activity includes all tax processing, verification, enforcement, and outreach efforts related to administering the Federal excise tax on alcohol, tobacco, firearms, and ammunition products. In ensuring a level playing field for those engaged in the trade of these regulated commodities, TTB also takes appropriate enforcement action to detect and address diversion activity and ensure all products sold in the marketplace are properly taxpaid. In FY 2020, TTB collected excise taxes totaling $20 billion, comprised of $11.2 billion for tobacco products, $8.1 billion for alcohol beverage products, and $665 million for firearms and ammunition.

The investments in the Collect the Revenue activity resulted in the following performance highlights and accomplishments during FY 2020:

- TTB collected $20 billion in excise taxes and other revenues from a tax base of nearly 35,000 taxpayers in the alcohol, tobacco, firearms, and ammunitions industries. In FY 2020, TTB returned $380 for every dollar invested in its tax collection activities.
- TTB's measures of electronically filed tax returns and operational reports indicate that although e-filing rates trended positively in FY 2020, less than half of TTB tax submissions are submitted to TTB via Pay.gov, the current online system for electronic submissions. High rates of paper filings make compliance monitoring and fraud detection more difficult and costly, and have a higher environmental impact. The IT system modernization investment requested for FY 2022 will support system improvements that will drive increased electronic tax filing rates, which should result in more accurate, timely, and complete submissions as well as improved access to data for tax verification.
- TTB revised its measure of voluntary compliance from large taxpayers in FY 2020 based on a new scoring method to better reflect risk by filing type and revenue exposure. TTB established a high standard for its largest taxpayers, with a targeted filing compliance rate of 95 percent. In FY 2020, TTB achieved an overall compliance rate of 91 percent from its large taxpayers in meeting all tax filing requirements. Payment compliance rates remained high, at over 99 percent, indicating that the majority of reported liabilities are paid on time. Compliance rates for tax returns and operational reports were 84 percent and 83 percent, respectively. Although below target, these rates held constant with FY 2019, even with disruptions to TTB and industry operations caused by COVID-19. Although TTB analysis indicates that this trend does not represent a significant revenue risk, as late filings represent the majority of the compliance violations, non-compliance undermines the level playing field, which is particularly critical for the small producers who comprise the majority of TTB taxpayers. The FY 2022 request supports the IT system and analytics enhancements that would enable TTB to more efficiently detect and address these issues.

TTB's Protect the Public budget activity funds the programs that ensure the integrity of the products and industry members in the marketplace; promote compliance with Federal laws and regulations by the more than 106,000 businesses that TTB regulates; facilitate fair and lawful domestic and international trade in the alcohol and tobacco commodities; and provide full and accurate alcohol beverage product information to the public as a means to prevent consumer deception.

The investments in the Protect the Public activity resulted in the following performance highlights and accomplishments during FY 2020:

- TTB received approximately 183,000 label applications and 24,000 formula applications for new alcohol and beverage product approvals. Federal law prohibits the import or domestic bottling of an alcohol beverage without an approved label, making this service integral to U.S. businesses and economic recovery priorities. Despite increased submission volume, TTB achieved the targeted performance level for formula approvals, and ended the year with 87 percent of formula applications meeting the 15-day standard, exceeding the target of 85 percent. This was achieved through effective monitoring and management of the application backlog combined with strategic workforce management to efficiently deploy staff. By employing similar strategies, TTB nearly achieved the 85 percent target for label approvals in FY 2020, ending the year at 83 percent. Performance significantly improved for both application types in the latter half of the fiscal year as TTB cleared backlogs, with the vast majority of applications processed in 10 days or less.
- TTB received approximately 7,800 applications for a Federal permit or registration, and qualified approximately 6,500 new businesses, predominantly small businesses. A TTB permit or registration is required before a business can lawfully operate in the alcohol and tobacco industries, and TTB ensures a fair and lawful marketplace by screening permit applicants to ensure only qualified persons engage in operations. Under a two-year Agency Priority Goal (APG) for FY 2018 – 2019, TTB and Treasury set a performance goal to improve the timeliness and consistency of service levels by reducing average processing times for new permit applications by 20 percent and achieving its service standard for 85 percent of applicants. TTB met one of its two APG targets in FY 2019, reducing average approval times to 75 days. However, TTB fell short of its second target to achieve the 75-day service standard for 85 percent of permit applicants. In FY 2020, TTB retained this second prong of its priority goal and, by year-end, nearly achieved target at 84 percent. Average review times also decreased significantly, down to 42 days overall in FY 2020, with improvements across all application types. TTB attributes these gains to improved backlog management, which was facilitated by new permit application dashboards that display key metrics on the status and age of pending applications to support effective processing and management.
- TTB made significant progress in reducing the error rate on initial permit, label, and formula applications, a critical strategy to maintaining timely service, although performance remains well above the targeted rate of 25 percent, at 62 percent for permit applications and 34 percent for label and formula applications. Improvements in FY 2020 were driven by system enhancements and online guidance. Performance in permitting is expected to continue to improve following planned enhancements to the Permits Online system and completion of planned rulemaking to implement broader changes to TTB permit applications. At the FY 2022 funding level, TTB will also continue to pursue system-based validations and user guidance to reduce label and formula application errors.
- System enhancements to date have resulted in high rates of customer satisfaction with TTB's eGov systems. TTB monitors user satisfaction with the process of submitting an application through its eGov systems, collecting responses via e-mail survey to assess factors such as ease of access, guidance, and overall experience. In FY 2020, satisfaction rates increased, from 77 percent to 80 percent for COLAs Online users and 70 percent to 73 percent for Formulas Online users. TTB generally attributes these increases to reduced processing times

and anticipates that performance will continue to improve through FY 2022 in line with timely service levels. Further, TTB expects that planned system improvements in FY 2022 and regular review of survey feedback will help TTB to exceed its user satisfaction target of 80 percent and continue to attract users to its online systems to maintain electronic filing rates above its target of 98 percent.

Bureau of the Fiscal Service

Program Summary by Budget Activity

Budget Activity	FY 2020 Operating Plan	FY 2021 Operating Plan	FY 2022 Request	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % Change
Accounting and Reporting	$98,937	$96,472	$103,242	$6,770	7.02%
Collections	$37,948	$41,109	$42,417	$1,308	3.18%
Payments	$123,015	$123,190	$127,110	$3,920	3.18%
Retail Securities Services	$58,403	$59,312	$61,200	$1,888	3.18%
Wholesale Securities Services	$21,977	$25,486	$26,297	$811	3.18%
Matured Unredeemed Debt	$25,000	$25,000	$0	($25,000)	-100.00%
Subtotal, Bureau of Fiscal Service	**$365,280**	**$370,569**	**$360,266**	**($10,303)**	**-2.78%**
Reimbursable	$399,681	$402,000	$412,831	$10,831	2.69%
Unobligated Balances Brought Forward	$92,000	$137,546	$150,000	$12,454	9.05%
Total Program Operating Level	**$856,961**	**$910,115**	**$923,097**	**$12,982**	**1.43%**
Direct FTE	1,499	1,577	1,617	40	2.54%
Reimbursable FTE	358	412	412	0	0.00%
Total Full-time Equivalents (FTE)	**1,857**	**1,989**	**2,029**	**40**	**2.01%**

Note: FY 2020 Other Resources and Full-time Equivalents (FTE) reflect actuals. Table does not include supplemental funding provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L.116-136) and the American Rescue Plan (ARP) (P.L.117-2). Additionally, unobligated balances do not include CARES and ARP. Matured Unredeemed Debt funding remains available until expended.

Summary

The FY 2022 request for the Fiscal Service is $360.3 million. The Budget ensures the viability of the Government's National Financial Critical Infrastructure (NFCI) that finances Federal operations, collects revenue, disburses payments, and reports on the Government's financial position. Because of Fiscal Service's central role in government-wide financial operations, the budget also supports Treasury's leadership in transforming Federal financial management to become more efficient, more accurate and deliver better service to citizens.

The Budget invests in business modernization, customer experience, increasing availability of data, expanding financial management solutions, innovation, operational integrity, and our workforce. These priorities will advance Fiscal Service's vision to transform federal financial management and allow the Bureau to deliver critical financial operations to the American public.

The Financial Management Quality Service Management Office (FM QSMO) is a key initiative that supports multiple goals in Treasury's 10-year Vision for the Future of Federal Financial Management. This office is ultimately responsible for operating the Federal marketplace and making quality core financial service offerings available to Federal agencies. FM QSMO seeks to partner with agency leaders to provide agencies with access to innovative and standards-based financial management solutions and deliver expert guidance that will advance government-wide financial management goals.

Budget Highlights

	FTE	Amount
FY 2021 Operating Plan	**1,577**	**$370,569**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$10,234
Pay Annualization (1.0% average pay raise)	0	$557
FERS Contribution Increase	0	$1,676
Pay Raise (2.7% average pay raise)	0	$5,049
Non-Pay	0	$2,952
Non-Recurring Costs:		
Matured Unredeemed Debt	0	($25,000)
Other Adjustments:		
Annualization of Hires	38	$5,428
Efficiency Savings:		
Non-Pay Decreases	0	($5,428)
Subtotal Changes to Base	38	($14,766)
FY 2022 Current Services	**1,615**	**$355,803**
Program Changes:		
Program Increases:		
Quality Service Management Office	2	$3,700
Electric Vehicles and Associated Infrastructure	0	$763
Subtotal Program Changes	**2**	**$4,463**
Total FY 2022 President's Budget	**1,617**	**$360,266**

Budget Adjustments

Maintaining Current Levels (MCLs).. +$10,234,000 / +0 FTE

Pay Annualization (1.0%) +$557,000 / +0 FTE

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

FERS Contribution Increase +$1,676,000 / +0 FTE

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

Pay Raise (2.7% in 2022) +$5,049,000 / +0 FTE

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

Non-Pay +$2,952,000 / +0 FTE

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

Non-recurring Cost………………………………………………………. -$25,000,000 / -0 FTE

Matured Unredeemed Debt -$25,000,000 / -0 FTE

United States Savings Bonds that have reached final maturity and stopped earning interest are considered Matured Unredeemed Debt (MUD). As of the end of FY 2020, the MUD balance had reached $27.5 billion. The Consolidated Appropriations Act, 2021, (P.L. 116-260) provided $25 million, available until expended, for the digitization of records of matured savings bonds that have not been redeemed. This adjustment removes the FY 2021 appropriation from the FY2022 base.

Other Adjustments.. +$5,428,000 / +38 FTE
Annualization of Hires +$5,428,000 / +38 FTE
Funds are requested for annualization of salary and benefits for hires that occur during FY 2021. These hires support the bureau's priorities and the staffing levels required to ensure effective operational activities.

Efficiency Savings... -$5,428,000 / -0 FTE
Non-Pay Decreases -$5,428,000 / -0 FTE
Anticipated savings from reduced non-pay programmatic requirements to align with operating levels.

Program Increases.. +$4,463,000 / +2 FTE
Quality Service Management Office (QSMO) +$3,700,000 / +2 FTE
This funding will support the Department's implementation of the Financial Management Quality Service Management Office (FM QSMO). Federal agency financial systems face critical modernization needs, and opportunities exist for improving compliance with financial management standards, leveraging technology and shared solutions, and reducing lengthy deployment delays and cost overruns. By leveraging the FM QSMO's Marketplace of core financial systems preconfigured with standards-based capabilities, agencies will share in the initial cost of modernizing a system as well as keep systems up to date by utilizing Marketplace providers.

Increased funding will allow Treasury to continue establishment and implementation of the FM QSMO Marketplace of solutions and services, which will help agencies meet their financial management needs and accomplish shared government-wide goals. During FY 2022, Treasury plans to stand-up the initial Marketplace for agencies to acquire core financial system solutions through a government-wide contract vehicle. It is envisioned that the Marketplace will also include other financial management solutions and services complementary to core financial systems as well as Treasury centralized services. In addition, the increased funding will enable the Treasury FM QSMO team to work with agencies to assess adoption readiness, plan for use of the Marketplace solutions and services, and provide the necessary support to ensure agency participation in the design of the Marketplace

Electric Vehicle and Associated Infrastructure +763,000 / +0 FTE
Following the lead from Executive Order (E.O.) 14008, "Tackling the Climate Crises at Home and Aboard," 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 Departmentwide fleet management program with a continued focus on leasing of electric vehicles (EV) and purchasing, installing, and maintaining 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.

For FY 2022, the Bureau of Fiscal Service (Fiscal Service) requests $763,000 to fund the eventual full conversion of its fleet to EV. Of that money, approximately $50,000 will be allocated to support the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program. It is expected that Fiscal Service will need two charging stations to support its future EV state. Currently, Fiscal Service has a total of 29 vehicles in its fleet, of which two are EVs.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Accounting and Reporting	Percentage of Government-wide Accounting Reports Issued Timely (%)	100.0	99.6	100.0	99.5	99.5
Collections	Percentage of Total Federal Government Receipts Settled Electronically (%)	98.0	98.4	99.0	98.0	98.3
Payments	Percentage of Treasury Payments Made Electronically (%)	95.4	95.6	96.0	96.1	96.4
Payments	Count of Improper Payments identified or Stopped (# in Thousands)	20.3	22.4	22.8	21.5	22.5
Payments	Dollar Amount of Improper Payments Identified or Stopped ($ Millions)	35.5	41.1	43.5	37.0	38.8
Retail Securities Services	Percentage of Retail Customer Service Transactions That Are Unassisted (%)	N/A	69	70	71	72
Wholesale Securities Services	Percentage of Auction Results Released Accurately (%)	98.9	98.8	100	100	100
Wholesale Securities Services	Percent of Auctions Successfully Completed by the Scheduled Close Date (%)	N/A	100	100	100	100
Debt Collection	Amount of Delinquent Debt Collected Through All Available Tools ($ Billions)	7.44	9.65	10.68	8.81	9.04
Debt Collection	All Delinquent Debt Collected as a Percentage of all Delinquent Debt Referred (%)	N/A	14.3	15.7	14.9	14.9
Debt Collection	Percentage of the Active Delinquent Debt Portfolio Collected (%)	N/A	6.8	9.2	7.0	7.0

Description of Performance

Accounting and Reporting: Fiscal Service collects, analyzes, and publishes government-wide financial information, made available to both the public and private sectors, to provide transparency on the Government's financial status. In FY 2020, Fiscal Service continued its strong performance by issuing 100 percent of government-wide accounting reports on time. This is an improvement over FY 2019, where a one-time system error impacted the annual performance. Fiscal Service expects to meet its FY 2021 and FY 2022 performance targets by transforming the quality, effectiveness, and transparency of Federal financial management data; delivering value-added business process and system improvements; and expanding/enhancing relationships with stakeholders and customers.

Collections: In FY 2020, Fiscal Service continued growth in electronic collections by electronically settling 99.0 percent of all Federal Government receipts, in dollars, which exceeded the target of 98.0 percent. The performance results were achieved because of our continuing efforts to move paper-based transactions to electronic alternatives (e.g., Pay.gov and eCommerce alternatives such as digital wallets), and a decline in non-electronic collections due to the pandemic. Fiscal Service expects to maintain the 98.0 percent target in FY 2021 by continuing to promote the use of electronic systems in the collections process and assisting agencies in converting collections from paper to electronic media, which supports the

administration's climate priority. While the 99.0 percent rate was achieved in FY 2020, the target for FY 2021 will remain at 98.0 percent due to the uncertainty and potential impacts from the pandemic on FY 2021 collections.
Payments: Fiscal Service continues to increase the percentage of federal payments which are Treasury-disbursed. In FY 2020, Fiscal Service disbursed 88 percent of all federal payments. In FY 2020, the Fiscal Service payments activity encountered unprecedented workload in support of the CARES legislation, specifically the delivery of Economic Impact Payments (EIP) to the American public. Fiscal Service securely disbursed 1.4 billion payments totaling $5.4 trillion; of these totals, EIPs accounted for more than 160 million payments totaling more than $270 billion. During FY 2021, Fiscal Service issued 147 million EIP2s and as of May 12, 2021 has issued 165 million EIP3s. In total, over 472 million economic impact payments have been disbursed during FY 2020 and FY 2021.

Retail Securities Services: Retail Securities Services has demonstrated progress with improving customer self-sufficiency. In FY 2020, the percentage of unassisted retail securities transactions increased over the FY 2019 baseline, with 70 percent of retail securities transactions unassisted. In FY 2021 and beyond, Fiscal Service will continue to modernize its business to improve the customer experience by increasing customer self-sufficiency and encouraging more investors to save for the future, while achieving Treasury's financing mission in a cost-effective manner. These improvements will enhance the customers' ability to purchase, reinvest, and manage their Treasury retail investments. Improving savings bond records over time will enable collaboration with stakeholders in locating matured unredeemed debt (MUD) bondholders. Fiscal Service continues to work with the National Association of Unclaimed Property Administrators (NAUPA) and the National Association of State Treasurers (NAST) to find collaborative solutions to locate owners of MUD bonds.

Wholesale Securities Services: In FY 2020, the Federal Government's response to the COVID-19 pandemic resulted in an unprecedented increase in Treasury borrowing needs. Treasury successfully conducted 447 auctions and raised more than $18.6 trillion without disrupting financial markets. In FY 2020, Fiscal Service set many records for auction-related workload indicators. Thirteen auctions, the most since 2008, were conducted during the week of April 6-10, auctioning $611 billion in Treasury securities. Five auctions in a single day were conducted for the first time ever on May 27, and six auctions in a single day were conducted on September 8. Prior to the economic stimulus package, WSS averaged 28 auctions and $1.06 trillion securities awarded per month. Since April 2020, the monthly averages have increased to 47 auctions (+67.7 percent) and $2.04 trillion awarded (+89.18 percent) per month.

Debt Collection: Fiscal Service is the Government's central debt collection agency, managing the Government's delinquent debt portfolio and collecting delinquent debts owed to the United States, such as Federal mortgage, small business, or student loans; Federal salary or benefit overpayments; and fines or penalties assessed by Federal agencies. Fiscal Service collects delinquent debt through two programs: Treasury Offset Program (TOP) and Cross-Servicing.

Fiscal Service continues to increase the amount of delinquent debt collected through all available tools. During FY 2020, the COVID-19 pandemic had a significant impact on delinquent debt collection Agencies continuing to suspend collections is resulting in overall decrease in Fiscal Service's collections revenue.

Internal Revenue Service

Program Summary by Budget Activity

Dollars in thousands

Budget Activity	FY 2020 Operating Plan [1]	FY 2021 Operating Plan [2]	FY 2022 Request	FY 2021 TO FY 2022 $ Change	FY 2021 TO FY 2022 % Change
Taxpayer Services	$2,535,554	$2,587,606	$2,940,876	$353,270	13.65%
Pre-filing Taxpayer Assistance and Education	647,066	657,618	713,346	55,728	8.47%
Filing and Account Services	1,888,488	1,929,988	2,227,530	297,542	15.42%
Enforcement	$4,909,500	$5,004,622	$5,462,823	$458,201	9.16%
Investigations	648,819	698,193	773,605	75,412	10.80%
Exam and Collections	4,081,409	4,120,886	4,497,709	376,823	9.14%
Regulatory	179,272	185,543	191,509	5,966	3.22%
Operations Support	$3,885,000	$4,104,102	$4,448,195	$344,093	8.38%
Infrastructure	881,670	886,713	971,008	84,295	9.51%
Shared Services and Support	990,690	1,024,654	1,088,217	63,563	6.20%
Information Services	2,012,640	2,192,735	2,388,970	196,235	8.95%
Business Systems Modernization	$180,000	$222,724	$305,032	$82,308	36.96%
Subtotal Internal Revenue Service	**$11,510,054**	**$11,919,054**	**$13,156,926**	**$1,237,872**	**10.39%**
Reimbursables	179,652	179,759	189,645	9,886	5.50%
Offsetting Collections - Non Reimbursables	6,728	21,300	22,472	1,172	5.50%
User Fees	485,997	585,244	435,400	(149,844)	-25.60%
Recovery from Prior Years	16,457	16,764	16,764		
Recoveries Paid		3,604	3,604		
Unobligated Balances from Prior Years	171,189	318,017	327,299	9,282	2.92%
Transfers In/Out	137	140	140		
Resources from Other Accounts		123,039	98,153	(24,886)	-20.23%
Total Program Operating Level	**$12,370,214**	**$13,166,921**	**$14,250,403**	**$1,083,482**	**8.23%**
Direct FTE	73,240	73,409	79,348	5,939	8.09%
Reimbursable FTE	790	808		(808)	-100.00%
Offsetting Collections - Non Reimbursables			834	834	
User Fee FTE	4	1,536	86	(1,450)	-94.40%
Recovery from Prior Years					
Recoveries Paid					
Unobligated Balances from Prior Years	385	15	15		
Resources from Other Accounts	274	434	434		
Total FTE	**74,693**	**76,202**	**80,717**	**4,515**	**5.93%**

[1] FY 2020 Operating Plan amounts for Other Resources represent actuals.

[2] FY 2021 Operating Plan includes a $176 million interappropriation transfer from Enforcement to Operations Support and a $32 million transfer from Enforcement to Taxpayer Services to cover anticipated operations and maintenance requirements in FY 2021.

Note: This table does not include the $15 million in the Families First Coronavirus Response Act (FFCRA) (P.L 116-127), $750.7 million under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-36), the $509 million provided in the Consolidated Appropriations Act, 2021 (P.L. 116-260), the $1.86 billion provided by the American Rescue Plan (ARP) (P.L. 117-2), the $417 million Program Integrity Allocation Adjustment, and the $79 billion mandatory funding proposal.

Summary

The IRS FY 2022 budget request is $13.16 billion, $1.24 billion (10.4 percent) more than the FY 2021 enacted level of $11.92 billion.

It includes total program increases totaling $915.46 million that includes resources for the following categories: Putting Taxpayers First ($176.09 million); Ensure Fairness of the Tax System ($340.27 million), Improve Live Assistance ($318 million), IT Modernization ($78.14 million) and Electrical Vehicles ($2.96 million). It funds costs associated with the FY 2021 and FY 2022 pay raises and an increase in Federal Employment Retirement System contributions. It proposes a program integrity allocation adjustment of $417 million in FY 2022 and additional adjustments through FY 2031 to generate and protect $50 billion in revenue over 10 years and cost approximately $7 billion resulting in an estimated net savings of $43 billion. In addition, the Budget includes a multi-year initiative to improve tax compliance and enforcement, modernize IRS IT systems, support increased information reporting, and support the Administration's proposal to make the Child Tax Credit expansion and the advance payments permanent as well as additional authority to improve tax administration.

In accordance with the Government Performance and Results Act Modernization Act (GPRAMA) of 2010, the Department of the Treasury is currently developing the FY 2022 – 2026 Departmental Strategic Plan. The Strategic Plan is scheduled for publication in 2022. The Annual Performance Plan will be updated in the FY 2023 President's Budget to reflect new departmental strategic goals and objectives. IRS will publish a component plan that aligns bureau activities and priorities to the Department's by the spring of 2022.

In FY 2020, the IRS delivered a successful filing season that opened January 27, 2020 but due to the pandemic, extended to July 15, 2020. During the 2020 filing season, the IRS:

- Processed about 145 million individual tax returns and issued more than 100 million refunds totaling more than $276 billion with an average individual refund of $2,034. Almost 96.9 percent of these individual returns were filed electronically;
- Achieved a 53.1 percent filing season level of service (LOS), the relative success rate of taxpayers calling the toll-free line for assistance, 11.5 percent below the target of 60 percent;
- Answered more than 35 million calls, with 10 million being answered by IRS assistors and over 25 million being answered through automation;
- Served approximately 537,000 taxpayers face-to-face in the Taxpayer Assistance Centers (TAC). More than 715,000 taxpayers called the IRS's TAC appointment line resulting in around 364,000 appointments being scheduled. Approximately 351,000 taxpayers had their issues resolved without having to make an appointment; and
- Received 1.4 billion visits to the IRS.gov website with 469 million *Where's My Refund?* completions. This represents a 164 percent increase in the use of IRS.gov and a 31 percent increase in *Where's My Refund?* compared to the same period during 2019.

IRS FY 2022 Budget Highlights

Dollars in Thousands

Bureau: Internal Revenue Service	TAXPAYER SERVICES		ENFORCEMENT		OPERATIONS SUPPORT		BSM		TOTAL	
Summary of FY 2022 Request	$000	FTE	$000	FTE	$000	FTE	$000	FTE	$000	FTE
FY 2021 Operating Plan	**$2,587,606**	**25,989**	**$5,004,622**	**34,989**	**$4,104,102**	**12,037**	**$222,724**	**394**	**$11,919,054**	**73,409**
Changes to Base:										
Maintaining Current Levels (MCLs)	**$75,138**		**$148,473**		**$100,219**		**$4,165**		**$327,995**	
Pay Annualization (1.0% average pay raise)	5,930		11,650		4,699		163		22,442	
Pay Raise (2.7% average pay raise)	48,152		94,603		38,157		1,327		182,239	
Non-Pay	4,138		6,725		42,546		2,232		55,641	
FERS Contribution Increase	16,918		35,495		14,817		443		67,673	
Efficiencies/Savings	**($5,494)**	**(409)**			**($91)**				**($5,585)**	**(409)**
Increase e-File Savings	(5,494)	(101)			(91)				(5,585)	(101)
Personnel Savings		(308)								(308)
Subtotal FY 2022 Changes to Base	**$69,644**	**(409)**	**$148,473**		**$100,128**		**$4,165**		**$322,410**	**(409)**
FY 2022 Current Services	**$2,657,250**	**25,580**	**$5,153,095**	**34,989**	**$4,204,230**	**12,037**	**$226,889**	**394**	**$12,241,464**	**73,000**
Program Increases:										
Putting Taxpayers First	35,459	55	36,294	96	104,333	143			176,086	294
User Authentication	*27,000*								*27,000*	
Taxpayer Experience Strategy	*8,459*	*55*	*36,294*	*96*	*104,333*	*143*			*149,086*	*294*
Ensure Fairness of the Tax System			270,858	1,820	69,409	13			340,267	1,833
Improve Live Assistance	248,167	4,203			69,833				318,000	4,203
Integrated Modernization Business Plan							78,143	18	78,143	18
Electric Vehicles and Associated Infrastructure			2,576		390				2,966	
Subtotal FY 2022 Program Increases	**$283,626**	**4,258**	**$309,728**	**1,916**	**$243,965**	**156**	**$78,143**	**18**	**$915,462**	**6,348**
Total FY 2022 Request (Before PIAA)	**$2,940,876**	**29,838**	**$5,462,823**	**36,905**	**$4,448,195**	**12,193**	**$305,032**	**412**	**$13,156,926**	**79,348**
Dollar/FTE Change FY 2022 Request over FY 2021 Operating Plan	$353,270	3,849	$458,201	1,916	$344,093	156	$82,308	18	$1,237,872	5,939
Percent Change FY 2022 Request over FY 2021 Operating Plan	13.65%	14.81%	9.16%	5.48%	8.38%	1.30%	36.96%	4.57%	10.39%	8.09%
PIAA Program Increases										
Increase Audit Coverage			109,317	1,028	39,493	15			148,810	1,043
Increase Collection Coverage			113,122	1,164	46,334	20			159,456	1,184
Expand Coverage in the Tax-Exempt Sector			29,952	244	7,998				37,950	244
Enhance Return Review Program			3,388	60	34,953				38,341	60
Enhance Enforcement Operations			31,673	23	667				32,340	23
Subtotal FY 2022 PIAA Investments			**$287,452**	**2,519**	**$129,445**	**35**			**$416,897**	**2,554**
Total FY 2022 Request Including PIAA	**$2,940,876**	**29,838**	**$5,750,275**	**39,424**	**$4,577,640**	**12,228**	**$305,032**	**412**	**$13,573,823**	**81,902**
Dollar/FTE Change FY 2022 Request Including PIAA over FY 2021 Operating Plan	$353,270	3,849	$745,653	4,435	$473,538	191	$82,308	18	$1,654,769	8,493
Percent Change FY 2022 Request Including PIAA over FY 2021 Operating Plan	13.65%	14.81%	14.90%	12.67%	11.54%	1.59%	36.96%	4.57%	13.88%	11.57%

Budget Adjustments

Base Adjustment……………………………………………………………………….. $0 / 0 FTE

The FY 2021 enacted level of $11.9 billion is the base of this budget.

Maintaining Current Levels (MCLs)……………………………….….. +$327,995,000 / +0 FTE

Pay Annualization (1.0%) +$22,442,000 / +0 FTE

Funds are requested for annualization of a 1% average pay raise implemented in January 2021.

Pay Raise (2.7% in FY 2022) +$182,239,000 / +0 FTE

Funds are requested for a 2.7% average pay raise effective January 2022.

FERS Contribution Increase +$67,673,000 / +0 FTE

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

Non-Pay +$55,641,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Efficiencies/Savings…………………………...…….…………… -$5,585,300 / -409 FTE
Increase e-File Savings -$5,585,300 / -101 FTE
The IRS projects a total of 1,426,500 fewer returns filed on paper (752,200 individual and 674,300 business returns). As a result, the IRS will need 101 fewer FTE in submission processing, generating a savings of $5.6 million.

Personnel Savings -$0 / -308 FTE
Although the budget request increases staffing resources to support strategic priorities, the IRS must manage its personnel costs through limited attrition replacement and seasonal workforce adjustments across many operational areas. These adjustments are necessary to fund the $328 million in inflationary and labor cost increases for existing personnel, including annualization of the FY 2021 pay raise, the proposed FY 2022 pay raise, employee promotions, and employee retirement contributions. To achieve these savings, the IRS plans to:

- Fill critical vacancies only;
- Streamline the workforce by reducing administrative, analyst, and other support positions; and
- Realign mission critical occupations by hiring employees who have the background and skills to support the IRS in meeting its strategic goals, objectives, and priorities.

Program Increases……………………….…….…………... +$915,462,000 / +6,348 FTE
Implementing the Taxpayer First Act +$176,086,000 / +294 FTE
Implementing the Taxpayer First Act dramatically change how the IRS engages with taxpayers. These efforts will improve the experience of taxpayers as they interact with the IRS and increase the IRS's ability to secure taxpayer information, protect taxpayer identities, develop additional online capabilities for taxpayers, and develop comprehensive training for IRS employees. This investment includes:

- $27 million to add increased security and flexibilities to how the IRS identity proofs and authenticates taxpayers to allow secure access to taxpayer online services such as Identity Protection (IP) PINs in accordance with NIST standards; and
- $149.09 million to develop and implement a Taxpayer Experience Strategy to improve the American taxpayer's experience with the IRS through expanded digital services, increased multilingual services, and an increased presence in hard to reach communities.

Ensure Fairness of the Tax System +$340,267,000 / +1,833 FTE
A successful economy depends on an effective tax collection system. In order for a tax system to operate productively, all citizens must pay their fair share. The IRS must facilitate taxpayers' voluntary compliance to deter those who might evade their legal tax obligations. Highlights of the investment include:

- $154.87 million to increase the audit coverage rate of large corporations (with balance sheet assets > $10 million), pass-through entities, and high-wealth individuals with adjusted gross income of more than $10 million. Currently, this audit rate is half of what it was in FY 2010;

- $41.09 million to expand oversight of cyber-crimes and allow for applied data analytics which IRS can leverage to connect the most remote financial transaction between apparent disparate actors which can be the key piece of evidence to break open the most complex financial investigation;
- $13.47 million to enhance taxpayer confidence in the tax-exempt sector which is essential to preserving and protecting charitable tax deductions and the retirement savings of everyday Americans;
- $32.90 million to addresses pre-refund audit coverage;
- $77.06 million for additional examination and collection employees to increase the individual audit and collection coverage rates; and
- $20.87 million to enhance overall enforcement efforts, increase the number of convictions and expand the IRS's capabilities in core tax enforcement areas.

<u>Improve Live Assistance +$318,000,000 / +4,203 FTE</u>
Highlights of the investment include:
- $265.46 million increase the telephone level of service to approximately 75 percent and significantly reduce the correspondence inventory. The IRS toll-free telephone customer service operation is one of the world's largest and is a key part of the IRS's service delivery;
- $21.18 million to reduce a reduce a projected FY 2021 ending correspondence level of about 1.4 million by 400,000; and
- $31.36 million to increase staffing levels for IRS Taxpayer Assistance Centers. This investment will restore office hours, increase the number of appointments available, and will improve the taxpayer experience.

<u>IRS Integrated Modernization Business Plan +$78,143,000 / +18 FTE</u>
Modernization is an IRS priority. The plan will enable the IRS to provide consistently superior service to taxpayers and deliver long-term budget efficiencies as the IRS modernizes capabilities currently provided via legacy applications. This investment is in addition to the $1 billion in IT Modernization funds that the IRS received in the American Rescue Plan. The 2022 requested level of $ $305.03 million includes:
- $105 million for the Customer Account Data Engine(CADE) 2 project to continue replacing legacy code established almost 60 years ago;
- $64 million for Enterprise Case Management to establish a common cloud infrastructure, automate business functions, and enable seamless case transfers;
- $30 million for web applications to provide taxpayers and tax professionals a digital service channel to establish and manage taxpayer/tax professional authority relationships;
- $10 million for Taxpayer Digital Communications Outbound Notification Project which provides digital notices available through a secure online account for taxpayers who prefer that channel over mailed correspondence;
- $15 million for the live assistance program to expand customer callback capabilities on IRS phone lines;
- $15 million to modernize IRS infrastructure base and support software development;
- $20 million to improve security integration in system development and enhance data protection through encryption;
- $19 million to mitigate the risk of unauthorized access to tax data;

- $12 million to deliver a next generation secure operations center and block network access for unauthorized users; and
- $15 million to provide engineering management capabilities essential to delivering a large, complex modernization program, and in management reserves.

Electric Vehicles and Associated Infrastructure +$2,966,000 / +0 FTE

- For FY 2022, the IRS – Criminal Investigation (IRS-CI) will receive $2,576,000 to fund the initial investment of its fleet to EV. Of that money, a to be determined amount will be allocated to the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program. Currently, IRS-CI has a total of 2,294 vehicles in its fleet, of which zero are EVs.

- For FY 2022, the IRS Facilities Management and Security Services (IRS-FMSS) will receive $390,000 to fund the initial investment of its fleet to EV. Of that money, a to be determined amount will be allocated to the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program. Currently, IRS-FMSS has a total of 246 vehicles in its fleet, of which zero are EVs.

Legislative Proposals

The FY 2022 budget request includes tax administration legislative proposals.

Increase Oversight of Paid Tax Return Preparers

The proposal would amend Title 31, U.S. Code (Money and Finance) to provide the Secretary with explicit authority to regulate all paid preparers of Federal tax returns, including by establishing mandatory minimum competency standards.

The proposal would be effective on the date of enactment.

Increase penalties on ghost preparers

The proposal would increase the penalty amount to the greater of $500 per return or 100 percent of the income derived per return by a ghost preparer. The proposal would also increase the limitations period during which the penalty may be assessed from three years to six years.

The proposal would be effective for returns required to be filed after December 31, 2021.

Introduce Comprehensive Financial Account Information Reporting to Improve Tax Compliance

This proposal would create a comprehensive financial account information reporting regime. Financial institutions would report data on financial accounts in an information return. The annual return will report gross inflows and outflows with a breakdown for physical cash, transactions with a foreign account, and transfers to and from another account with the same owner. This requirement would apply to all business and personal accounts from financial institutions, including bank, loan, and investment accounts[1], with the exception of accounts below a low de minimis gross flow threshold of $600 or fair market value of $600.

Other accounts with characteristics similar to financial institution accounts will be covered under this information reporting regime. In particular, payment settlement entities would collect Taxpayer Identification Numbers (TINs) and file a revised Form 1099-K expanded to all payee accounts (subject to the same de minimis threshold), reporting not only gross receipts but also gross purchases, physical cash, as well as payments to and from foreign accounts, and transfer inflows and outflows.

Similar reporting requirements would apply to crypto asset exchanges and custodians. Separately, reporting requirements would apply in cases in which taxpayers buy crypto assets from one broker and then transfer the crypto assets to another broker, and businesses that receive crypto assets in transactions with a fair market value of more than $10,000 would have to report such transactions.

The Secretary would be given broad authority to issue regulations necessary to implement this proposal.

The proposal would be effective for tax years beginning after December 31, 2022.

Enhance Accuracy of Tax Information
<u>Expand the Secretary's authority to require electronic filing for forms and returns</u>

Electronic filing would be required for returns filed by taxpayers reporting larger amounts or that are complex business entities, including: (1) income tax returns of individuals with gross income of $400,000 or more; (2) income, estate, or gift tax returns of all related individuals, estates, and trusts with assets or gross income of $400,000 or more in any of the three preceding years; (3) partnership returns for partnerships with assets or any item of income of more than $10 million in any of the three preceding years; (4) partnership returns for partnerships with more than 10 partners; (5) returns of REITs, REMICs, RICs, and all insurance companies; and (6) corporate returns for corporations with $10 million or more in assets or more than 10 shareholders. Further, electronic filing would be required for the following forms: (1) Forms 8918, "Material Advisor Disclosure Statement"; (2) Forms 8886, "Reportable Transaction Disclosure Statement"; (3) Forms 1042, "Annual Withholding Tax Return for U.S. Source Income of Foreign Persons"; (4) Forms 8038-CP, "Return for Credit Payments to Issuers of Qualified Bonds"; and (5) Forms 8300, "Report of Cash Payments Over $10,000 Received in a Trade or Business."

Return preparers that expect to prepare more than 10 corporation income tax returns or partnership returns would be required to file such returns electronically.

[1] Current income reporting by financial institutions would be expanded to all entities, including certain corporations. Interest payments would be included in the loan account reporting. Transferee information would be reported for all real estate transactions on Form 1099-S.

The Secretary would also be authorized to determine which additional returns, statements, and other documents must be filed in electronic form in order to ensure the efficient administration of the internal revenue laws without regard to the number of returns that a person files during a year.

Improve information reporting for reportable payments subject to backup withholding

The proposal would also treat all information returns subject to backup withholding similarly. Specifically, the IRS would be permitted to require payees of any reportable payments to furnish their TINs to payors under penalty of perjury. The proposal would be effective for payments made after December 31, 2021.

Implement A Program Integrity Allocation Adjustment and Provide Additional Funding for Tax Administration

The Administration proposes a multi-year adjustment to the discretionary spending allocation for the IRS Enforcement and Operations Support accounts. The total adjustment would be $6.7 billion over the budget window. The proposed allocation adjustment for 2022 would fund $417 million in enforcement and compliance initiatives and investments above current levels of activity. The adjustment would cover inflation and the cost to sustain the new initiatives and investments through 2031.

In addition, the Administration proposes to provide the IRS $72.5 billion in mandatory funding over the budget window. A portion of these proposed IRS resources would fund improvements and expansions in enforcement and compliance activities. The proposed mandatory funding would also provide the IRS with resources to enhance its information technology capability, including implementation of the proposed financial information reporting regime, and to strengthen taxpayer service.

The proposal would direct that additional resources go toward enforcement against those with the highest incomes, rather than Americans with actual income of less than $400,000.

Details about these IRS funding programs are provided elsewhere in the Budget.

IRS Centralized Services Fund / Working Capital Fund

The Budget includes appropriations language to establish a working capital fund for IRS centralized services. The fund will allow the IRS to achieve cost savings, promote economies of scale, establish more consistent processes and policies, and improve how it delivers facility services, technology, and other centralized services for its business units. For FY 2022, the fund proposes to start with several pilot projects that would test use of the fund, including potentially IT development and operations projects, facilities projects, and/or postage funding.

IRS Performance Highlights

Budget Activity	Performance Measures	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Pre-Filing Taxpayer Assistance and Education	Enterprise Self-Assistance Participation Rate (ESAPR)	82.0%	85.4%	90.6%	89.0%	89.0%
Filing and Account Services	Customer Service Representative (CSR) Level of Service (LOS)	75.9%	65.4%	53.1%	32.0%	75.0%
Investigations	Criminal Investigations Completed	3,051	2,797	2,624	2,600	2,600
Investigations	Conviction Rate	91.7%	91.2%	90.4%	92.0%	92.0%
Exam and Collections	Exam Efficiency - Individual	131	109	76	111	117
Information Services	Percentage of Aged Hardware	45.5%	31.0%	16.0%	20.0%	20.0%

Description of Performance

In FY 2020, the IRS continued to provide quality service to taxpayers and to enforce the laws with integrity and fairness. The IRS continued to deliver improvements in key areas, including international, tax exempt, refund fraud, and identity theft. These accomplishments are in addition to the IRS significant accomplishments in administering Economic Impact Payments, implementing major tax law changes including business tax relief, providing administrative relief to taxpayers while the IRS faced operational challenges to protect the health and safety of its employees. For additional information, please reference the Treasury Coronavirus Relief, Response, Aid, and Recovery Programs Congressional Justification.

Taxpayer Services

The IRS strives to deliver high quality and timely service to taxpayers and stakeholders and help them understand and meet their tax obligations.
The IRS:

- Achieved a 67.4 percent business e-file rate;
- Delivered a fiscal year telephone LOS of 53.1 percent;
- Answered more than 35 million calls; and
- Answered over 90 percent of account questions over the telephone correctly.

The IRS continues to improve and expand its outreach and educational services through partnerships with state taxing authorities, volunteer groups, and other organizations. Volunteer

Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) sites provided free tax assistance for the elderly, disabled, and limited English proficient individuals and families.

The IRS's toll-free telephone line is one of the world's largest customer service phone operations. In March 2020, the IRS suspended customer service phone operations in response to the COVID-19 pandemic. In May, the IRS gradually began resuming CSR-assisted phone lines. For FY 2020, the IRS delivered a 53.1 percent CSR LOS, which measures the relative success rate of taxpayers who call the toll-free number and connect with an assistor. The IRS will lower its FY 2021 CSR LOS target to 32 percent resulting from the increased work due to the delivery of the EIPs and a dramatic increase in call volume. A large increase in usage of IRS.gov helped to compensate for disruptions in the CSR service. IRS.gov had the 22 highest traffic days in history, all in the window of April 13 through May 5. The FY 2022 LOS target is set at 75 percent.

The IRS continues to improve taxpayer services by developing and improving self-assistance tools. In FY 2020 ESAPR was 90.6 percent, exceeding the target of 82 percent. Total services increased 26.8 percent and self-assisted services increased 34.5 percent compared to the prior year. The applications having the highest increases are Interactive Tax Assistant (128 percent), Where's My Refund (37.1 percent), Get Transcript Online (74.6 percent). The ESAPR FY 2021 and FY 2022 target is set at 89 percent.

Enforcement

In FY 2020, the IRS collected $51.1 billion through enforcement programs, a return on investment (ROI) of about $5 to $1. This number is likely understated, since the ROI estimate does not include the revenue effect of the indirect deterrence value of IRS enforcement programs.

The IRS Criminal Investigation (CI) investigates potential criminal violations of the Internal Revenue Code and related financial crimes, such as money laundering, currency violations, tax-related identity theft fraud, and terrorist financing that adversely affect tax administration. In FY 2020 CI completed 2,624 criminal investigations, achieved 1,187 convictions with a rate of 90.4 percent, and achieved a Department of Justice case acceptance rate of 91.6 percent and a U.S. Attorney case acceptance rate of 92.4 percent, which compares favorably with other federal law enforcement agencies.

The Examination program provides taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness. In FY 2020, Exam Efficiency - Individual (the number of closures divided by the total Exam FTE) was 76, below the target of 115 and down 30 percent from FY 2019, primarily due to the pandemic. The effects of the COVID-19 shutdown drove closures 24.9 percent lower than FY 2019 while filings continued to rise. The IRS set a target of 111 in FY 2021 and a target of 117 in FY 2022. IRS will continue to monitor starts and inventory to meet future targets.

Operations Support

The Percentage of Aged Hardware measure shows the quantity of IT hardware in operation past its useful life as a percentage of total hardware in use. The IRS made considerable progress reducing the percentage of aged hardware from 31 percent at the end of FY 2019 to 16 percent at the end of FY 2020. The major driver in exceeding this goal was the large volume of refreshed workstations. For FY 2021, IT will utilize an Enterprise Demand Management tool to improve processing efficiency by increasing the visibility of overall IT demand for aged infrastructure refresh. The target will be set at 20 percent for FY 2021 and FY 2022.

Business Systems Modernization

In FY 2020, the IRS made considerable progress toward modernization. Some key accomplishments were:

- Completed approximately 64,000 lines of code of the CADE 2 conversion from Assembly Language Code (ALC) to Java—bringing the completion to-date to over 128,000 lines of code converted;
- Procured a cloud based, commercial-off-the-shelf platform and delivered the first increment of Enterprise Case Management, making the new platform ready for use. Within six months of the contract award, IRS effectively worked the first case in production. Deployed Application Programming Interface for certain e-Services used by tax professionals, including a new auto enrollment functionality for the Transcript Delivery System, Taxpayer Identification Number Matching and the Secure Object Repository. We successfully enabled access to the new functionality for more than 50 external customers, making it more convenient to self-register and securely receive requested data in real-time while significantly reducing administrative burden;
- Reduced IRS aged hardware to approximately 16 percent, a significant improvement since FY 2017 when aged hardware was estimated to be over 64 percent;
- Standardized how the IRS delivers servers, reducing delivery times from an estimated 7,200 minutes on average to 28 minutes; and
- Used robotic process automation to modify active procurement contracts, resulting in a time savings of 2,788 hours per year and automated the monitoring of small business offer in compromise agreements has now automated the manual process of monitoring agreements, saving approximately 26,800 hours of manual work per year and reducing the risk of human error.

In FY 2021, IRS plans to build on its FY 2020 successes. In addition to its base resources, the IRS plans to use the $1.0 billion it received in the American Rescue Plan to address foundational needs in the areas of applications, infrastructure, security, data and workforce to enable a modernized IRS IT shop and to accelerate and/or initiate business and taxpayer-facing modernization capabilities.

Office of Financial Stability

Program Summary by Budget Activity

Dollars in Billions

	Cumulative Obligated (as of 11/30/2020)	Cumulative Disbursed (as of 11/30/2020)	Cumulative Outstanding (as of 11/30/2020)	Total Cumulative Income (as of 11/30/2020)	Total Cash Back (as of 11/30/2020)	Total Estimated Life Costs (as of 11/30/2020)
Bank Support Programs	250.5	245.5	0.0	35.7	275.6	(24.3)
Credit Market Programs	19.1	19.1	0.0	4.5	23.6	(3.3)
AIG Investment Program (AIG)	67.8	67.8	0.0	1.0	55.3	15.2
Automotive Industry Financing Program	79.7	79.7	0.0	7.4	70.6	12.1
Treasury Housing Programs	32.6	30.9	0.0	0.0	0.0	32.4
Total	**449.6**	**443.0**	**0.0**	**48.6**	**425.1**	**32.1**
Additional AIG Common Shares Held by Treasury	0.0	0.0	0.0	17.6	17.6	(17.6)
Total for Programs and Shares	**449.6**	**443.0**	**0.0**	**66.2**	**442.7**	**14.5**

*If all Treasury AIG Investments are combined, we currently estimate a net gain of nearly $2.4 billion on those shares.

Administrative Account Summary

Dollars in Thousands

	FY 2020 Actual	FY 2021 Estimated	FY 2022 Estimated	FY 2021 to FY 2022 Change	FY 2021 to FY 2022 % Change
	AMOUNT	**AMOUNT**	**AMOUNT**	**AMOUNT**	**AMOUNT**
Obligations					
TARP Administrative Account	43,078	40,789	37,637	(3,152)	-7.73%
Total Obligations	**$43,078**	**$40,789**	**$37,637**	**($3,152)**	**-7.73%**
Total Full-time Equivalents (FTE)	14	11	10	-1	-9.09%

Summary

A central part of the response to the 2008 financial crisis was the implementation of the Troubled Asset Relief Program (TARP), which was established in the fall of 2008 under the Emergency Economic Stabilization Act of 2008 (EESA) (P.L. 110-343) within the Office of Domestic Finance at the U.S. Department of the Treasury (Treasury). TARP was created to restore the liquidity and stability of the financial system, and it is administered by the Office of Financial Stability (OFS). Since late 2010, OFS has made significant progress in winding down TARP investment programs and in recovering OFS's outstanding investments.

OFS continues to operate a housing program to help homeowners prevent avoidable foreclosures. However, in 2016, OFS began the wind-down of the largest TARP housing program, the Marking Home Affordable Program, pursuant to the Consolidated Appropriations Act, 2016. As of November 30, 2020, OFS has recovered more than 96 percent of the $442.7 billion in total program funds disbursed under TARP, as well as an additional $17.6 billion from Treasury's equity in American International Group, Inc. (AIG). When all of Treasury's AIG investments are included, the amount recovered is greater than the funds disbursed by nearly $0.2 billion.

In FY 2021, OFS plans to obligate just over $40 million and use no more than 11 Full-Time Equivalent (FTE) employees. In FY 2022, OFS plans to obligate just over $38 million and use no more than 10 FTE employees, a reduction of over 6% and 9%, respectively, from the current FY 2021 estimates, to fund the management, maintenance and continued wind-down of the TARP housing programs and the disposition of OFS's remaining investments. OFS is expected to complete its wind-down in FY 2024.

Description of Performance

Bank Support Programs

Capital Purchase Program (CPP)

OFS created CPP, its largest program, in October 2008. OFS provided a total of $204.9 billion in capital to 707 institutions in 48 states. During FY 2020, OFS continued to wind-down remaining CPP investments. As of November 30, 2020, CPP has generated $226.4 billion in recoveries for taxpayers with two institutions remaining in the program, for a total of $17 million in investments outstanding.

Community Development Capital Initiative (CDCI)

OFS created CDCI on February 3, 2010, to provide investments of capital to certified Community Development Financial Institutions (CDFI) banks, thrifts, and credit unions. OFS invested $570 million in 84 CDFIs, of which 28 institutions converted $363 million (including warrants) from CPP to CDCI. As of November 30, 2020, CDCI has generated $592 million in recoveries for taxpayers with two institutions remaining in the program, for a total of $1 million in investments outstanding.

Housing Programs

OFS established several TARP housing programs, assisting millions of homeowners and introducing reforms for the mortgage servicing industry to facilitate mortgage modifications.

Making Home Affordable Program (MHA)

In 2009, OFS launched MHA to help homeowners prevent avoidable foreclosures and strengthen the housing market. The cornerstone of MHA is the Home Affordable Modification Program (HAMP), which provides eligible homeowners the opportunity to reduce their monthly mortgage payments. In accordance with provisions of the Consolidated Appropriations Act, 2016 (P.L. 114-113) MHA terminated on December 31, 2016, except with respect to certain applications made before such date. MHA servicers were required to design policies and procedures to reasonably ensure that all MHA transactions were completed by December 1, 2017. As of November 30, 2020, OFS had disbursed $21.4 billion out of a possible $22.9 billion under MHA.

Housing Finance Agency (HFA) Hardest Hit (HHF) Fund

Established in 2010 to provide aid to homeowners in states hit hardest by the economic and housing market downturn. The $7.6 billion initiative encompassed 18 states and the District of Columbia (DC). In December 2015, P.L. 114-113 granted Treasury authority to make an additional $2.0 billion in commitments through the HHF. As of November 30, 2020, OFS had disbursed $9.5 billion out of a possible $9.6 billion under HHF.

Federal Housing Administration (FHA) - Short Refinance Program

OFS continues to support the FHA Short-Refinance Program, which was intended to assist borrowers with negative equity. The program has seen limited participation. As such, OFS has incrementally reduced the LOC Facility supporting this program from an initial $8.0 billion to $27 million in FY 2017, which matches OFS's maximum liability for loans covered by the program as of December 31, 2016, when the program ended for new refinances. As of November 30, 2020, the revised lifetime cost estimate for the program was $13 million for outstanding refinanced loans.

Other Programs

Automotive Industry Financing Program (AIFP)

OFS fully wound down AIFP during FY 2015, selling its remaining stake in Ally Financial. OFS disbursed $79.7 billion in loans and equity investments to the automotive industry through the AIFP. As of November 30, 2020, OFS had collected $70.6 billion through sales, repayments, dividends, interest, recoveries, and other income. Recoveries from the bankruptcy liquidation of Old Chrysler and Old GM remain possible.

All other TARP programs closed prior to FY 2016, including the Targeted Investment Program, Asset Guarantee Program, Public-Private Investment Program, Term Asset-Backed Securities Loan Facility, Small Business Administration 7(a) Securities Purchase Program, and AIG Investment Program.

Office of Financial Research

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Actual	FY 2021 Estimated	FY 2022 Estimated	FY 2021 to FY 2022 % Change
Data Center	$2,771	$3,576	$3,710	3.7%
Technology Center	$35,739	$35,750	$37,541	5.0%
Research and Analysis Center	$7,340	$13,290	$14,718	10.7%
Operations and Support Services	$17,237	$19,565	$19,302	-1.3%
Total Cost of Operations	**$63,087**	**$72,181**	**$75,271**	**4.3%**
Full-time Equivalents (FTE)	102	128	145	13.3%

Note: The assessments, recoveries, interest and FTE estimates in the table above differ from the amounts in the 2022 President's Budget. This difference is primarily due to adjustments made subsequent to the Appendix submission to account for lower interest income, higher-than-anticipated recoveries and anticipated carryover funding from FY 2020 to FY 2021, as well as slower than anticipated hiring.

Summary

The OFR was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to assist the Financial Stability Oversight Council (FSOC) and its member agencies though research, analytic tools, and data-related support on issues related to financial stability. Serving principally the FSOC and its member agencies, the OFR is tasked with improving the quality, transparency, and accessibility of financial data and information; assessing and monitoring threats to financial stability; conducting and sponsoring research related to financial stability; and promoting best practices in risk management.

The Office of Financial Research (OFR or Office) is estimating a fiscal year (FY) 2022 funding level of $75.271 million, which is $3.090 million higher than its FY 2021 estimated funding level. The FY 2022 Budget includes increases in funding for both the Technology Center and Research and Analysis Center (RAC). The increased funding will assist these offices as they continue to build out their infrastructure in support of OFR's legislative mandate under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (P.L. 111-203).

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Estimate	**128**	**$72,181**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$1,051
FERS Contribution Increase	0	$276
Non-Pay	0	$775
Non-Recurring Costs	0	($2,651)
Subtotal Changes to Base	0	($1,600)
FY 2022 Current Services	**128**	**$70,581**
Program Changes:		
Program Increases:	17	$4,690
Increased Staffing	17	$4,690
Subtotal Program Changes	**17**	**$4,690**
FY 2022 Estimate	**145**	**$75,271**

Note: The assessments, recoveries, interest and FTE estimates in the table above differ from the amounts in the 2022 President's Budget. This difference is primarily due to adjustments made subsequent to the Appendix submission to account for lower interest income, higher-than-anticipated recoveries and anticipated carryover funding from FY 2020 to FY 2021, as well as slower than anticipated hiring.

Budget Adjustments

Maintaining Current Levels (MCLs) ....+$1,051,000 / +0 FTE

FERS Contribution Increase +$276,000 / +0 FTE
Funds are requested for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

Non-Pay +$775,000 / +0 FTE
Funds are requested for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Non-Recurring Costs……...-$2,651,000 / +0 FTE

Non-Recurring Costs -$2,651,000 / +0 FTE
The OFR's FY 2022 request redirects non-labor cost savings from Operations and Administrative Support Services that included non-recurring investments as part of the OFR's migration to a cloud-based infrastructure and short-term initiatives in FY 2021.

Program Increases ....+$4,690,000 / +17 FTE

Increased Staffing +$4,690,000 / +17 FTE
The FY 2022 staffing model continues the OFR's planned recruitment that came out of its reshaping; the OFR will bring its workforce up to the targeted 145 FTE. This includes 6 additional FTEs in the Research and Analysis Center to support long-term research and monitoring initiatives. It also includes 6 FTEs within the Technology Center and 5 FTEs within the Operations Division to support the IT and operational support infrastructure needed for the OFR's research and data efforts. Funds are also requested for anticipated increases to labor costs to include merit pay increases for qualifying current staff.

Legislative Proposals

The OFR has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Data Center	Number of LEIs Issued Cumulatively in the United States and Internationally	1,300,832	1,487,695	1,733,473	I	I
Data Center	Number of Times That Financial Data Standards are Incorporated in Rules and Regulations	4	1	3	I	I

Key: I – Indicator

Description of Performance

During FY 2020, the number of Legal Entity Identifiers (LEIs) issued continued its upward trend, increasing by approximately 16 percent from the prior year. The Data Center will continue its strategy of engagement with financial data standards-setting organizations. Additionally, in FY 2020 the OFR saw an uptick in rules that incorporate use of financial data standards, with two final rules and a rule change that covered the LEI, among other matters.

In addition to its LEI work, the OFR is continuing to fulfill its data-related mandates through an array of initiatives, including publication of a new daily data release on transactions in the $4 trillion market for U.S. centrally-cleared repurchase agreements (repos), which provide funding to securities dealers and others. The Technology Center will continue making enhancements to the data series into the next fiscal year and beyond, including validation and transformation of the collected data to support business uses. This budget request provides for the needed capacity and capabilities to support this critical daily collection.

The OFR is also focusing on engaging with FSOC and others to drive its research agenda and to help identify the tools needed for risk monitoring. The Research and Analysis Center will also work on enhancing its existing monitoring tools. Throughout FYs 2021 and 2022, the Research and Analysis Center will continue its direct work for the FSOC Secretariat, providing support for the FSOC's annual report to Congress in the form of research, analysis, and other resources. The Center will contribute to the FSOC's transition to an activities-based approach for the non-bank designation process and will continue to respond to specific requests for research and analysis. The Center also provides subject-matter experts to FSOC committees and working groups, and routinely collaborates on policy evaluation and financial research with staff from FSOC member agencies. Staffers frequently make presentations of their research and analysis to FSOC committees, such as the Systemic Risk Committee.

Financial Stability Oversight Council

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Actual	FY 2021 Estimated	FY 2022 Estimated	FY 2021 to FY 2022 $ Change	FY 2021 to FY 2022 % Change
FSOC	$6,370	$6,000	$6,520	$520	8.67%
FDIC	$4,451	$4,451	$4,301	($150)	-3.38%
Total Cost of Operations	**$10,821**	**$10,451**	**$10,821**	**$370**	**4%**
Direct FTE	15	18	21	3	16.67%
Total Full-time Equivalents (FTE)	**15**	**18**	**21**	**3**	**16.67%**

Note: The amounts of obligations and FTEs for 2021 in the table above differ from the amounts in the 2022 President's Budget. This difference is primarily due to adjustments in anticipated spending for FSOC related to lags in hiring due to the COVID-19 pandemic and other factors efforts.

Summary

The Financial Stability Oversight Council (FSOC or Council) is chaired by the Secretary of the Treasury and consists of 10 voting members and five nonvoting members who serve in an advisory capacity. The Council brings together the expertise of the federal financial regulators, an insurance expert appointed by the President, and state regulators. The Council's three statutory purposes are to identify risks to the financial stability of the United States, promote market discipline, and to respond to emerging threats to the stability of the U.S. financial system. The Council has a statutory duty to facilitate information sharing and coordination among the member agencies regarding domestic financial services policy development, rulemaking, examinations, reporting requirements, and enforcement actions.

The Financial Stability Oversight Council (FSOC or Council) is estimating a fiscal year FY 2022 funding level of $10.821 million, which is an increase of $0.370 million from the FY 2021 estimated funding level. This request includes $6.520 million for the FSOC Secretariat and the Office of the Independent Member with Insurance Expertise, and $4.301 million to reimburse the Federal Deposit Insurance Corporation (FDIC) for certain expenses as required by law. On March 31, 2021, the Council re-established the Hedge Fund Working Group to share data, identify risks and address potential issues related to hedge funds. The Council also committed to the coordination of regulators' efforts to improve the measurement and management of climate-related risks in the financial system as the country transitions to a net-zero carbon economy.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 Estimate	**18**	**$10,451**
Changes to Base:		
Maintaining Current Levels (MCLs):	0	$233
Pay Annualization (1.0% average pay raise)	0	$9
Pay Raise (2.7% average pay raise)	0	$72
FERS Contribution Increase	0	$14
Non-Pay	0	$139
Efficiency Savings	0	($190)
Subtotal Changes to Base	0	$43
FY 2022 Current Services	**18**	**$10,494**
Program Changes:		
Program Decreases	0	($150)
FDIC Cost Adjustment	0	($150)
Program Increases:	3	$477
FTE Adjustment	3	$477
FY 2022 Estimate	**21**	**$10,821**

Note: The amounts of obligations and FTEs for 2021 in the table above differ from the amounts in the 2022 President's Budget tables. This difference is primarily due to adjustments in anticipated spending for FSOC related to lags in hiring due to the COVID-19 pandemic and other factors efforts.

Budget Adjustments

Maintaining Current Levels (MCLs)……………………………………. +$233,000 / +0 FTE

Pay Annualization +$9,000 / +0 FTE

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

Pay Raise (2.7% in 2022) +$72,000 / +0 FTE

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

FERS Contribution Increase +$14,000 / +0 FTE

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

Non-Pay +$139,000 / +0 FTE

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

Efficiency Savings………………………………………………………… -$190,000/ +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.

Program Decreases ………………………………………………….. -$150,000 / +0 FTE
<u>*FDIC Cost Adjustment -$150,000 / +0 FTE*</u>
Cost decrease for FDIC reimbursable expenses. FDIC reimbursable expenses for FY 2022 are estimated at a commensurate level with FY 2019, which reflects a slight decrease from FY 2021.

Program Increases ……………………………………………………+$477,000 / +3 FTE
<u>*FTE Adjustment +$477,000 / +3 FTE*</u>
The Secretariat expects to hire additional staff early in FY 2021, bringing total Secretariat and Office of the Independent Member staff from its current level of 15 onboards to 21 onboards.

Legislative Proposals

The FSOC does not have any legislative proposals at this time.

Description of Performance

While there are no measures specified for managing Council performance, over the last year, the Council continued to identify and monitor potential risks to U.S. financial stability; fulfilled its statutory requirements, including transmission of its ninth annual report to Congress; and served as a forum for coordination among member agencies.

The Council has a statutory duty to facilitate information sharing and coordination among the member agencies regarding domestic financial services policy development, rulemaking, examinations, reporting requirements, and enforcement actions.

Over the next year, the Council will continue to: monitor the financial system for emerging risks; facilitate interagency cooperation to identify and analyze emerging threats; and facilitate information sharing and interagency coordination with respect to various regulatory initiatives.

By law, the Council is required to convene no less than quarterly, but the Council has convened on a more frequent basis to share information on key financial developments, coordinate regulatory implementation, and monitor progress on recommendations from the Council's annual reports. In FY 2020, the Council convened five times. The Council will continue to remain focused on identifying near-term threats and addressing structural vulnerabilities in the financial system. Transparency into Council work has routinely been provided through an annual report to Congress, periodic Congressional testimony on Council activities and emerging threats to financial stability, and regular communications with the public about Council activities and decisions.

Treasury Franchise Fund

Program Summary by Budget Activity
Dollars in Thousands

Budget Activity	FY 2020 Actuals	FY 2021 Revised Estimate	FY 2022 Estimate	FY 2020 to FY 2021 $ Change	FY 2020 to FY 2021 % Change
Treasury Shared Services Program	284,298	299,891	314,318	14,427	4.8%
Centralized Treasury Administrative Services	121,771	135,203	145,848	10,645	7.9%
Administrative Support Services	220,180	194,856	211,308	16,452	8.4%
Information Technology Services	222,547	217,473	221,670	4,197	1.9%
Subtotal, Treasury Franchise Fund	**$848,796**	**$847,423**	**$893,144**	**$45,721**	**5.4%**
Offsetting Collections - Reimbursable	838,745	806,022	857,079	51,057	6.3%
Recovery from Prior Years	9,472	24,016	22,815	(1,201)	-5.0%
Unobligated Balances Brought Forward	211,208	210,629	193,244	(17,385)	-8.3%
Total Program Operating Level	**$1,059,425**	**$1,040,667**	**$1,073,138**	**$32,471**	**3.1%**
Reimbursable FTE	2,069	2,154	2,219	65	3.0%
Total Full-time Equivalents (FTE)	**2,069**	**2,154**	**2,219**	**65**	**3.0%**

*The Financial Management Administrative Support Service and Shared Services Programs, as denoted in the President's budget is also referred to as the Administrative Services and Treasury Shared Services Program, respectively.

Summary

The Treasury Franchise Fund (TFF) supports effective administrative and information technology services through commitment to service, efficient operations, openness to change, and values-based behavior. The TFF achieves cost savings leveraging economies of scale which promote efficient use of resources by shared service providers.

The TFF providers include Departmental Offices' Treasury Shared Services Programs (TSSP), Departmental Offices' Centralized Treasury Administrative Services (CTAS), and the Bureau of the Fiscal Service's Administrative Resource Center (ARC). TFF shared service providers offer financial management, procurement, travel, human resources, information technology, and other administrative services to federal customers on a fully cost recoverable, fee-for-service basis.

The TFF FY 2022 Congressional Justification reflects revised estimates for FY 2021 along with new funding estimates for FY 2022. The revised estimates in FY 2021 for ARC Admin includes an increase operations and maintenance costs to support an expanded customer base. The revised estimates will also support ARC IT's continued modernization efforts of the bureau's IT infrastructure and technology service delivery (to include cloud adoption and low-code platform solutions) implementing enterprise-scale foundational and common technology services, and continuing to enhance IT portfolio management practices and the cybersecurity posture across the enterprise. The Centralized Treasury Administrative Services (CTAS) programs will reduce the FY 2021 operating levels to more accurately reflect the level of administrative support services provided for the Foreign Investment Risk Review Modernization Act (FIRRMA) initiatives, Departmental Offices (DO) Salaries and Expenses and Terrorism and Financial Intelligence offices.

In FY 2022, the Treasury Shared Services (TSSP) programs will continue to support efforts in cybersecurity with the additional operations and maintenance costs transferred for initiatives developed under the Cybersecurity Enhancement Account (CEA). These cybersecurity initiatives will be deployed and implemented as a shared service provided to Treasury bureaus. TSSP will also focus on system modernization investments, IT reporting through Technology Business Management (TBM) and continuous improvement of baseline level services support.

In FY 2022, the US Department of Agriculture (USDA) customers are expected begin transitioning to ARC for financial management (FM) services. In addition, ARC will continue to progress through a strategic project to continue simplifying customer FM services, increase customer FM maturity and public trust, maximize ARC value, and further emphasize law, regulations, and federal mandates. These initiatives will allow agencies to focus on mission activities and ensure cost sharing opportunities are accessible.

Budget Highlights

Dollars in Thousands

	FTE	Amount
FY 2021 President's Budget Estimate	**2,112**	**$869,321**
Adjustments to FY 2021 PB	**42**	**(21,898)**
Administrative Initiatives Adjustments (CTAS)	0	(27,059)
Increased Personnel Resources/IT Support (ARC Admin/IT)	42	5,161
FY 2021 Revised Estimate	**2,154**	**$847,423**
Changes to Base:		
Maintaining Current Levels (MCLs):		20,192
Pay Annualization (1.0% average pay raise)		667
Pay Raise (2.7% average pay raise)		5,420
FERS Contribution Increase		2,058
Non-Pay		12,047
Subtotal Changes to Base	0	20,192
FY 2022 Current Services	**2,154**	**$867,615**
Program Changes:		
Program Increases:	65	25,529
Cybersecurity Enhancement Account (CEA) Operations and Maintenance (TSSP)	0	5,254
Systems Modernization and Program Support (TSSP)	0	2,108
Continuous Diagnostic and Mitigation (CDM) Licenses (TSSP)	0	1,184
Systems Modernization (CTAS)	0	5,662
Electric Vehicles and Associated Infrastructure (CTAS)	0	304
Customer Growth (ARC Admin)	35	6,017
FSSP Consolidation (ARC Admin)	30	5,000
Subtotal Program Changes	**65**	**$25,529**
Total FY 2022 Estimate	**2,219**	**$893,144**

Budget Adjustments

FY 2021 Adjustments……………………………………………….. -$21,898,000/ +42 FTE

Centralized Treasury Administrative Services (CTAS) -$27,059,000 / -0 FTE

In FY 2021, the adjustments for administrative support include the following:

Administrative Support Reduction for FIRRMA -$20,632,000 / 00 FTE

Reductions to the planned level of administrative support resulting in a decrease to administrative costs necessary to support the Foreign Investment Risk Review Modernization Act (FIRMMA) initiatives:

- Case management (-$13,378,000)
- Facilities (-$4,800,000)
- Personnel (-$2,454,000)

DO and TFI -$6,427,000 / -0 FTE

Reductions in administrative support for DO that were realized in FY 2020 and carry through to FY 2021. This includes reduced level of support for initiatives within DO Salaries and Expenses and the Office of Terrorism and Financial Intelligence (TFI).

Increased Personnel Resources/IT Support (ARC Admin/IT) +$5,161,000 / +42 FTE

In FY 2021, the adjustments for the ARC Admin and IT budgets include the following:

ARC Admin +$4,684,000 / +29 FTE

Revised FY 2021 estimates includes adjustments for human resources staffing required to meet critical workforce demands of customers. Without these resources, customers will experience delays in hiring, impacting mission success.

ARC IT +$477,000 / +13 FTE

In FY 2021, new service offerings and systems were added, offset by the transition of the Oracle hosting contract to ARC Admin. The increase will support technology modernization, implementation of an on-premise cloud environment, and increased investment in Cyber Security measures that will protect the National Critical Financial Infrastructure.

Maintaining Current Levels (MCLs)………………………………….. +$20,192,000 / +0 FTE

Pay Annualization (1.0%) +$667,000 / +0 FTE:

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

Pay Raise (2.7% in 2022) +$5,420,000 / +0 FTE:

Funds are required for a 2.7% average pay raise in January 2022.

FERS Contribution Increase +$2,058,000 / +0 FTE

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

Non-Pay +$12,047,000 / +0 FTE

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

Program Increases………………………………………………….. +$25,529,044 / +65 FTE

Cybersecurity Enhancement Account (CEA) Operations and Maintenance (O&M) (TSSP) +$5,253,742 / +0 FTE

Treasury will increase TSSP by $5.26 million to support the transition of the operations and maintenance costs from CEA investments to TSSP. The total FY 2022 estimated spending transitioned into TSSP since FY 2020 will be $16.48 million including this increase. The FY 2022 increase will support the operations and maintenance costs for the following initiatives:

- Fiscal Service Trusted Internet Connection (TIC) (+$3,622,676)
- Treasury Identity Enterprise Services (+$857,000)
- Treasury Secured Data Network (+$592,226)
- Threat Hunting Analysis (+$181,840)

Systems Modernization and Program Support (TSSP) +2,108,498 / +0 FTE

Treasury will increase spending to support the system modernization and enhancements across TSSP programs to include:

- O&M costs for the TBM tool that was implemented in FY 2021 (+$1,198,000)
- Enterprise Data Management Cloud Support (+$581,250)
- Automation of the change management process (+$374,248)
- Enhancements for the Equal Employment Opportunity complaint tracking system (+$336,000)

Continuous Diagnostic and Mitigation (CDM) Licenses (TSSP) +$1,184,000 / +0 FTE

The FY 2022 increase in costs for CDM licenses is $1.184 million for Phase II in support of the CEA O&M initiatives transitioning into TSSP. These licenses are provided by the Department of Homeland Security (DHS) with the costs allocated to the Treasury bureaus through the TSSP. The CDM Program enhances the overall security posture of the Federal Government by providing Federal agencies with capabilities to monitor vulnerabilities and threats to their networks in near real-time. This increased situational awareness allows agencies to prioritize actions to mitigate or accept cybersecurity risks based on an understanding of the potential impacts to their mission. Total spending for FY 2022 is estimated at $13.284 million.

Systems Modernization (CTAS) +$5,662,000 / +0 FTE

IT Modernization investment of $5.7 million will support increase spending for critical lifecycle upgrades and enhancements to modernize the DO IT infrastructure and IT server replacements. The following projects are included in this initiative:

- End User Equipment Lifecycle – Asset refresh of end of life end equipment (i.e., laptops, desktops, zero clients, etc.) and migrate service
- Telework Workforce Enhancements – Hardware and software hardware/software to support efficiency and mission achievement in telework paradigm.
- Video Teleconferencing – Increased software licenses, support, and services for DO web conferencing
- Managed Remote Access - Transition from government owned and operated to managed service remote access for DO user community
- Managed Desktop/Virtual Desktop Infrastructure (VDI) - Transition from government owned and operated virtual desktop infrastructure to managed service
- IT Server Replacement - In FY 2022, Treasury will replace IT servers that have reached end

of life. These servers support majority of IT operations and the daily workload within DO. By FY 2022, over 120 of these critical servers of will no longer receive vendor support and will no longer receive updates, which put critical IT components at risk of failure or breach. Cloud migration assessments for these servers have been conducted and results have helped to identify servers that can be moved to the cloud and replacement servers that support workloads not yet cloud ready. Re-capitalization of servers represents the majority of costs incurred, in addition to additional anticipated operational expenses associated with cloud computing.

Electric Vehicle Fleet Management (CTAS) +$304,000 / +0 FTE
In accordance with Executive Order (E.O.) 14008, "Tackling the Climate Crises at Home and Aboard", Treasury will support 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 Departmentwide fleet management program with a continued focus on the purchase and/or leasing of electric vehicles (EV) and its essential infrastructure.

Currently, DO has a total of 14 vehicles in its fleet, five are EVs. In FY 2022, this investment of $304,000 will fund the full conversion of its fleet and the purchase, installation, maintenance, and/or upgrade of infrastructure required to maintain an EV fleet management program.

Customer Growth (ARC Admin) +$6,017,000 / +35 FTE
Increase reflects operations and maintenance costs and provides cost sharing and avoidance opportunities for both the new and current agencies supported by ARC. In FY 2021, ARC expanded services with Corporation for National and Community Service (CNCS) and the Special Inspector General for Pandemic Recovery (SIGPR). In FY 2022, ARC will expand supported shared services transitions for the Office of Personnel Management (OPM) and limited new services to the Federal Emergency Management Administration (FEMA).

Financial Shared Service Provider (FSSP) Consolidation (ARC Admin) +$5,000,000 / +35 FTE
In FY 2021, portions of USDA's shared service customer base will be merged into ARC operations as USDA is planning to discontinue their shared services operations in response to OMB M-19-16. ARC plans to maintain financial management services for current USDA and General Services Administration (GSA) customers.

Legislative Proposals

The TFF does not have legislative proposals.
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Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Treasury Shared Services Programs	Average Cost per FTE	N/A	1463.5	1460.0	1580.3	1710.5
Treasury Shared Services Programs	Annual Effective Spend Rate	N/A	97.1	96	96	96
Treasury Shared Services Programs	Customer Satisfaction	N/A	75	80	80	80
Centralized Treasury Administrative Services	Annual Effective Spend Rate	N/A	97.8	97.8	96	96
Centralized Treasury Administrative Services	Customer Satisfaction	N/A	75	75	80	80
Administrative Support Services	Customer Unmodified Audit Opinions [%]	100	100	100	100	100
Administrative Support Services	Percentage of shared services service level agreement performance metrics met or exceeded [%]	NA	89	86.7	94	94
Administrative Support Services	Customer Satisfaction with ARC Admin Services [%]	NA	93.2	90.4	80	80
Information Technology Services	Fiscal IT Hosting – Percentage of Time Service is Operational (Uptime Excluding Planned Maintenance)	99.8	99.6	99.0	DISC	DISC
Information Technology Services	Number of engagements in strategic sourcing, to include new IT customers, new scope of work for existing customers, or new FITARA compliant contracts available beyond Fiscal Service [#]	1	1	3	DISC	DISC
Information Technology Services	% of IT Portfolio (TFF) Software and Hardware Currency	N/A	N/A	N/A	B	
Information Technology Services	% of On-Premise Target Service Level Agreements Met	N/A	N/A	N/A	B	

Key: B -Baseline; DISC- Discontinued

Description of Performance

The TSSP annual effective spend rate relates to the financial management and oversight of the program. It gives insight into the how much of the resources collected from customers are being obligated for service delivery in the fiscal year. In FY 2020, 98.4 percent of the funds collected from customers for the shared services was obligated which was above the 96 percent target rate set for the fiscal year.

In FY 2020, the TSSP survey results yielded a 90 percent overall customer satisfaction rating for services provided through the TSSP. Planned efforts to achieve this higher rating for customer satisfaction going forward will focus on identifying more opportunities for customer engagement and improved customer feedback mechanisms.

The CTAS FY 2020 annual effective spend rate was 97.8 percent, which was above the set target rate of 96 percent. The customer satisfaction rate was baselined in FY 2019. Results from a survey released in FY 2020, garnered a 75 percent satisfaction rating for the overall program.

In FY 2020, ARC Admin met performance metrics with the exception of Percentage of Service Level Agreement Performance Metrics. This can be attributed to new staff onboarding. ARC has worked to strengthen new employee training. ARC continues to work with customer agencies to understand the changes thereby enabling them to align resources to support the demand.

In FY 2020, ARC IT's hosting performance was 99.9 percent uptime, which exceeded the measure target of 99.0. ARC IT also exceeded the target for number 2 engagements in strategic sourcing and achieve increased service levels.

Treasury Forfeiture Fund

Program Summary by Budget Activity

Dollars in Thousands

Treasury Forfeiture Fund	FY 2020		FY 2021		FY 2022		FY 2021 to FY 2022			
Budgetary Resources	Actual		Estimated		Estimated		$ Change		% Change	
	FTE [1]	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Revenue/Offsetting Collections										
Interest		$18,565		$25,000		$25,000		$0	NA	0.00%
Restored Prior Year Sequestration Reduction		$54,340		$30,294		$32,609		$2,315	NA	7.64%
Forfeited Revenue		$494,893		$547,096		$547,096		$0	NA	0.00%
Recovery from Prior Years		$32,358		$12,000		$12,000		$0	NA	0.00%
Unobligated Balances from Prior Years		$609,632		$691,453		$717,902		$26,449	NA	3.83%
Total Revenue/Offsetting Collections		**$1,209,788**		**$1,305,843**		**$1,334,607**	**0**	**$28,764**	**NA**	**2.20%**
Expenses/Obligations										
Mandatory Obligations	27	($465,205)	27	($445,332)	27	($445,332)	0	$0	0.00 %	0.00%
Secretary's Enforcement		($22,836)		($35,000)		($35,700)		($700)	NA	2.00%
Strategic Support [2]		$0		TBD		TBD		NA	NA	NA
Total Expenses/Obligations	**27**	**($488,041)**	**27**	**($480,332)**	**27**	**($481,032)**	**0**	**($700)**	0.00 %	0.15%
Rescissions/Cancellations										
Sequestration Reduction		($30,294)		($32,609)		($32,609)		NA	NA	NA
Permanent Cancellation		$0		($75,000)		$0		$75,000	NA	-100.00%
Total Rescission/Cancellations		**($30,294)**		**($107,609)**		**($32,609)**		**$75,000**	**NA**	**-69.69%**
Net Results	**27**	**$691,453**	**27**	**$717,902**	**27**	**$820,966**	**0**	**$103,064**	**0.0%**	**14.36%**
Contingent Liabilities		**($512,764)**		**($465,000)**		**($465,000)**		**$0**	**NA**	**0.00%**

1/ The Treasury Forfeiture Fund is staffed by Departmental Offices employees and positions are funded via reimbursable agreement. The FTE are shown here for clarity but are also reflected in the Departmental Offices chapter in the reimbursable FTE total.

2/ For FY 2021 and FY 2022, Treasury will revise Strategic Support based on enacted appropriations and may submit a plan to Congress if funding is available, once more is known about collections and expenses.

Summary

The Treasury Executive Office for Asset Forfeiture (TEOAF) administers the Treasury Forfeiture Fund (the Fund), which is the receipt account for deposit of non-tax forfeitures made pursuant to laws enforced or administered by participating Department of the Treasury and Department of Homeland Security agencies. The Fund was established in 1992. The enabling legislation for the Fund (Title 31 U.S.C. 9705) defines the purposes for which Treasury forfeiture revenue may be used.

Explanation of TEOAF Spending Categories

Mandatory Obligations ($445,332,000 from revenue/offsetting collections)

Mandatory Obligations are incurred to meet the operating costs of the Fund, including expenses of storing and maintaining seized and forfeited assets, valid liens and mortgages, investigative expenses incurred in pursuing a seizure, information and inventory systems, remissions, victim restoration, and certain costs of local police agencies incurred in joint law enforcement operations. Following seizure, equitable shares may be paid to state and local law enforcement agencies that contributed to the seizure activity at a level proportionate to their involvement.

TEOAF allocates significant resources to supporting seizure cases in which the seized assets represent the proceeds of fraud schemes. The resulting forfeiture deposits are used to compensate the victims (entities or individuals) defrauded by the violators. Prioritizing support of these cases is particularly important now due to the volume of COVID-19 related financial fraud, network intrusion, phishing and sales of counterfeit vaccines and COVID treatments online and via Darknet marketplaces. TEOAF provides funding to allow its participating agencies to meet unanticipated needs created by COVID-19 related crimes, to ensure that the agencies have the resources to target and intercept these massive schemes and return the money to the defrauded government agencies, private entities and individuals.

Secretary's Enforcement Fund ($35,700,000 from revenue/offsetting collections)
Secretary's Enforcement Fund (SEF) represents revenue from equitable shares received from Department of Justice (DOJ) or U.S. Postal Service (USPS) forfeitures. These shares are proportional to Treasury's participation in the overall investigative effort that led to a DOJ or USPS forfeiture. SEF revenue is available for federal law enforcement related purposes of any law enforcement organization participating in the Fund.

Strategic Support (TBD from revenue/offsetting collections)
Strategic Support authority, established in 31 U.S.C. 9705(g)(4)(B), allows TEOAF to fund priority Federal law enforcement initiatives with remaining unobligated balances at the close of the fiscal year, after an amount is reserved for the next fiscal year's operations.

Contingent Liabilities ($465,000,000 revenue/offsetting collections)
Contingent liabilities represent the known future equitable sharing, remission, refund, and mitigation payments. TEOAF tracks future remission payments to third parties as contingent liabilities. However, these amounts are not recorded as obligations from the Fund until the Department of Justice grants the petition for remission. The third parties are predominantly victims of crimes that triggered the forfeiture (e.g., Ponzi scheme or kleptocracy victims). Amounts recorded are significant because remission payments from multiple years are recorded and carried forward. The amounts change constantly as payments are made and amounts for new remission cases are added. TEOAF considers the amounts recorded as contingent liabilities as unavailable and consideration of contingent liabilities provides a more accurate representation of the financial position of the Fund.

Legislative Proposals

TEOAF has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Asset Forfeiture Fund	Percent of Forfeited Cash Proceeds Resulting from High-Impact Cases	94.19	90.8	82.87	80	80

Description of Performance

($481,032,000 in obligations from revenue/offsetting collections):
The TEOAF continues to measure the performance of the participating law enforcement bureaus through the percent of forfeited cash proceeds resulting from high impact cases which are cases resulting in a cash forfeiture deposit equal to or greater than $100,000.

The high-impact cases are cases that pursue major criminal targets and their financial networks, and therefore are central to the mission of disrupting and dismantling criminal enterprises. At the same time, these cases are heavily dependent on TEOAF's funding due to their high operational costs and reliance on sophisticated technologies and analytical tools that are not adequately covered by the funds appropriated for operations. The dominant share of high-impact forfeitures reflects TEOAF's effectiveness in supporting such major investigations.

While the specific numbers shown in the chart fluctuate due to the unusually big forfeitures, the consistently dominant (80 percent or more) share of major forfeiture year after year demonstrates TEOAF's consistent commitment to supporting high-impact cases. Member law enforcement bureaus participating in the Fund have met or exceeded the performance target since FY 2014.

For FY 2021 and FY 2022, the target will remain at 80 percent. The Fund maintains a target of 80 percent as an appropriate measure of the effectiveness of the Fund support of the participating law enforcement agencies efforts to meet TEOAF's mission to disrupt and dismantle criminal enterprises.

Bureau of Engraving and Printing

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Actual	FY 2021 Revised Estimate	FY 2022 Estimate	FY 2021 to FY 2022 % Change
Manufacturing	$873,561	$1,039,054	$1,047,205	0.78%
DC Replacement Facility	$5,050	$29,940	$897,048	2896.15%
Total Cost of Operations	**$878,611**	**$1,068,994**	**$1,944,253**	**81.88%**
Full-time Equivalents (FTE)	1,740	1,863	1,863	0.00%

Summary

The mission of the Bureau of Engraving and Printing (BEP) is to develop and produce United States currency notes trusted worldwide.

BEP's FY 2022 request funds the following projects:

1. **Replacement Production Facility:** In FY 2019, BEP received legislative authority to acquire land and fund construction of a more efficient production facility to replace BEP's current aging Washington, D.C. facility. Additionally, a provision of the 2018 Farm Bill authorizes the transfer of a U.S. Department of Agriculture (USDA) land parcel in Beltsville, Maryland to the Department of the Treasury to be the site for BEP's replacement production facility. BEP is conducting a suitability assessment of the site with support from the U.S. Army Corps of Engineers. The property transfer Memorandum of Agreement (MOA) between USDA and Treasury was finalized in early 2020. The formal transfer of administrative control from USDA to Treasury is anticipated in late 2021. A replacement facility will save an estimated $579 million over 10 years, as compared to the cost of the renovation of the existing facility. In addition, BEP will reduce its annual operating costs by at least $38 million through production, material handling, and other operational/support efficiencies.

   In 2021, BEP plans to begin early site development construction activities estimated at $30 million to include the removal of hazardous building materials, demolition of twenty-two former agriculture research buildings and minor utility system relocations to support the BEP development. Contracts for this work will be awarded in late summer 2021. FY 2022 funding in the amount of $897 million will include the award of the construction contract for the replacement facility. Specifically, it will fund the structure of the building. The contract will cover the construction of a smaller, more efficient facility to support current and future manufacturing processes.

2. **Western Currency Facility Expansion:** BEP began expanding the Western Currency Facility (WCF) in FY 2018 to house and support the new equipment required for the next generation of currency design. Producing the next family of updated notes requires that BEP purchase and install new production equipment to support the new designs. The expansion will provide the space and infrastructure necessary to successfully meet the production requirements of the next family of U.S. currency banknotes that focus on the integration of strong, new security features. The expansion work is expected to be completed in FY 2022. The FY 2022 projected cost for the WCF is $1 million for construction close-out activities.

3. **Banknote Design and Development:** In FY 2022, BEP will continue to work on this multi-year project with the Federal Government's Advanced Counterfeit Deterrent (ACD) Steering Committee to research and develop improved security features for the next family of updated notes. The ACD Committee is an inter-agency group established to monitor and explore existing and emerging technologies to deter the counterfeiting of U.S. currency. It includes representatives from BEP, the Department of the Treasury, the U.S. Secret Service, and the Federal Reserve Board (FRB). The updated notes will focus on innovative banknote security and anti-counterfeit technology that will enhance and ensure the security and integrity of U.S. currency. While many factors are taken into consideration when updating currency, the primary purpose for updating notes is to improve the security of U.S. banknotes and ensure they maintain their position as being trusted worldwide.

4. **Retooling:** BEP is conducting a multi-year effort to retool its manufacturing processes with state-of-the-art intaglio printing presses, electronic inspection systems, and finishing equipment. To ensure that BEP will meet the annual currency order, the FRB and BEP developed short, medium, and long-term strategic equipment replacement plans for the U.S. Currency Program. Successful implementation of advanced technology improves productivity, reduces environmental impact, and enhances counterfeit deterrence of U.S. currency notes.

5. **Human Capital/Talent Management:** The BEP will continue its designated talent management initiatives, while filling personnel gaps in needed STEM and cybersecurity skill sets. Throughout FY 2021, BEP will rebrand employee engagement by educating the workforce on important engagement topics, reevaluating the current Engagement Strategy, recruiting new volunteers to implement the engagement initiatives, and promoting direct communications with BEP executive leadership to reinforce that their voices are heard. BEP will also continue to develop, execute, and communicate the results of Employee Engagement Plans and the annual Federal Employee Viewpoint Survey (FEVS) results.

Budget Highlights

Dollars in Thousands

	FTE	Materials	Operating & Capital	Total
FY 2021 Original Estimate	**1,863**	**$248,921**	**$638,479**	**$887,400**
Program Changes				
Program Increases	0	140,079	41,515	181,594
Currency Program (6.8B to 7.6B)	0	120,079	41,515	161,594
Currency Paper Production COOP	0	20,000	0	20,000
Subtotal Program Changes	0	140,079	41,515	181,594
FY 2021 Revised Estimate	**1,863**	**$389,000**	**$679,994**	**$1,068,994**
Changes to Base				
Maintaining Current Levels (MCLs)	0	5,278	11,145	16,423
Pay Annualization (1.0% average pay raise)	0	0	726	726
Pay Raise (2.7% average pay raise)	0	0	5,894	5,894
FERS Contribution Increase	0	0	2,010	2,010
Non-Pay	0	5,278	2,515	7,793
Subtotal Changes to Base	0	5,278	11,145	16,423
FY 2022 Current Services	**1,863**	**$394,278**	**$691,139**	**$1,085,417**
Program Changes				
Program Decreases	0	(20,000)	(25,247)	(45,247)
Currency Paper Production COOP	0	(20,000)	0	(20,000)
Facilities Support	0	0	(4,890)	(4,890)
Manufacturing Support	0	0	(10,512)	(10,512)
WCF Building Expansion	0	0	(3,770)	(3,770)
Security and Accountability	0	0	(6,075)	(6,075)
Program Increases	0	0	904,083	904,083
Washington D.C. Replacement Facility	0	0	867,108	867,108
Retooling	0	0	36,975	36,975
Subtotal Program Changes	0	(20,000)	878,836	858,836
Total FY 2022 Estimate	**1,863**	**$374,278**	**$1,569,975**	**$1,944,253**

Budget Adjustments

FY 2021 Adjustments

Program Increases……………………………………………………+$181,594,000 / +0 FTE

Currency Program +161,594,000 / +0 FTE

This increase is to reflect the currency order commitment increase from 6.8B to 7.6B notes.

Currency Paper Production COOP +$20,000,000 / +0 FTE

This increase is for the one-time COOP improvement to the currency paper production.

Maintaining Current Levels (MCLs) ....+$16,423,000 / +0 FTE

Pay Annualization (1.0%) +$726,000 / +0 FTE

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

Pay Raise (2.7% in 2022) +$5,894,000 / +0 FTE
Funds are required for a 2.7% average pay raise in January 2022.

FERS Contribution Increase +$2,010,000 / +0 FTE
Funds are required for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

Non-Pay +$7,793,000 / +0 FTE
Funds are required for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

FY 2022 Program Decreases.. -$45,247,000 / -0 FTE
Currency Paper Production COOP -$20,000,000 / -0 FTE
This is a reduction for the FY21 COOP improvement to the currency paper production.

Facilities Support -$4,890, 000 /-0 FTE
WCF vault automated racking system and shipping roof replacement.

Manufacturing Support -$10,512,000 /-0 FTE
Barcoding and RFID implementation and inspection equipment.

WCF Building Expansion -$3,770,000 / -0 FTE
Construction will be completed in FY 2022.

Security and Accountability -$6,075,000 / -0 FTE
Radio system upgrade for both facilities.

FY 2022 Program Increases...+$904,083,000 / +0 FTE
Washington DC Replacement Facility +867,108,000 / +0 FTE
This amount reflects the increase of planned obligation for the new DC facility for FY 2022.

Retooling +$36,975,000 / +0 FTE
This increase reflects the planned capital spending for Physical Vapor Deposition chrome system, offset press replacement and acquisition of additional Large Examining and Printing Equipment (LEPEs) and upgrade of existing LEPEs now in production. (LEPEs combine three previously separate processes of inspection, printing serial numbers and seals and final packaging).

Legislative Proposals

BEP has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Manufacturing	Currency Notes Delivered Returned Due to Defects (Parts per Million)	.0031ppm	.09ppm	.02ppm	<1ppm	<1ppm
Manufacturing	FEVS Satisfaction	74	74	74	>65%	>65%
Manufacturing	Lost Time Accident Rate per 100 Employees	0.78[1]	1.48	1.01	<1.8	<1.8
Manufacturing	Manufacturing Costs For Currency (Dollar Costs Per Thousand Notes Produced)	$47.41	$50.33	$56.19	$64.33	$65.00

[1] Lost Time Accident Rates are adjusted following adjudication of accident reports received during each fiscal year. The FY 2018 actual shown reflects this adjustment.

Description of Performance

($1,944,253,000 from reimbursable sources)

The BEP has one budget activity: Manufacturing. This budget activity supports all of BEP's strategic goals.

Description of Performance:

Currency Notes Returned Due to Defects (in parts per million or ppm) is an indicator of BEP's ability to provide a quality product. The target for this performance metric is <1 ppm. BEP was able to exceed the established target in FY 2020 due to improved quality assurance processes with an actual result of 0.02 ppm notes returned due to a defect. BEP's target for this performance metric will be held constant at <1 ppm for FY 2021 and FY 2022.

The Federal Employees Viewpoint Survey (FEVS) allows employees to share their opinion on what matters most to them. Based on the results of the survey, BEP can target areas for improvement or additional employee engagement. The measure uses the Department's standard FEVS Satisfaction Index with a target of 65 percent. In FY 2021 and 2022, BEP will continue to strive for improvements in overall employee satisfaction.

The Lost Time Accident Rate per 100 employees measures the BEP's ability to reduce injuries and illnesses in the workplace. BEP's FY 2020 Lost Time Accident rate was at 1.01 cases per 100 employees, lower than the target of 1.80 cases per 100 employees. This performance resulted from increased focus on following safe work practices, avoiding hazards, and being a Director's priority. For FY 2022, BEP remains committed to maintaining and improving the safety of its employees. BEP will continue to perform analysis to determine the root causes of any injury and to identify best practices in safety. A 1.8 case rate represents approximately one injury per facility per month, which is quite low. Therefore, BEP's target will be held at 1.80 cases per 100 employees for FY 2021 and FY 2022.

Manufacturing Cost for Currency (dollar cost per 1,000 notes produced) is an indicator of manufacturing efficiency and effectiveness of program management. The measure is based on contracted price factors, productivity improvements, and the mix and timing of denominations ordered. Actual performance against standard costs depends on BEP's ability to meet spoilage, efficiency, and capacity utilization goals. The final FY 2020 cost was $56.19 per 1,000 notes produced. BEP's target for this performance metric in FY 2021 is $64.33. The target for FY 2022 is set at $65.00 per 1,000 notes produced and will be refined once the currency order is received.

The Yearly Currency Order measures BEP's success in delivering the total number of currency notes ordered by the Federal Reserve Board annually. In FY 2020, BEP met its target of delivering 100 percent of the currency notes ordered, including a 20% increase mid-year due to increased demand during the COVID-19 pandemic. In FY 2021, BEP has committed to deliver 7.6B notes. Additionally, the FRB will accept any additional production up to a total of 9.6B notes. Should production exceed the commitment of 7.6B notes, the Yearly Currency Order figure reported will be greater than 100% (applicable to FY 2021 only).

United States Mint

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	FY 2021 to FY 2022 % Change
Manufacturing	$3,462,361	$3,300,500	$3,312,598	0.37%
Total Cost of Operations	**$3,462,361**	**$3,300,500**	**$3,312,598**	**0.37%**
Full-time Equivalents (FTE)	1,539	1,671	1,671	0.00%

Summary

In Fiscal Year (FY) 2022, the Mint's total estimated budgetary requirements for operations, metal, and capital investments are $3.31 billion. This budget will support the production of 18 billion circulating coins, as well as the production of bullion and other numismatic products sufficient to meet customer demand. The Mint has one budget activity: manufacturing, which encompasses the bureau's two major programs, circulating coinage and numismatic products (including bullion coins, collector coins, and national medals).

To maintain its reputation as one of the finest mints in the world, the Mint is committed to operating according to the core values of service, quality, and integrity. The Mint has three strategic goals to help fulfill its mission and values: 1) Advancing our circulating mission through innovation and technology; 2) Foster a safe, flexible, diverse and engaged workforce; 3) Introducing diverse products to new customers and revitalizing the Mint customer base through the use of industry-proven marketing approaches.

Mint operations are funded through the Mint Public Enterprise Fund (PEF), 31 U.S.C. § 5136. The Mint generates revenue through the sale of circulating coins to the Federal Reserve Banks (FRB), numismatic products to the public, and bullion coins to authorized purchasers. All circulating and numismatic operating expenses, along with capital investments incurred for the Mint's operations and programs, are paid out of the PEF. By law, all funds in the PEF are available without fiscal year limitation. Revenues determined to be in excess of the amount required by the PEF are transferred to the United States Treasury General Fund. The Mint's key priorities for FY 2022 include:

- Circulating - Efficiently and effectively mint and issue approximately 18.0 billion circulating coins in FY 2022 to meet the needs of commerce.
- Numismatic Program Bullion Products - Mint and issue bullion coins to meet customer demand efficiently and effectively.
- Other Numismatic Products - Produce and distribute numismatic products in sufficient quantities, through appropriate channels, to make them accessible, available, and affordable to people who choose to purchase them. Design, strike, and prepare for presentation Congressional Gold Medals.

Budget Highlights

Dollars in Thousands

	FTE	Materials	Operating & Capital	Total
FY 2021 Original Estimate	**1,705**	**$2,080,000**	**$467,197**	**$2,547,197**
Program Changes				
Program Decreases:	(34)	$0	($9,827)	($9,827)
FTE Reduction	(34)	$0	($2,107)	($2,107)
Operating Efficiencies	0	$0	($7,720)	($7,720)
Program Increases:	0	$730,000	$33,130	$763,130
Metal Due to Forecasted Increase in Circulating Coin Production	0	$250,000	$0	$250,000
Metal Due to Forecasted Increase in Bullion and Numismatic Production	0	$480,000	$0	$480,000
COVID-19 Requirements	0	$0	$5,410	$5,410
Increased Shipping and Handling	0	$0	$17,744	$17,744
Equipment and Facilities O&M	0	$0	$9,976	$9,976
Subtotal Program Changes	(34)	$730,000	$23,303	$753,303
FY 2021 Revised Estimate	**1,671**	**$2,810,000**	**$490,500**	**$3,300,500**
Changes to Base				
Maintaining Current Levels (MCLs)	0	$0	$12,098	$12,098
Pay Annualization (1.0% average pay raise)	0	$0	$547	$547
Pay Raise (2.7% average pay raise)	0	$0	$4,443	$4,443
FERS Contribution Increase	0	$0	$1,675	$1,675
Non-Pay	0	$0	$5,433	$5,433
Subtotal Changes to Base	0	$0	$12,098	$12,098
FY 2022 Current Services	**1,671**	**$2,810,000**	**$502,598**	**$3,312,598**
FY 2022 Estimate	**1,671**	**$2,810,000**	**$502,598**	**$3,312,598**

FY 2022 Budget Adjustments

Adjustment to Estimate

Program Decreases…………………………………………………-$9,827,000 / -34 FTE

FTE Reduction -$2,107,000 / -34 FTE

Salary savings will be realized through natural attrition across all directorates.

Operating Efficiencies -$7,720,000 / -0 FTE

The Mint will reduce its operating budget by continuing to monitor costs and implement various savings strategies.

Program Increases……………………………………..……………… +$763,130,000 / +0 FTE

Metal Due to Forecasted Increase in Circulating Coin Production +$250,000,000 / +0 FTE

FY 2021 forecasted circulating coin production is increasing by 29%, from 15.5 billion coins in FY 2020 to approximately 20 billion coins. Metal prices are also projected to increase which results in an overall increase in circulating coin program costs.

Metal Due to Forecasted Increase in Bullion and Numismatic Production +$480,000,000 / +0 FTE

FY 2021 forecasted demand for the bullion coin program is increasing metal requirements by $480 million. Bullion program sales are forecasted to increase by 6 percent, and precious metal prices have surged. The projected increase is bullion sales coupled with the surge in metal prices results in an overall increase in program costs.

COVID-19 Requirements +$5,410,000 / +0 FTE
COVID -19 funding is required to maintain a healthy and safe workforce. The Mint has taken steps to ensure the safety of its employees by installing plexi-glass shields in areas with high customer interaction. Touchless faucets, touchless paper towel dispensers, and touchless soap dispensers are being installed in bathrooms throughout our facilities, and water fountains are being converted to water bottle filling stations. In FY 2022, the Mint will continue to provide all our facilities with Personal Protective Equipment (PPE) and enhanced janitorial cleaning services to ensure the safety of all who enter our buildings. In addition, as coin demand has soared during the pandemic and is expected to remain high, overtime will be used to ensure these elevated production levels are met.

Increased Shipping and Handling +$17,744,000 / +0 FTE
As a result of the increase in FY 2021 forecasted demand for the bullion coin program and circulating coin production, operating cost has also increased requiring additional funding for freight.

Equipment and Facilities O&M +$9,976,000 / +0 FTE
With increases to FY 2021 forecasted demand for the bullion coin program and circulating coin production, operation and maintenance of equipment and facilities cost has also increased requiring additional funding.

Maintaining Current Levels (MCLs)... +$12,098,000 / +0 FTE
Pay Annualization (1.0%) +$547,000 / +0 FTE
Funds are required for annualization of the January 2021 1.0% average pay raise.

Pay Raise (2.7% in 2022) +$4,443,000 / +0 FTE
Funds are required for a 2.7% average pay raise in January 2022.

FERS Contribution Increase +$1,675,000 / +0 FTE
Funds are required for the Federal Employee Retirement System (FERS) contribution rates effective FY 2022.

Non-Pay +$5,433,000 / +0 FTE
Funds are required for non-labor expenses such as travel, contracts, rent, supplies, and equipment.

Legislative Proposals

Mint has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Manufacturing	Customer Satisfaction Index (%)	93.6	93.6	91.7	87	90
Manufacturing	Numismatic Sales Units (Million Units)	3.3	4.3	3.4	3.6	3.8
Manufacturing	Safety Incident Recordable Rate	1.9	1.45	1.29	2.3	2.16
Manufacturing	Seigniorage per Dollar Issued ($)	0.37	0.4	0.47	0.41	0.41
Manufacturing	Circulating On-time Delivery (%)	0	0	100	97.5	97.5

Description of Performance

Customer Satisfaction Index (CSI)

The Mint conducts a quarterly survey of a random sample of active numismatic customers. The survey is intended to capture customer satisfaction with the Mint's service performance as a coin products supplier and with the quality of specific products. The CSI metric is a quantitative score summarizing the survey's results into one consolidated value. This metric gauges performance results in the effort to achieve the Mint's internal strategic plan goal, "Revitalization of products and customer base," and the Mint's internal strategic objective linked to this goal, "Integrated marketing plan", which includes metrics for performance, customer engagement and customer satisfaction to evaluate the health of the Mint's sales and marketing program.

In FY 2020, the CSI was 91.7 percent, exceeding its 90.0 percent target. The Mint was able to exceed its target by providing high-quality products, adding innovative features, and improving the Mint's customer loyalty program. The Mint has set the target for this metric at 87.0 percent for FY 2021 and at 90.0 percent for FY 2022.

Numismatic Sales Units

The numismatic sales unit metric measures public demand for coin products sold from numismatic operations. This metric also measures performance results achieving the Mint's internal strategic plan goal, "Revitalization of products and customer base" and the Mint's internal strategic objective linked to this goal, "Increasing brand awareness."

Numismatics product sales for FY 2020 totaled 3.4 million units, missing its 3.8 million unit target. The Mint's numismatic unit sales fell in FY 2020, likely as a result of the worldwide COVID-19 pandemic. Currently, the environment for numismatic sales overall remains challenging. The performance target for numismatic sales units is 3.6 million for FY 2021 and 3.8 million for FY 2022. Targets are representative of anticipated results for the various numismatic product programs for that year. Therefore, targets tend to vary year over year. To meet these targets, the Mint will continue to provide high-quality products and maintain outstanding customer service, and deepen engagement with coin collectors.

Safety Incident Recordable Rate

The safety incident recordable rate is the number of injuries and illnesses meeting the Occupational Safety and Health Administration recording criteria per 100 full-time workers.

It measures the occurrence of work-related incidents involving death, lost-time and restricted work, loss of consciousness, or medical treatment. The safety incident recordable rate indicates performance results in the effort to achieve the Mint's internal strategic plan goal, "Foster a safe, flexible, diverse, and engaged workforce," and the corresponding Mint internal strategic objective linked to this goal, "Continue to cultivate a safe working environment."

In FY 2020, the total recordable case rate reached 1.29, well below the Mint's FY 2020 target of 2.32, and significantly below the most recently published industry average rate of 4.9 for comparable private sector manufacturing operations. During FY 2020, the Mint continued implementing and updating risk management guidelines to prioritize resources and mitigate risks in advance of injuries or catastrophic events at each plant. Mint facility leadership and employees continue to interact on a daily basis on the importance of safety. The performance targets for the safety incident recordable rate are 2.30 for FY 2021 and 2.16 for FY 2022. The Mint is currently on target to exceed its FY 2021 goal.

Seigniorage per Dollar Issued
Seigniorage per Dollar Issued is the financial return on circulating operations, calculated as seigniorage divided by the total face value of circulating coins shipped to the FRBs. Seigniorage is the difference between the face value and cost of producing circulating coinage. It measures the cost effectiveness of minting and issuing the United States' circulating coinage. It also measures performance results in achieving the Mint's internal strategic plan goal, "Advancing the circulating mission," as well as the Mint's internal strategic objective linked to the goal, "Utilize research, analysis, and technology for enhancement of circulating coin output and input."

At the end of FY 2020, Seigniorage per Dollar Issued was $0.47, well above the FY 2020 performance target of $0.36 as a result of an increase in circulating units shipped. The FY 2021 and FY 2022 target increases are a result of anticipated increases in production volumes, as well as base metals cost for all denominations, as market prices are expected to escalate. The Seigniorage per Dollar Issued performance targets are set at $0.41 for both FY 2021 and FY 2022.

Circulating On-time Delivery
Circulating On time Delivery is the percentage total scheduled circulating coin orders shipped on time to the Federal Reserve Banks. Each month, the FRB provides Mint a report detailing the next month's requirements for coinage. Based on this report, the Mint establishes a shipment schedule that is captured in the Oracle manufacturing system. Changes to the schedule are only made when the FRB provides formal documentation of a requested adjustment to scheduled orders. The Mint will continue to respond to FRB orders as needed, as well as make every effort to have the appropriate amount of coinage available to accommodate timely shipments. On-time delivery to the Federal Reserve Banks (FRB) is the percentage of total scheduled orders shipped on time to the FRB. Performance over the past few years has consistently averaged around 100 percent or above. On time delivery for FY 2020 was 100 percent. The performance targets for circulating on-time delivery is set at 97.5 percent for both FY 2021 and FY 2022.

Office of the Comptroller of the Currency

Program Summary by Budget Activity

Dollars in Thousands

Budget Activity	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate	FY 2021 to FY 2022 % Change
Supervise	$953,433	$1,030,945	$1,038,425	0.73%
Regulate	$94,738	$109,481	$110,275	0.73%
Charter	$20,519	$21,715	$21,873	0.73%
Total Cost of Operations	**$1,068,690**	**$1,162,141**	**$1,170,573**	**0.73%**
Full-time Equivalents (FTE)	3,589	3,523	3,523	0.00%

Summary

The Office of the Comptroller of the Currency (OCC) was created by Congress in 1863 to charter national banks; oversee a nationwide system of banking institutions; and ensure national banks are safe and sound, competitive and profitable, and capable of serving in the best possible manner the banking needs of their customers.

As of September 30, 2020, the OCC supervised 821 national bank charters, 53 federal branches and agencies, and 284 federal savings associations. In total, the OCC supervises approximately $14.1 trillion in financial institution assets.

The OCC has established three goals to affirm its mission: 1) The OCC fosters a safe, sound, and fair national banking system that is a source of economic strength and opportunity that meets the evolving needs of consumers, businesses, and communities; 2) OCC employees are engaged, prepared, and empowered to meet its mission; 3) The OCC operates efficiently and effectively. To achieve its goals and objectives, the OCC organizes its programs under three activities: 1) Supervise; 2) Regulate; and 3) Charter. Effective supervision and a comprehensive regulatory framework are the key tools that the OCC uses to ensure that national banks and federal savings associations operate in a safe and sound manner and that they provide fair access to financial services and fair treatment of their customers. A robust chartering program allows new entrants into the financial services sector while ensuring that they have the necessary capital, managerial, and risk management processes to conduct activities in a safe and sound manner.

The OCC's priorities focus on strengthening the resiliency of the institutions subject to its jurisdiction through its supervisory and regulatory programs and activities.

In accordance with the *Government Performance and Results Act Modernization Act (GPRAMA)* of 2010, the Department of the Treasury is currently developing the FY 2022 – 2026 Departmental Strategic Plan. The Strategic Plan is scheduled for publication in 2022. The Annual Performance Plan will be updated in the FY 2023 President's Budget to reflect new departmental strategic goals and objectives. The OCC will publish a component plan that aligns bureau activities and priorities to the Department's by fall 2022, or within 12 months of the confirmation of a new Comptroller of the Currency.

The OCC's nationwide staff of bank examiners conducts on-site and off-site reviews of banks and provides sustained supervision of these institutions' operations. Examiners analyze asset quality, capital adequacy, earnings, liquidity, and sensitivity to market risk for all banks, and assess compliance with federal consumer protection laws and regulations. Examiners also evaluate management's ability to identify and control risk and assess banks' performance in meeting the credit needs of the communities in which they operate, pursuant to the Community Reinvestment Act (CRA).

In supervising banks, the OCC has power to:

- Approve or deny applications for new charters, branches, capital, or other changes in corporate or banking structure;
- Take supervisory and enforcement actions against banks that do not comply with laws and regulations or that otherwise engage in unsafe or unsound practices;
- Remove and prohibit officers and directors, negotiate agreements—both formal (i.e., public) and informal (i.e., non-public)—to change banking practices, and issue cease-and-desist orders as well as Civil Money Penalties (CMPs); and
- Issue rules and regulations, legal interpretations, supervisory guidance, and corporate decisions governing investments, lending, and other practices.

The OCC receives no appropriated funds from congress for any portion of its operations. Operations are funded primarily (approximately 97 percent) from semiannual assessments levied on national banks and federal savings associations. Revenue from investments in Treasury securities and other income comprise the remaining three percent of the OCC's funding.

Legislative Proposals

OCC has no legislative proposals.

Performance Highlights

Budget Activity	Performance Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Target	FY 2022 Target
Charter	Percentage of Licensing Applications and Notices Completed within Established Timeframes	97	99	98	95	95
Supervise	Percentage of National Banks and Federal Savings Associations with Composite CAMELS Rating 1 or 2	96	96	96	90	90
Supervise	Percentage of National Banks and Federal Savings Associations That Are Categorized as Well Capitalized	95	98	99	95	95
Supervise	Percentage of National Banks and Federal Savings Associations with Consumer Compliance Rating of 1 or 2	98	98	98	94	94
Supervise	Rehabilitated National Banks and Federal Savings Associations as A Percentage Of Problem National Banks One Year Ago (CAMEL 3,4, or 5)	44	15	23	40	40
Supervise	Total OCC Costs Relative to Every $100,000 in Bank and Federal Savings Associations Assets Regulated ($)	9.12	8.07	7.78	7.71	7.71

Description of Performance

The OCC charters, regulates and supervises all national banks and federal savings associations, as well as supervises federal branches and agencies of foreign banks. The primary goal of the OCC's Supervise Program is to ensure that these institutions operate in a safe and sound manner and in compliance with laws requiring fair treatment of their customers and fair access to credit and financial products. The OCC also monitors risks and threats to the stability of the national banking system through its regular examinations of the institutions it supervises and other monitoring.

The overall objective of the OCC's Supervise Program supports facilitating commerce through the goal of ensuring the safety and soundness of the national banking system. Through its Supervise Program the OCC supports facilitating commerce through the goal of ensuring the safety and soundness of the national banking system. The OCC has taken several steps to improve the cybersecurity of the nation's financial sector critical infrastructure including organizing webinars for community bankers. The agency continues to update examiner handbooks, procedures, and training materials to ensure that, as threats evolve, all national banks and federal savings associations can identify cyber risks and strengthen their risk management and control systems. The OCC is an active member of the Financial Services Information Sharing and Analysis Center, which provides greater real-time insight into a broad range of potential threats to the industry and the ability to assist, when appropriate, in a coordinated response with other government agencies. Finally, the OCC supports protecting the integrity of the financial system through its examinations of compliance with Bank Secrecy Act/Anti-Money Laundering (BSA/AML), in accordance with Federal Financial Institutions Examination Council (FFIEC) procedures and through the initiation of enforcement actions for non-compliance with BSA/AML laws and regulations under OCC's general bank supervisory authority and delegated authority from Treasury's Financial Crimes Enforcement Network (FinCEN), which has regulatory authority for BSA/AML.

The composite CAMELS (Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risk) rating reflects the overall condition of a bank. Bank regulatory agencies use the Uniform Financial Institutions Rating System, CAMELS, to provide a general framework for evaluating all significant financial, operational, and compliance factors inherent in a bank. The rating scale is 1 through 5 of which 1 is the highest rating granted. CAMELS ratings are assigned at the completion of every supervisory cycle or when there is a significant event leading to a change in CAMELS. Through September 30, 2020, 96 percent of national banks and federal savings associations earned composite CAMELS rating of either 1 or 2.

To ensure fair access to financial services and fair treatment of bank customers, the OCC evaluates a bank's compliance with consumer laws and regulations. Bank regulatory agencies use the Uniform Financial Institutions Rating System, Interagency Consumer Compliance Rating, to provide a general framework for assimilating and evaluating significant consumer compliance factors inherent in a bank. Each financial institution is assigned a consumer compliance rating based on an evaluation of its present compliance with consumer protection and civil rights statutes and regulations and the adequacy of its operating systems designed to ensure continuing compliance. Ratings are on a scale of 1 through 5 in increasing order of supervisory concern. National banks and federal savings associations continue to show strong compliance with consumer protection regulations with 98 percent earning a consumer compliance rating of either 1 or 2 through September 30, 2020.

The OCC's timely and effective approval of corporate applications contributes to the nation's economy by enabling national banks and federal savings associations to complete various corporate transactions and introduce new financial products and services. Delays in providing prompt decisions on applications and notices can deprive a bank of a competitive or business opportunity, create business uncertainties, or diminish financial results. Timeframes have been established for completing each type of application and notice. The OCC completed 98 percent of applications and notices within the time standard through September 30, 2020.

The OCC's early identification and intervention with problem financial institutions can lead to a successful rehabilitation. As of September 30, 2020, 23 percent of national banks and federal savings associations with composite CAMELS ratings of 3, 4, or 5 one year ago have improved their ratings to either 1 or 2 this year. The OCC continues to focus on the early identification and rehabilitation of problem institutions.

The OCC continuously takes steps through its Supervise and Regulate programs to make national banks and federal savings associations more resilient to financial stresses and to identify and obtain corrective action at an earlier stage when problems can be addressed most successfully. These efforts include heightened capital and liquidity standards and increased emphasis on the need for stress testing, designed to provide financial institutions with stronger capital buffers to withstand unforeseen events. These are multi-year efforts that will continue in FY 2021 and beyond.

The OCC monitors the efficient use of its resources by measuring Total OCC Costs Relative to Every $100,000 in Bank Assets Regulated. This measure reflects the efficiency of its operations while meeting the increasing supervisory demands of a growing and more complex financial system. This measure supports the OCC's strategic goal of efficient use of agency resources. The OCC's ability to control its costs while ensuring the safety and soundness of national banks and federal savings associations benefits all national bank and federal savings association customers. The OCC will continue its efforts to ensure that resources are used prudently and that programs are carried out in a cost-effective manner ensuring that the OCC operates as efficiently and effectively as possible.

Message from the Secretary of the Treasury

Dear Member:

On behalf of President Biden, it is my pleasure to submit the Congressional Budget Justification for the Department of Treasury's International Programs for Fiscal Year 2022. This request comes during a time of four converging crises: ending the COVID-19 pandemic, providing economic relief, tackling climate change, and advancing racial equity. The budget proposes investments that address each of these areas. Additionally, this request reflects the Biden-Harris Administration's commitment to restore U.S. leadership in the multilateral system, to offer countries high-quality finance and policy advice that serve as an alternative to unsustainable borrowing from other actors, and to tackle interconnected global challenges—recovery from the COVID-19 pandemic, the fight against climate change, and reducing global poverty and inequality. The FY 2022 request aims not just to return to life as it was before the pandemic, but to build back better by creating a more environmentally sustainable and prosperous global economy for all.

The FY 2022 Budget requests $1.95 billion for the multilateral development banks (MDBs). The MDBs are vital institutions for strengthening long-term growth, reducing poverty and inequality, fighting climate change, and fostering greater inclusion. They are also playing a leading role in responding to the health, economic, and social impacts of the COVID-19 pandemic. The FY 2022 Budget proposes $102 million for the Poverty Reduction and Growth Trust of the International Monetary Fund (IMF), the IMF's concessional lending facility for the world's poorest countries, or another IMF facility. This will enable the IMF to continue supporting critical health and social spending in poor countries as they recover from the crisis.

Across the government, the FY 2022 Budget requests $2.5 billion in U.S. climate development assistance as a strong commitment to multilateral efforts and to reestablish U.S. leadership in confronting the largest long-term threat that the world faces. Of this, 1.09 billion is for Treasury programs to combat climate change and environmental degradation, including through the Tropical Forest and Coral Reef Conservation Act. The FY22 Budget also includes funding for U.S. participation in the G20 Debt Service Suspension Initiative and Common Framework—which are providing the poorest countries with liquidity support to respond to the COVID-19 pandemic—as well as increased funding for the International Fund for Agricultural Development and Treasury's Office of Technical Assistance.

Sustained U.S. international leadership requires that we meet our commitments. The budget requests $489 million to reduce unmet commitments to international financial institutions, some of which date to the 1990s. Unmet commitments have been a persistent and growing problem that have undermined U.S. influence, credibility, and leadership. Addressing this problem has been put off for far too long, and it is time to begin addressing it.

Sincerely,

Janet L. Yellen

Janet L. Yellen

Treasury Department International Programs
Executive Summary

The Administration's FY 2022 Budget requests $3.278 billion for Treasury Department International Programs. This request is a critical component of the Biden-Harris Administration's approach for restoring American global standing and leadership and for confronting 21st century security challenges by working together in partnership with international financial institutions (IFIs) and our allies. The proposed investments in Treasury International Programs respond to three compounding global crises of unprecedented scope and scale at the same time: the COVID-19 pandemic, the resulting global economic crisis that has eroded years of progress in reducing poverty in developing countries, and the climate crisis, which is the greatest long-term threat that the world faces and puts the wellbeing of the American people at significant risk. These investments, particularly U.S. contributions to multilateral development banks (MDBs) will also contribute to enhancing equity and fostering the inclusion of disadvantaged and marginalized people in developing countries that have not adequately shared the benefits of development.

These investments in Treasury International Programs further American economic, foreign policy, and security interests of building a more secure, prosperous, inclusive, environmentally sustainable, and democratic world. The institutions and programs supported by this request are among the most effective instruments through which the United States can advance its leadership on issues relating to international financial stability, economic development, reduction of global poverty and inequality, enhancing social and economic inclusion, climate change, improving food security, and investing in infrastructure. In so doing, they expand markets for U.S. exports and improve the wellbeing of the American people. The request draws on the catalytic power of working with our partners to address the world's most pressing economic challenges and restores U.S. leadership in the multilateral system.

As part of the Administration's historic request for approximately $2.5 billion for international climate change programs, Treasury's request includes $1.089 billion for climate change and environmental funds and programs. This includes the first contribution to the Green Climate Fund (GCF) since 2017, as well as requests for Clean Technology Fund (CTF), the Global Environment Facility (GEF)[1], and the Tropical Forest and Coral Reef Conservation Act (TFCCA). These programs will accelerate progress toward meeting the goals of the Paris Agreement by assisting developing countries in mitigating greenhouse gas emissions, adapting to climate change and building resilience, expanding clean energy production, and utilizing forest conservation and other natural climate solutions to reduce and avoid greenhouse gas emissions. The contributions to the MDBs also support U.S. climate change goals as they are the among the largest and most effective financiers of systemic change to address climate change.

The Administration seeks funding to begin paying down the substantial and growing balance of U.S. unmet commitments at IFIs and multilateral funds, some of which date to the 1990s. A particular priority is to clear U.S. unmet commitments for previous pledges to the International Development Association. The FY 2022 budget also seeks funding and necessary authorization to make the United States' first contribution to the Poverty Reduction and Growth Trust (PRGT) of the International Monetary Fund (IMF), which lends to the world's poorest countries to

[1] Because the GEF supports multiple environmental goals, only a portion of GEF funding is included in climate finance totals.

support macroeconomic stability and sustain their ability to expand health and social sector spending. These contributions will strengthen the United States' ability to lead within the IFIs to promote more inclusive and environmentally sustainable development pathways, to increase the allocation of financing to the world's poorest and most fragile countries, and to continue to ensure that the IFIs deliver on key reforms aimed at improving governance, effectiveness, and financial discipline, particularly with regard to those agreed as part of multilateral development bank (MDB) capital increases and replenishments. Proposed contributions to the IFIs will also sustain their capacity to provide developing countries with robust alternatives to non-transparent and potentially coercive sources of development finance.

Multilateral Development Banks

The FY 2022 Budget requests $1.954 billion for the MDBs. The MDBs play key roles in the effort to reduce poverty, increase economic growth, foster economic and social inclusion, and fight climate change, which advances U.S. foreign policy objectives of sustaining peace and stability, promoting security, and protecting the global environment. The MDBs have also played a leading role in the global response to the COVID-19 pandemic and, over the past year, have provided more than $85 billion to address the health and economic impacts of the pandemic.

The MDBs are among the most effective and efficient means through which the United States can support developing countries in reducing their greenhouse gas emissions, adapting to the impacts of climate change, and building resilience. The MDBs have also been strong partners in terms of promoting a positive development agenda for disadvantaged, marginalized or vulnerable groups. The increased support sought by the Administration for the MDBs is critical for enabling the United States to reestablish its leadership on these issues.

Treasury's requests for the MDBs include:

International Bank for Reconstruction and Development (IBRD): an appropriation of $206.5 million towards the third of up to six installments to subscribe to the U.S. share of the paid-in portion of the IBRD general and selective capital increases. The FY 2022 Budget also requests a program limitation to allow the United States to subscribe to $1.421 billion in callable capital.

International Development Association (IDA): $1.428 billion in support of IDA programs over the nineteenth replenishment (IDA-19; World Bank FY 2021 – FY 2022[2]), including towards the second of three installments to IDA-19, and of which, $426.6 million is to eliminate unmet commitments for IDA replenishments.

African Development Bank (AfDB): an appropriation of $54.6 million for the second of eight installments to subscribe to the U.S. share of the paid-in portion of the seventh general capital increase. The FY 2022 Budget also requests a program limitation to allow the United States to subscribe to $856,174,624 in callable capital.

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[2] As noted in the chapter on IDA below, IDA donors and management decided to advance the IDA-20th replenishment period by one year. Consequently, the IDA-19 replenishment period has been shorted by one year. The IDA-19 pay-in period will remain FY2021 – FY2023.

African Development Fund (AfDF): $211.3 million in support of AfDF programs over the fifteenth replenishment (AfDF-15; AfDB FY 2020 – FY 2022), including towards the second of three installments to AfDF-15, and of which, $40 million is for unmet commitments for AfDF replenishments.

Asian Development Fund (AsDF): $53.3 million in support of AsDF programs over the twelfth replenishment (AsDF-13; FY 2022 – FY 2025), including towards the first of four installments to AsDF-13 and of which, $9.7 million is for unmet commitments to the AsDF. The Administration also requests authorization to contribute to the AsDF-13 replenishment. This request is included in the General Provisions found in the Department of State and Other International Programs chapter of the FY 2022 President's Budget Appendix.

International Monetary Fund – Contributions to IMF Facilities and Trust Funds

The FY 2022 Budget requests a total of $102 million to enable the United States to make a meaningful contribution to the Poverty Reduction and Growth Trust (PRGT), the IMF's concessional lending facility for low-income countries (LICs), or another IMF facility. Of this, we expect as much as $100 million would be for a grant to the PRGT and $2 million or more would be used to cover the subsidy cost of a loan of special drawing rights (SDRs) to the PRGT or another fund from Treasury's Exchange Stabilization Fund (ESF). The specific division of the funding between grants to, and/or covering the subsidy cost of loans to, the PRGT, or another IMF facility, is yet to be determined.

The Administration also requests authorization to loan up to 15 billion SDRs to the PRGT, or another IMF facility, from Treasury's ESF.

Climate Change and Environment

Green Climate Fund (GCF): The FY 2022 Budget requests $625.0 million for Treasury's contribution to the GCF, which will support a total FY 2022 request of $1.250 billion for the GCF. (The Department of State is also requesting $625 million.)

Clean Technology Fund (CTF): The FY 2022 Budget requests $300 million for a contribution to the CTF, of which $270 million will be used for the subsidy cost of a loan.

Global Environment Facility (GEF): The FY 2022 Budget requests $149.3 million, including towards a final installment to the GEF seventh replenishment (GEF-7; FY 2019 – FY 2022), and of which, 12.7 million is for unmet commitments to the GEF.

Food Security

International Fund for Agricultural Development (IFAD): The FY 2022 Budget requests $43 million, including for the first of three installments towards the International Fund for Agricultural Development's twelfth replenishment (IFAD-12).

Technical Assistance – Office of Technical Assistance

The FY 2022 Budget requests $38 million for Treasury's Office of Technical Assistance (OTA). Funding will help ensure that OTA is able to respond quickly and sustainably to growing demand for technical assistance in areas that are priorities for the United States. Such areas include: supporting our national security agenda by combating terrorist financing and financial crimes, reducing countries' dependence on foreign financial aid through improved domestic resource mobilization, and creating the conditions for private sector-led economic growth. This consists of improving the climate for private sector investment in infrastructure projects in developing and transitional countries.

Debt Restructuring and Relief

The FY 2022 Budget requests $67 million for two bilateral debt restructuring and relief programs.

G20 Debt Service Suspension Initiative (DSSI) and Common Framework for Debt Treatments beyond the DSSI (Common Framework): The FY 2022 Budget requests $52 million to provide temporary debt service suspension to DSSI-eligible countries who request it on affordable terms, and to participate in Common Framework debt treatments for low-income countries. All G20 members, including China, have committed to provide debt treatments on comparable terms under these initiatives.

Tropical Forest and Coral Reef Conservation Act (TFCCA): The FY 2022 Budget requests $15 million for the TFCCA to enable developing countries with certain concessional debt owed to the United States to redirect some of those payments to support conservation of their tropical forests and/or coral reefs. Protecting biodiversity and combating climate change are central to U.S. national economic and security interests. Conservation of tropical forests and coral reefs is critical to mitigating the impact of climate change, providing clean water, and supporting sustainable jobs in developing countries.

Summary Tables

Previous Appropriations and FY 2022 Request
Treasury International Programs
FY 2020 – FY 2022
(in $ thousands)

	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Request	FY 2021 to FY 2022 $ Change	% Change
Multilateral Development Banks (MDBs)	**1,522,205**	**1,481,244**	**1,953,746**	**472,502**	**31.9%**
International Bank for Reconstruction and Development (IBRD)	206,500	206,500	206,500	0	0.0%
International Development Association (IDA)	1,097,010	1,001,400	1,427,974	426,574	42.6%
African Development Fund (AfDF)	171,300	171,300	211,300	40,000	23.4%
African Development Bank (AfDB)	0	54,649	54,649	0	0.0%
Asian Development Fund (AsDF)	47,395	47,395	53,323	5,928	12.5%
International Monetary Fund (IMF) - IMF Facilities and Trust Funds	**0**	**0**	**102,000**	**102,000**	**NA**
Climate Change and Environment	**139,575**	**139,575**	**1,074,288**	**934,713**	**669.7%**
Green Climate Fund (GCF)	0	0	625,000	625,000	NA
Climate Investment Funds (CIFs) - Clean Technology Fund	0	0	300,000	300,000	NA
Global Environment Facility (GEF)	139,575	139,575	149,288	9,713	7.0%
Food Security	**30,000**	**32,500**	**43,000**	**10,500**	**32.3%**
International Fund for Agricultural Development (IFAD)	30,000	32,500	43,000	10,500	32.3%
Office of Technical Assistance (OTA)	**30,000**	**33,000**	**38,000**	**5,000**	**15.2%**
Debt Restructuring	**15,000**	**204,000**	**67,000**	**-137,000**	**-67.2%**
G-20 Debt Service Sustainability Initiative & Common Framework on Debt Treatments	0	0	52,000	52,000	NA
Highly Indebted Poort Countries Initiative (HIPC), Bilateral Debt Relief: Somalia	0	78,000	0	-78,000	-100.0%
HIPC, Bilateral Debt Relief: Sudan*	0	111,000	0	-111,000	-100.0%
Tropical Forest and Coral Reef Conservation Act (TFCCA)	15,000	15,000	15,000	0	0.0%
TOTAL	**1,736,780**	**1,890,319**	**3,278,034**	**1,387,715**	**73.4%**

* In FY 2021, Congress also appropriated $120 million to Treasury's debt restructuring acount for clearing Sudan's arrears with the IMF on an emergency basis.

Unmet Commitments to International Financial Institutions

(in thousands of US dollars)

Institution	FY 2016 Enacted[1]	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Projected[2]
IDA Pledges	530,321	620,534	485,264	485,264	485,264	426,574	0
IDA MDRI	444,615	643,845	822,665	1,006,855	1,236,345	1,503,865	1,801,195
AfDF Pledges	178,682	178,682	156,167	156,167	156,167	154,191	114,191
AfDF MDRI	83,941	112,067	134,377	157,904	172,014	196,711	225,879
AsDF	294,653	284,739	283,943	283,943	283,904	283,904	274,191
IFAD	3,833	3,833	3,833	3,833	3,833	3,833	3,833
GEF	134,967	134,967	134,963	131,951	110,843	102,391	89,666
MIGA	6,867	6,867	6,867	6,867	6,867	6,867	6,867
MIF	25,710	25,710	25,710	25,710	25,710	25,710	25,710
TOTAL	**1,731,493**	**2,011,244**	**2,053,789**	**2,258,493**	**2,480,946**	**2,704,045**	**2,541,531**
Total (ex MDRI)	**1,202,936**	**1,255,332**	**1,096,746**	**1,093,734**	**1,072,587**	**1,003,469**	**514,457**
Total MDRI	**528,556**	**755,912**	**957,042**	**1,164,759**	**1,408,359**	**1,700,576**	**2,027,074**
Total IDA, AfDF, AsDF Pledges	**1,003,656**	**1,083,955**	**925,373**	**925,373**	**925,334**	**864,668**	**388,381**

1 Reflects the levels at which unmet commitments stood after enactment of appropriations legislation and includes any early encashment credits/discounts received. FY 2021 column reflects payments allocated for unmet commitments and any credits/discounts received, as follows: for IDA, a $58.69 million EEC from fulfillment of the U.S. IDA-18 commitment; for AfDF, a $1.98 million EEC from fulfillment of AfDF-14 commitment, for GEF, $3 million appropriation for unmet commitments and early encashment discount of $5 million from FY 2021 GEF-7 payment.

2 This column lists the levels at which Treasury projects unmet commitments will stand if Congress appropriates funding at the levels requested in the President's FY2022 Budget.

Summary of FY 2022 Appropriations Language

Below is a summary of proposed Treasury appropriations language changes from the FY 2021 enacted bill. Please note that brackets indicate which material will be deleted, and italics indicate which material will be inserted.

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Freedman's Bank Building; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; executive direction program activities; international affairs and economic policy activities; domestic finance and tax policy activities, including technical assistance to State, local, and territorial entities; and Treasury-wide management policies and programs activities, [$233,000,000] *$270,669,000*: Provided, That of the amount appropriated under this heading— (1) not to exceed $350,000 is for official reception and representation expenses; (2) not to exceed $258,000 is for unforeseen emergencies of a confidential nature to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on the Secretary's certificate; and (3) not to exceed [$24,000,000] *$34,000,000* shall remain available until September 30, [2022] *2023*, for— (A) the Treasury-wide Financial Statement Audit and Internal Control Program; (B) information technology modernization requirements; (C) the audit, oversight, and administration of the Gulf Coast Restoration Trust Fund; (D) the development and implementation of programs within the Office of Cybersecurity and Critical Infrastructure Protection, including entering into co- operative agreements; (E) operations and maintenance of facilities; and (F) international operations.

OFFICE OF TERRORISM AND FINANCIAL INTELLIGENCE

SALARIES AND EXPENSES

For the necessary expenses of the Office of Terrorism and Financial Intelligence to safeguard the financial system against illicit use and to combat rogue nations, terrorist facilitators, weapons of mass destruction proliferators, human rights abusers, money launderers, drug kingpins, and other national security threats,**[** $175,000,000,**]** *$185,192,000* of which not less than $3,000,000 shall be available for addressing human rights violations and corruption, including activities authorized by the Global Magnitsky Human Rights Accountability Act (22 U.S.C. 2656 note): *Provided*, That of the amounts appropriated under this heading, up to $10,000,000 shall remain available until September 30, **[**2022**]** *2023.*

CYBERSECURITY ENHANCEMENT ACCOUNT

For salaries and expenses for enhanced cybersecurity for systems operated by the Department of the Treasury, **[**$18,000,000**]** *$132,027,000*, to remain available until September 30, **[**2023**]** *2024*: *Provided*, That such funds shall supplement and not supplant any other amounts made available to the Treasury offices and bureaus for cybersecurity: *Provided further*, That of the total amount made available under this heading **[**$1,000,000**]** *$4,000,000* shall be available for administrative expenses for the Treasury Chief Information Officer to provide oversight of the investments made under this heading: *Provided further*, That such funds shall supplement and not supplant any other amounts made available to the Treasury Chief Information Officer.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAM

For development and acquisition of automatic data processing equipment, software, and services and for repairs and renovations to buildings owned by the Department of the Treasury, $6,118,000, to remain available until September 30, **[**2023**]** *2024*: *Provided*, That these funds shall be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations: *Provided further*, That this transfer authority shall be in addition to any other transfer authority provided in this Act: *Provided further*, That none of the funds appropriated under this heading shall be used to support or supplement "Internal Revenue Service, Operations Support" or "Internal Revenue Service, Business Systems Modernization".

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, **[**$41,044,000**]** *$42,362,000*, including hire of passenger motor vehicles; of which not to exceed $100,000 shall be available for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury; of which up to $2,800,000 to remain available until September 30, **[**2022**]** *2023*, shall be for audits and investigations conducted pursuant to section 1608 of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (33 U.S.C. 1321 note); and of which not to exceed $1,000 shall be available for official reception and representation expenses.

COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES

For necessary expenses of the Committee on Foreign Investment in the United States, $20,000,000, to remain available until expended: *Provided*, That the chair-person of the Committee may transfer such amounts to any department or agency represented on the Committee (including the Department of the Treasury) subject to advance notification to the Committees on Appropriations of the House of Representatives and the Senate: *Provided further*, That amounts so transferred shall re-main available until expended for expenses of implementing section 721 of the Defense Production Act of 1950, as amended (50 U.S.C. 4565), and shall be available in addition to any other funds available to any department or agency: *Provided further*, That fees authorized by section 721(p) of such Act shall be credited to this appropriation as offsetting collections: *Provided further*, That the total amount ap-propriated under this heading from the general fund shall be reduced as such offset-ting collections are received during fiscal year **[**2021**]** *2022*, so as to result in a total appropriation from the general fund estimated at not more than **[**$15,000,000**]** *$0*.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Treasury Inspector General for Tax Administration in carrying out the Inspector General Act of 1978, as amended, including purchase and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services authorized by 5 U.S.C. 3109, at such rates as may be determined by the Inspector General for Tax Administration; **[**$170,250,000**]** *$175,762,000*, of which $5,000,000 shall remain available until September 30, **[**2022**]** *2023*; of which not to exceed $6,000,000 shall be available for official travel expenses; of which not to exceed $500,000 shall be available for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General for Tax Administration; and of which not to exceed $1,500 shall be available for official reception and representation expenses.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Act of 1994 (subtitle A of title I of Public Law 103–325), including services authorized by section 3109 of title 5, United States Code, but at rates for individuals not to exceed the per diem rate equivalent to the rate for EX-III, [$270,000,000] *$330,000,000.* Of the amount appropriated under this heading—(1) not less than [$167,000,000] *$217,383,000*, notwithstanding section 108(e) of Public Law 103–325 (12 U.S.C. 4707(e)) with regard to Small and/or Emerging Community Development Financial Institutions Assistance awards, is available until September 30, [2022] *2023*, for financial assistance and technical assistance under subparagraphs (A) and (B) of section 108(a)(1), respectively, of Public Law 103–325 (12 U.S.C. 4707(a)(1)(A) and (B)), of which up to $1,600,000 may be available for training and outreach under section 109 of Public Law 103–325 (12U.S.C. 4708), of which up to [$2,374,500] *$3,153,750* may be used for the cost of direct loans, of which up to $6,000,000, notwithstanding subsection (d) of section 108 of Public Law 103–325 (12 U.S.C. 4707 (d)), may be available to provide financial assistance, technical assistance, training, and outreach to community development financial institutions to expand investments that benefit individuals with disabilities, and of which not less than $2,000,000 shall be for the Economic Mobility Corps to be operated in conjunction with the Corporation for National and Community Service, pursuant to 42 U.S.C. 12571: *Provided*, That the cost of direct and guaranteed loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000: *Provided further*, That of the funds provided under this paragraph, excluding those made to community development financial institutions to expand investments that benefit individuals with disabilities and those made to community development financial institutions that serve populations living in persistent poverty counties, the CDFI Fund shall prioritize Financial Assistance awards to organizations that invest and lend in high- poverty areas: *Provided further*, That for purposes of this section, the term "high- poverty area" means any census tract with a poverty rate of at least 20 percent as measured by the 2011–2015 5-year data series available from the American Community Survey of the Bureau of the Census for all States and Puerto Rico or with a poverty rate of at least 20 percent as measured by the 2010 Island areas Decennial Census data for any territory or possession of the United States; (2) Not less than [$16,500,000] *$21,500,000*, notwithstanding section 108(e) of Public Law 103–325 (12 U.S.C. 4707(e)), is available until September 30, [2022] *2023*, for financial assistance, technical assistance, training, and outreach programs designed to benefit Native American, Native Hawaiian, and Alaska Native communities and provided primarily through qualified community development lender organizations with experience and expertise in community development banking and lending in Indian country, Native American organizations, Tribes and Tribal organizations, and other suitable providers; (3) not less than $26,000,000 is available until

September 30, [2022] *2023*, for the Bank Enterprise Award program; (4) not less than $23,000,000, notwithstanding subsections (d) and (e) of section 108 of Public Law 103–325 (12 U.S.C. 4707(d) and (e)), is available until September 30, [2022] *2023*, for a Healthy Food Financing Initiative to provide financial assistance, technical assistance, training, and outreach to community development financial institutions for the purpose of offering affordable financing and technical assistance to expand the availability of healthy food options in dis- tressed communities; (5) not less than $8,500,000 is available until September 30, [2022] *2023*, to provide grants for loan loss reserve funds and to provide technical assistance for small dollar loan programs under section 122 of Public Law 103–325 (12 U.S.C. 4719): Provided, That sections 108(d) and 122(b)(2) of such Public Law shall not apply to the provision of such grants and technical assistance; up to [$29,000,000] *$33,617,000* is available until September 30, [2021]*2022*, for administrative expenses, including administration of CDFI Fund programs and the New Markets Tax Credit Program, of which not less than $1,000,000 is for the development of tools to better assess and inform CDFI in- vestment performance and CDFI Fund program impacts, and up to $300,000 is for administrative expenses to carry out the direct loan program; and (7) during fiscal year [2021] *2022*, none of the funds available under this heading are available for the cost, as defined in section 502 of the Congressional Budget Act of 1974, of commitments to guarantee bonds and notes under section 114A of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4713a): Provided, That commitments to guarantee bonds and notes under such section 114A shall not exceed $500,000,000: Provided further, That such section 114A shall remain in effect until December 31, [2021] *2022*: Provided further, That of the funds awarded under this heading, except those provided for the Economic Mobility Corps, not less than 10 percent shall be used for awards that support investments that serve populations living in persistent poverty counties: Provided further, That for the purposes of this paragraph and paragraph (1), the term "persistent poverty counties" means any county, including county equivalent areas in Puerto Rico, that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the 1990 and 2000 decennial censuses and the 2011–2015 5-year data series available from the American Community Survey of the Bureau of the Census or any other territory or possession of the United States that has had 20 percent or more of its population living in poverty over the past 30 years, as measured by the 1990, 2000 and 2010 Island Areas Decennial Censuses, or equivalent data, of the Bureau of the Census.

SPECIAL INSPECTOR GENERAL FOR THE TROUBLED ASSET RELIEF PROGRAM

SALARIES AND EXPENSES

For necessary expenses of the Office of the Special Inspector General in carrying out the provisions of the Emergency Economic Stabilization Act of 2008 (Public Law 110−343), **[**$19,000,000**]** *$17,000,000*.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel and training expenses of non-Federal and foreign government personnel to attend meetings and training concerned with domestic and foreign financial intelligence activities, law enforcement, and financial regulation; services authorized by 5 U.S.C. 3109; not to exceed **[**$12,000**]** *$45,000* for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, **[**$126,963,000**]** *$190,539,000*, of which not to exceed **[**$34,335,000**]** *$94,600,000* shall remain available until September 30, **[**2023**]** *2024 for information technology and to implement Division F of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021 (Public Law 116–283)*.

BUREAU OF THE FISCAL SERVICE

SALARIES AND EXPENSES

For necessary expenses of operations of the Bureau of the Fiscal Service, **[**$345,569,000**]** *$360,266,000*; of which not to exceed $8,000,000, to remain available until September 30, **[**2023**]** *2024*, is for information systems modernization initiatives; and of which $5,000 shall be available for official reception and representation expenses. In addition, $165,000, to be derived from the Oil Spill Liability Trust Fund to re- imburse administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101−380.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

For necessary expenses of carrying out section 1111 of the Homeland Security Act of 2002, including hire of passenger motor vehicles, **[**$124,337,000**]** *$131,330,000*; of which *$5,000,000 shall remain available until September 30, 2023; of which* not to exceed $6,000 shall be available for official reception and representation expenses; and of which not to exceed $50,000 shall be available for cooperative research and development programs for laboratory services; and provision of laboratory assistance to State and local agencies with or without reimbursement**[**: *Provided*, That of the amount appropriated under this heading, $5,000,000 shall be for the costs of accelerating the processing of formula and label applications: *Provided further*, That of the amount appropriated under this heading, $5,000,000, to remain available until September 30, 2022, shall be for the costs as- sociated with enforcement of and education regarding the trade practice provisions of the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.)**]**.

UNITED STATES MINT PUBLIC ENTERPRISE FUND

Pursuant to section 5136 of title 31, United States Code, the United States Mint is provided funding through the United States Mint Public Enterprise Fund for costs associated with the production of circulating coins, numismatic coins, and protective services, including both operating expenses and capital investments: *Provided*, That the aggregate amount of new liabilities and obligations incurred during fiscal year **[**2021**]** *2022* under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed $50,000,000.

INTERNAL REVENUE SERVICE

TAXPAYER SERVICES

For necessary expenses of the Internal Revenue Service to provide taxpayer ser-vices, including pre-filing assistance and education, filing and account services, taxpayer advocacy services, and other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, **[**$2,555,606,000**]** *$2,940,876,000*, of which not less than *$11,000,0000* shall be for the Tax Counseling for the Elderly Program, of which not less than *$13,000,000* shall be available for low-income taxpayer clinic grants, of which not less than *$30,000,000*, to remain available until September 30, **[**2022**]** *2023*, shall be available for the Community Volunteer Income Tax Assistance Matching Grants Program for tax return preparation assistance, and of which not less than *$211,000,000* shall be available for operating expenses of the Taxpayer Advocate Service: *Provided*, That of the amounts made available for the Taxpayer Advocate Service, not less than*$5,500,000* shall be for identity theft and refund fraud casework.

ENFORCEMENT

For necessary expenses for tax enforcement activities of the Internal Revenue Service to determine and collect owed taxes, to provide legal and litigation support, to conduct criminal investigations, to enforce criminal statutes related to violations of internal revenue laws and other financial crimes, to purchase and hire passenger motor vehicles (31 U.S.C. 1343(b)), and to provide other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, **[**$5,212,622,000**]** *$5,462,823,000*, of which not to exceed $250,000,000 shall remain available until September 30, **[**2022**]** *2023*; of which not less than $60,257,000 shall be for the Interagency Crime and Drug Enforcement program; and of which not to exceed **[**$15,000,000**]** *$21,000,000* shall be for investigative technology for the Criminal Investigation Division: *Provided*, That the amount made available for investigative technology for the Criminal Investigation Division shall be in addition to amounts made available for the Criminal Investigation Division under the "Operations Support" heading. *In addition, $287,452,000, for an additional amount to meet the terms of a concurrent resolution on the budget for tax enforcement activities under this heading, including tax compliance to address the Federal tax gap: Provided, That such additional amounts may not be transferred or reprogrammed for any other activity.*

OPERATIONS SUPPORT

For necessary expenses of the Internal Revenue Service to support taxpayer services and enforcement programs, including rent payments; facilities services; printing; postage; physical security; headquarters and other IRS-wide administration activities; research and statistics of income; telecommunications; information technology development, enhancement, operations, maintenance, and security; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); the operations of the Internal Revenue Service Oversight Board; and other services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; **[**$3,928,102,000**]** *$4,448,195,000*, of which not to exceed $275,000,000 shall remain available until September 30, **[**2022**]** *2023*; of which not to exceed $10,000,000 shall remain available until expended for acquisition of equipment and construction, repair and renovation of facilities; of which not to exceed $1,000,000 shall remain available until September 30, **[**2023**]** *2024*, for research; of which not less than $10,000,000, to remain available until expended, shall be available for establishment of an application through which entities registering and renewing registrations in the System for Award Management may request an authenticated electronic certification stating that the entity does or does not have a seriously delinquent tax debt; and of which not to exceed $20,000 shall be for official reception and representation expenses: *Provided*, That not later than 30 days after the end of each quarter, the Internal Revenue Service shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate and the Comptroller General of the United States detailing major information technology investments in the Internal Revenue Service Integrated Modernization Business Plan portfolio, including detailed, plain language summaries on the status of plans, costs, and results; prior results and actual expenditures of the prior quarter; upcoming deliverables and costs for the fiscal year; risks and mitigation strategies associated with ongoing work; reasons for any cost or schedule variances; and total expenditures by fiscal year: *Provided further*, That the Internal Revenue Service shall include, in its budget justification for fiscal year **[**2022**]** *2023*, a summary of cost and schedule performance information for its major information technology systems. *In addition, $129,445,000, for an additional amount to meet the terms of a concur- rent resolution on the budget for tax enforcement activities under this heading, including tax compliance to address the Federal tax gap: Provided, That such additional amounts may not be transferred or reprogrammed for any other activity.*

BUSINESS SYSTEMS MODERNIZATION

For necessary expenses of the Internal Revenue Service's business systems modernization program,**[** $222,724,000**]** *$305,032,000*, to remain available until September 30, **[**2023**]** *2024*, for the capital asset acquisition of information techno- logy systems, including management and related contractual costs of said acquisitions, including related Internal Revenue Service labor costs, and contractual costs associated with operations authorized by 5 U.S.C. 3109: *Provided*, That not later than 30 days after the end of each quarter, the Internal Revenue Service shall submit a report to the Committees on Appropriations of the House of Representatives and the Senate and the Comptroller General of the United States detailing major information technology investments in the Internal Revenue Service Integrated Modernization Business Plan portfolio, including detailed, plain language summaries on the status of plans, costs, and results; prior results and actual expenditures of the prior quarter; upcoming deliverables and costs for the fiscal year; risks and mitigation strategies associated with ongoing work; reasons for any cost or schedule variances; and total expenditures by fiscal year.

ADMINISTRATIVE PROVISIONS— INTERNAL REVENUE SERVICE

SEC. 101. Not to exceed 4 percent of the appropriation made available in this Act to the Internal Revenue Service under the "Enforcement" heading, and not to exceed 5 percent of any other appropriation made available in this Act to the Internal Revenue Service, may be transferred to any other Internal Revenue Service appropriation upon **[**the**]** advance **[**approval of**]** *notice to* the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 102. The Internal Revenue Service shall maintain an employee training program, which shall include the following topics: taxpayers' rights, dealing courteously with taxpayers, cross-cultural relations, ethics, and the impartial application of tax law.

SEC. 103. The Internal Revenue Service shall institute and enforce policies and procedures that will safeguard the confidentiality of taxpayer information and protect taxpayers against identity theft.

SEC. 104. Funds made available by this or any other Act to the Internal Revenue Service shall be available for improved facilities and increased staffing to provide sufficient and effective 1–800 help line service for taxpayers. The Commissioner shall continue to make improvements to the Internal Revenue Service 1–800 help line service a priority and allocate resources necessary to enhance the response time to taxpayer communications, particularly with regard to victims of tax-related crimes.
SEC. 105. The Internal Revenue Service shall issue a notice of confirmation of any address change relating to an employer making employment tax payments, and such notice shall be sent to both the employer's former and new address and an officer or employee of the Internal Revenue Service shall give special consideration to an offer-in-compromise from a taxpayer who has been the victim of fraud by a third party payroll tax preparer.
SEC. 106. None of the funds made available under this Act may be used by the Internal Revenue Service to target citizens of the United States for exercising any right guaranteed under the First Amendment to the Constitution of the United States.
SEC. 107. None of the funds made available in this Act may be used by the Internal Revenue Service to target groups for regulatory scrutiny based on their ideological beliefs.
SEC. 108. None of funds made available by this Act to the Internal Revenue Service shall be obligated or expended on conferences that do not adhere to the procedures, verification processes, documentation requirements, and policies issued by the Chief Financial Officer, Human Capital Office, and Agency-Wide Shared Services as a result of the recommendations in the report published on May 31, 2013, by the Treasury Inspector General for Tax Administration entitled "Review of the August 2010 Small Business/Self-Employed Division's Conference in Anaheim, California" (Reference Number 2013–10–037).
SEC. 109. None of the funds made available in this Act to the Internal Revenue Service may be obligated or expended (1) to make a payment to any employee under a bonus, award, or recognition program; or (2) under any hiring or personnel selection process with respect to re-hiring a former employee; unless such program or process takes into account the conduct and Federal tax compliance of such employee or former employee.
SEC. 110. None of the funds made available by this Act may be used in contravention of section 6103 of the Internal Revenue Code of 1986 (relating to confidentiality and disclosure of returns and return information).
SEC. 111. *Notwithstanding any Congressional notification requirements for a reprogramming of funds in this Act, funds provided in this Act for the Internal Revenue Service shall be available for obligation and expenditure through a reprogramming of funds that augments or reduces existing programs, projects, or activities by up to $10,000,000 without prior Congressional notification of such action.*
SEC. 112. *There is hereby established the Internal Revenue Service Working Capital Fund (Fund), which shall be available without fiscal year limitation, for expenses necessary for facility services, technology, and other centralized services that the Commissioner of Internal Revenue, subject to prior notice to the Office of Management and Budget, deems appropriate and advantageous to provide on a reimbursable basis: Provided, That amounts deposited in the Fund shall be in addition to funds otherwise available for such purposes, and shall remain available until expended: Provided further, That the Fund may receive advances and reimbursements from funds available to the business units and offices of the Internal Revenue Service for which such centralized services are performed at rates which will return in full all expenses of operation: Provided further, That unobligated balances of expired amounts*

appropriated or otherwise made available for this or any succeeding fiscal year to the Internal Revenue Service may be transferred and merged into the Fund no later than the end of the fifth fiscal year after the last fiscal year for which such funds are available for the purposes for which appropriated: Provided further, That no funds may be transferred pursuant to the previous proviso unless advance notification is provided to the Committees on Appropriations of the House of Representatives and the Senate.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

SEC. 111. Appropriations to the Department of the Treasury in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 112. Not to exceed 2 percent of any appropriations in this title made available under the headings "Departmental Offices—Salaries and Expenses", "Office of Inspector General", "Special Inspector General for the Troubled Asset Relief Program", "Financial Crimes Enforcement Network", "Bureau of the Fiscal Service", and "Alcohol and Tobacco Tax and Trade Bureau" may be transferred between such appropriations upon the advance **[**approval**]** *notification* of the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That no transfer under this section may increase or decrease any such appropriation by more than 2 percent.

SEC. 113. Not to exceed 2 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to the Treasury Inspector General for Tax Administration's appropriation upon the advance **[**approval**]** *notification* of the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That no transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 114. None of the funds appropriated in this Act or otherwise available to the Department of the Treasury or the Bureau of Engraving and Printing may be used to redesign the $1 Federal Reserve note.

SEC. 115. The Secretary of the Treasury may transfer funds from the "Bureau of the Fiscal Service—Salaries and Expenses" to the Debt Collection Fund as necessary to cover the costs of debt collection: *Provided*, That such amounts shall be reimbursed to such salaries and expenses account from debt collections received in the Debt Collection Fund.

SEC. 116. None of the funds appropriated or otherwise made available by this or any other Act may be used by the United States Mint to construct or operate any museum without the **[**explicit approval**]** *prior notification* of the Committees on Appropriations of the House of Representatives and the Senate, the House Committee on Financial Services, and the Senate Committee on Banking, Housing, and Urban Affairs.

SEC. 117. None of the funds appropriated or otherwise made available by this or any other Act or source to the Department of the Treasury, the Bureau of Engraving and Printing, and the United States Mint, individually or collectively, may be used to consolidate any or all functions of the Bureau of Engraving and Printing and the United States Mint without the **[**explicit approval**]** *prior notification* of the House Committee on Financial Services; the Senate Committee on Banking, Housing, and Urban Affairs; and the Committees on Appropriations of

the House of Representatives and the Senate.
SEC. 118. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for the Department of the Treasury's intelligence or intelligence related activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year **[**2021**]** *2022* until the enactment of the Intelligence Authorization Act for Fiscal Year **[**2021**]** *2022*.
SEC. 119. Not to exceed $5,000 shall be made available from the Bureau of Engraving and Printing's Industrial Revolving Fund for necessary official reception and representation expenses.
SEC. 120. The Secretary of the Treasury shall submit a Capital Investment Plan to the Committees on Appropriations of the House of Representatives and the Senate not later than 30 days following the submission of the annual budget submitted by the President: *Provided*, That such Capital Investment Plan shall include capital investment spending from all accounts within the Department of the Treasury, including but not limited to the Department-wide Systems and Capital Investment Programs account, Treasury Franchise Fund account, and the Treasury Forfeiture Fund account: *Provided further*, That such Capital Investment Plan shall include expenditures occurring in previous fiscal years for each capital investment project that has not been fully completed.
SEC. 121. Within 45 days after the date of enactment of this Act, the Secretary of the Treasury shall submit an itemized report to the Committees on Appropriations of the House of Representatives and the Senate on the amount of total funds charged to each office by the Franchise Fund including the amount charged for each service provided by the Franchise Fund to each office, a detailed description of the services, a detailed explanation of how each charge for each service is calculated, and a de-scription of the role customers have in governing in the Franchise Fund.
SEC. 122. During fiscal year [2021] *2022*— (1) none of the funds made available in this or any other Act may be used by the Department of the Treasury, including the Internal Revenue Service, to issue, revise, or finalize any regulation, revenue ruling, or other guidance not limited to a particular taxpayer relating to the standard which is used to determine whether an organization is operated exclusively for the promotion of social welfare for purposes of section 501(c)(4) of the Internal Revenue Code of 1986 (including the proposed regulations published at 78 Fed. Reg. 71535 (November 29, 2013)); and (2) the standard and definitions as in effect on January 1, 2010, which are used to make such determinations shall apply after the date of the enactment of this Act for purposes of determining status under section 501(c)(4) of such Code of organizations created on, before, or after such date.
SEC. 123. (a) Not later than 60 days after the end of each quarter, [the Office of Financial Stability and] *the Office of Financial Research* shall submit reports on their activities to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Financial Services of the House of Representatives and the Senate Committee on Banking, Housing, and Urban Affairs.
(b) The reports required under subsection (a) shall include— (1) the obligations made during the previous quarter by object class, office, and activity; (2) the estimated obligations for the remainder of the fiscal year by object class, office, and activity; (3) the number of full-time equivalents within each office during the previous quarter; (4) the estimated number of full-time equivalents within each office for the remainder of the fiscal

year; and (5) actions taken to achieve the goals, objectives, and performance measures of each office. (c) At the request of any such Committees specified in subsection (a), [the Office of Financial Stability and] the Office of Financial Research shall make officials available to testify on the contents of the reports required under subsection (a).
[SEC. 124. In addition to the amounts otherwise made available to the Department of the Treasury, $25,000,000, to remain available until expended, shall be for expenses associated with digitization and distribution of the Department's records of matured savings bonds that have not been redeemed.]
SEC. 124. *Of the amounts appropriated in section 4027(a) of the Coronavirus Aid, Relief, and Economic Security Act (15 U.S.C. 9061) that are available for obligation as a result of the deobligation of amounts that were, as of January 9, 2021, obligated for the credit subsidy cost of loans and loan guarantees that the Secretary of the Treasury had committed under paragraphs (1) through (3) of section 4003(b) of the Coronavirus Aid, Relief, and Economic Security Act (15 U.S.C. 9042(b)(1)-(3)), $25,000,000 shall be available to the Special Inspector General for Pandemic Recovery to carry out section 4018 of the Coronavirus Aid, Relief, and Economic Security Act (15 U.S.C. 9053): Provided, That such amounts shall be in addition to any other amounts available for such purpose.*
SEC. 125*. Notwithstanding any other provision of law, the unobligated balances from amounts made available to the Secretary of the Treasury for administrative expenses pursuant to sections 4003(f) and 4112(b) of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136); section 421(f)(2) of Division N of the Consolidated Appropriations Act, 2021 (Public Law 116–260); sections 3201(a)(2)(B), 3206(d)(1)(A), and 7301(b)(5) of the American Rescue Plan Act of 2021 (Public Law 117–2); and section 602(a)(2) of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021 (Public Law 117–2), shall be available for any administrative expenses determined by the Secretary of the Treasury to be necessary to respond to the coronavirus, including but not limited to expenses necessary to implement any provision of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116–136), Division N of the Consolidated Appropriations Act, 2021 (Public Law 116–260), the American Rescue Plan Act (Public Law 117–2), or title VI of the Social Security Act: Provided, That such un-obligated balances shall be available in addition to any other appropriations provided for such purposes.*
SEC. 126*. Section 121 of the Emergency Economic Stabilization Act of 2008 (12U.S.C. 5231) is amended in subsection (e)(1)(B)(ii) by striking "subparagraph" and all that follows through the period at the end and inserting "subparagraph, the Special Inspector General may not make any appointment that exceeds 24 months or that extends beyond the date on which the Special Inspector General terminates under subsection (k).”*

Mandatory Funding Levels for the FY 2022 President's Budget – Treasury Chapter

(Dollars in Millions, Includes Legislative Proposals)

Consolidated Rows, Final Table

Appropriations (Dollars in Millions)	FY 2020 Actual	FY 2021 Estimated	FY 2022 Estimated	FY 2022 $ Change	FY 2022 % Change
Payment to the Resolution Funding Corporation	2,425	1,367	920	(447)	-32.7%
Interest on Uninvested Funds	23	48	9	(39)	-81.3%
Restitution of Forgone Interest	116	0	0	0	0.0%
Federal Interest Liabilities to States	0	1	1	0	0.0%
Interest Paid to Credit Financing Accounts	23,315	14,284	14,063	(221)	-1.5%
Refunding Internal Revenue Collections, Interest	2,957	2,735	2,298	(437)	-16.0%
Interest on Public Debt	522,652	484,698	480,403	(4,295)	-0.9%
Other Interest	(58,593)	(62,377)	(53,542)	8,835	-14.2%
INTEREST PAYMENTS	$492,895	$440,756	$444,152	$3,396	0.8%
NON-COVID MANDATORY ACCOUNTS					
Build America Bond Payments, Recovery Act	2,075	2,642	2,614	(28)	-1.1%
Capital Magnet Fund, Community Development Financial Institutions[1]	174	371	211	(160)	-43.1%
Check Forgery Insurance Fund	6	1	1	0	0.0%
Cheyenne River Sioux Tribe Terrestrial Wildlife Habitat Restoration Trust Fund	1	1	1	0	0.0%
Claims, Judgments, and Relief Acts	8,365	11,102	3,431	(7,671)	-69.1%
Community Development Financial Institutions Fund Program Account	8	16	1	(15)	-93.8%
Comptroller of the Currency	1,056	1,094	1,094	0	0.0%
Continued Dumping and Subsidy Offset	57	13	10	(3)	-23.1%
Exchange Stabilization Fund	139	11,728	23	(11,705)	-99.8%
Federal Financing Bank	3,036	2,431	2,408	(23)	-0.9%
Federal Reserve Bank Reimbursement Fund	544	646	659	13	2.0%
Federal Tax Lien Revolving Fund	0	2	2	0	0.0%
Financial Agent Services	842	863	880	17	2.0%
Financial Research Fund	74	58	79	21	36.2%
Fiscal Service Debt Collection	230	226	210	(16)	-7.1%
GSE Mortgage-backed Securities Purchase Program Account	1	1	1	0	0.0%
Guam World War II Claims Fund	40	0	0	0	0.0%
Gulf Coast Restoration Trust Fund	335	319	320	1	0.3%
Internal Revenue Collections for Puerto Rico	471	476	481	5	1.1%
IRS Informant Payments	63	108	108	0	0.0%
IRS Miscellaneous Retained Fees	282	437	406	(31)	-7.1%
IRS Private Collection Agent Program	149	165	104	(61)	-37.0%
Office of Financial Stability	51	41	38	(3)	-7.3%
Payment of Government Losses in Shipment	1	2	2	0	0.0%
Payment to Issuer of New Clean Renewable Energy Bonds	31	41	41	0	0.0%
Payment to Issuer of Qualified Energy Conservation Bonds	27	35	35	0	0.0%
Payment to Issuer of Qualified School Construction Bonds	462	567	563	(4)	-0.7%
Payment to Issuer of Qualified Zone Academy Bonds	34	40	40	0	0.0%
Payment to United States Virgin Islands and Puerto Rico for Disaster Tax Relief	61	0	0	0	0.0%
Payment Where American Opportunity Credit Exceeds Liability for Tax[3]	2,787	3,050	3,000	(50)	-1.6%
Payment Where Certain Tax Credits Exceed Liability for Corporate Tax	16,104	7,194	694	(6,500)	-90.4%
Payment Where Child Tax Credit Exceeds Liability for Tax[3]	27,779	79,542	106,834	27,292	34.3%
Payment Where Earned Income Credit Exceeds Liability for Tax[3]	57,577	60,855	73,956	13,101	21.5%
Payment Where Health Coverage Tax Credit Exceeds Liability for Tax	13	31	10	(21)	-67.7%
Presidential Election Campaign Fund	25	23	23	0	0.0%
Refundable Premium Tax Credit	60,672	59,255	45,740	(13,515)	-22.8%
Reimbursements to Federal Reserve Banks	131	177	180	3	1.7%
Small Business Lending Fund Program Account	6	3	3	0	0.0%
Terrorism Insurance Program	2	28	79	51	182.1%
Travel Promotion Fund	94	60	28	(32)	-53.3%
Treasury Forfeiture Fund	537	494	572	78	15.8%
Troubled Asset Relief Program Equity Purchase Program	7	5	0	(5)	-100.0%
Subtotal, NON-COVID MANDATORY ACCOUNTS	$184,349	$244,143	$244,882	$739	0.3%
COVID MANDATORY ACCOUNTS					
Air Carrier Worker Support	32,000	31,000	0	(31,000)	-100.0%
Child and Dependent Care Tax Credit	0	0	7,902	7,902	0.0%
Community Development Financial Institutions Fund Program, Emergency Support	0	3,000	0	(3,000)	-100.0%
Coronavirus Relief Fund	150,000	362,050	0	(362,050)	-100.0%
Economic Impact Payments	274,654	545,624	3,220	(542,404)	-99.4%
Economic Stabilization Program Account[2]	499,975	(477,890)	0	477,890	-100.0%
Emergency Capital Investment Fund	0	9,000	0	(9,000)	-100.0%

Appropriations (Dollars in Millions)	FY 2020 Actual	FY 2021 Estimated	FY 2022 Estimated	FY 2022 $ Change	FY 2022 % Change
Emergency Rental Assistance	0	46,547	0	(46,547)	-100.0%
Homeowner Assistance Fund	0	9,958	0	(9,958)	-100.0%
IRS Business Systems Modernization [3, 4]	0	500	0	(500)	-100.0%
IRS Operations Support [3, 4]	0	996	0	(996)	-100.0%
IRS Taxpayer Services [3, 4]	0	366	0	(366)	-100.0%
Office of Inspector General[4]	0	6	0	(6)	-100.0%
Special Inspector General for Pandemic Recovery	25	0	0	0	0.0%
State Small Business Credit Initiative	0	10,000	0	(10,000)	-100.0%
Transportation Services Economic Relief	0	2,000	0	(2,000)	-100.0%
Treasury Inspector General for Tax Administration[4]	0	8	0	(8)	-100.0%
U.S. Coronavirus Refundable Credits	714	104,817	49,018	(55,799)	-53.2%
Subtotal, COVID MANDATORY ACCOUNTS	$957,368	$647,982	$60,140	($587,842)	-90.7%
Offsets:					
Treasury Mandatory Offsetting Receipts	(8,799)	(22,467)	(8,263)	14,204	-63.2%
Treasury Offsetting Collections	(4,238)	(15,257)	(3,528)	11,729	-76.9%
TOTAL, DEPARTMENT OF THE TREASURY	**$1,621,575**	**$1,295,157**	**$737,383**	**-$557,774**	**-43.1%**

[1]This table excludes FY 2022 funding related to the American Jobs Plan: $2,400M for Capital Magnet Fund (including -$2,400 Treasury Mandatory Offsetting Receipt), Community Development Financial Institutions, $10,000M for Manufacturing Financing Program Account.

[2]Section 1003 of the Consolidated Appropriations Act, 2021, rescinded unobligated balances from the CARES Act FY 2020 appropriation to the Economic Stabilization Program; the ultimate effect of Sec. 1003 rescinded $479B from the program.

[3]Exludes the following FY 2022 budget proposal; $260M for IRS Business Systems Modernization, $187M for IRS Taxpayer Services, $695M IRS Operations Support, -$3M for Payment Where American Opportunity Credit Exceeds Liability for Tax , $80,950M for Payment Where Child Tax Credit Exceeds Liability for Tax, -$10M for Payment Where Earned Income Credit Exceeds Liability for Tax

[4]IRS Business Systems Modernization, IRS Taxpayer Services, IRS Operations Support, Office of Inspector General and Treasury Inspector General for Tax Administration mandatory appropriations provided by the American Rescue Plan (P.L. 117-2).

Total Department of the Treasury (Treasury) Mandatory Budget

The Treasury Mandatory Budget includes $832 billion dollars in interest payments, mandatory accounts, and offsetting receipts and collections (offsets). These accounts and the estimated budget authority are summarized above. Account totals exclude the effects of FY 2022 American Jobs Plan policy proposals. For more detailed descriptions of each account, please see the Department of the Treasury chapter in the FY 2022 Appendix, Budget of the U.S. Government at: http://www.whitehouse.gov/omb/budget.

Interest Payments - $444 billion

These are permanent, indefinite funds for interest payments. This includes Interest on the Public Debt, which consists of all interest paid on Treasury securities sold to the public and to Federal Government trust funds, revolving funds and deposit funds. Treasury interest payment accounts also consist of Refunds on Internal Revenue Collections interest, Interest on Uninvested Funds, Interest paid to Credit Financing Accounts, Federal Interest Liabilities to the States, and Payments to the Resolution Funding Corporation.

Mandatory Accounts - $305 billion

These are accounts for which the Congress has given the Department of the Treasury permanent authority to expend funds as appropriations. These include appropriations that fund a number of programs under Treasury jurisdiction such as the Terrorism Risk Insurance Program and the Treasury Forfeiture Fund. Other accounts that fall under mandatory programs include all Internal Revenue Service refundable tax credit accounts, certain user fees, and informant payments. The Department is also a custodian for a number of government accounts and funds listed in this section and further detailed in the FY 2022 Appendix, Budget of the U.S. Government.

Treasury is responsible for administering multiple relief and recovery programs authorized through the Families First Coronavirus Response Act, Coronavirus Aid, Relief, and Economic Security Act, Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021. The Office of Recovery Programs, managed by the Chief Recovery Officer, is principally focused on efficiently establishing and administering Treasury's programs to support an equitable and swift recovery from the economic challenges precipitated by the COVID-19 pandemic.

Offsets - $12 billion

Offsets include payments to the Government that are not credited directly to expenditure accounts (offsetting receipts) and payments credited directly to accounts from which they will be spent (offsetting collections). The receipts offset gross budget authority and outlays at the agency or bureau level. The collections offset gross budget authority and outlays at the account level.

Treasury's mandatory offsetting receipts primarily include Government Sponsored Enterprises (GSE) fees, proceeds from air carrier equities received by Treasury pursuant to CARES Act, CAA, 2021 and ARP payroll support programs, and also the non-budgetary accounts that record all cash flows to and from the Government resulting from direct loans obligated by Treasury (including modifications of direct loans that resulted from obligations in any year). Treasury's mandatory offsetting collections include the payments made to accounts such as the Office of Comptroller of the Currency, Federal Financing Bank, and the Exchange Stabilization Fund.