

Department of Education
SALARIES AND EXPENSES OVERVIEW
Fiscal Year 2011 Budget Request

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SALARIES AND EXPENSES OVERVIEW

INTRODUCTION

This overview summarizes the administrative costs and staffing for all Department accounts. Departmental administrative costs and full-time equivalent (FTE) employment are supported in 2011 from funding in the following accounts: Program Administration (PA), Office for Civil Rights (OCR), Office of the Inspector General (OIG), College Housing and Academic Facilities Loans Program (CHAFL), Historically Black College and University Capital Financing Program (HBCUCF), Institute of Education Sciences (IES), and Student Aid Administration (SAA). Greater detail on the funds supporting administrative costs and staffing is provided separately in each account's justification materials.

Administrative funding was also included in the following American Recovery and Reinvestment Act accounts: Impact Aid, Innovation and Improvement, State Fiscal Stabilization Fund, Student Aid Administration, and Office of the Inspector General. Additional details on the uses of the Recovery Act funds are included in the justifications of the corresponding accounts, where appropriate. Administrative-related Recovery Act funding and FTE levels are reflected in the Summary Tables in this section.

Through 2009, the Department's administrative costs also included funding for the National Institute for Literacy, in the Career, Technical, and Adult Education account. Funding for the Institute was not included in the FY 2010 appropriation.

Only 3 percent of the Department's annual appropriation is used for Federal administrative costs, and administrative costs account for only 1 percent of the total value of loans, grants, and contracts issued by the Department.

The FY 2011 budget request for salaries and expenses supports the goals and objectives of the Administration, in particular; to:

- Expand opportunities for students to attend and complete college by expanding student aid, shifting resources from banks and third parties to students, creating new incentives for colleges to focus on student completion, and expanding access to low-cost Federal student loans.
- Reform the Elementary and Secondary Education Act, including improvement of the assessments used to track student progress to measure readiness for college and the workplace, and consolidation of dozens of narrowly focused programs into broader purpose funds more likely to provide leverage for educational improvements.
- Administer the historic American Recovery and Reinvestment Act of 2009, which provided \$98 billion for Department programs to avert education-related job reductions, transform education, and ensure access to higher education.
- Administer ongoing or reauthorized programs at all levels of education.
- Provide leadership in improving public education and student achievement.

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In addition to these programmatic goals, the Department must also fund the operational activities necessary for the everyday work of the Department, including expenses for:

- Facilities management, including rent for office space and guard services.
- Phone and computer network services.
- Operation and maintenance of the Department's Web site (www.ED.Gov).
- Grants payment processing.

The FY 2011 budget request also places emphasis on improving departmental management of programs and resources. Specific management priorities include:

- Financial management, including projects designed to ensure accountability of Department assets, improve grants management, and provide better financial data to Department managers.
- Reporting, as required by the American Recovery and Reinvestment Act of 2009.
- Improving recruitment, retention, and development of human capital.
- Information technology, including improving the capability to collect educational data, a continued focus on security, and enhancements to the Department's Web site.
- Student aid administration, with a focus on administering loan programs authorized by the Ensuring Continued Access to Student Loans Act of 2008, and ensuring adequate capacity to originate and service all new loans via the William D. Ford Federal Direct Loan Program.
- Program performance improvement, to inform decisionmakers and focus limited resources on programs that work and to reform or eliminate programs that do not.

FY 2011 BUDGET REQUEST

The 2011 request for Salaries and Expenses is \$1.83 billion, an increase of \$344 million, or 23 percent, above the 2010 level. The additional funds requested for 2011 are targeted to a few key areas, as follows:

1. Federal Student Aid origination, disbursement, and servicing contracts—The increase is mostly attributable to higher origination and servicing costs associated with significant increases in origination and servicing volume. Servicing volume has doubled within the last year--\$198.8 million.
2. Additional FTE—Additional staff are needed to ensure successful management of Department programs and priorities, as well as effective implementation of newly authorized programs. Of the additional 404 FTE requested, 263 FTE will administer student aid programs, 36 FTE will continue their work administering American Recovery and Reinvestment Act programs, 50 FTE will provide technical assistance to States on the ARRA funded Race to the Top initiative, and 55 FTE will work on high priority

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programs of the Department---\$54.4 million. Specific information on the requested FTE is available in the staffing and costs summary.

3. Pay raises—both the 2 percent pay raise in January 2010 and the proposed 1.4 percent January 2011 pay raise--\$9 million.
4. Building Modernization—Funds for the renovation of buildings occupied by Department staff, including the Mary E. Switzer headquarters building; consolidation of space in both Washington D.C. and regional headquarters; and related staff relocation costs—\$11.1 million.
5. Rental costs for office space— As landlord and real estate agent for the Federal Government, the General Services Administration determines the office space costs for the Department, including the cost of rent. Actual rental costs have increased on average 4 percent a year over the last 4 years, due in large part to real estate tax escalation and higher lease rates. The projected increase for rent is \$1.6 million.
6. Increased spending for the Department's physical security for buildings and personnel and IT security—Physical security costs are increasing by \$1.3 million primarily for guard services and biennial renewal costs for certificates for the employee access tracking system. IT security costs are increasing by \$800,000 primarily due to increased costs for the certification and accreditation of the Department's IT systems, based on an increased number of security controls that must be tested for each system. Most of the security projects that the Department funds are mandated by law, regulation, or OMB policy.

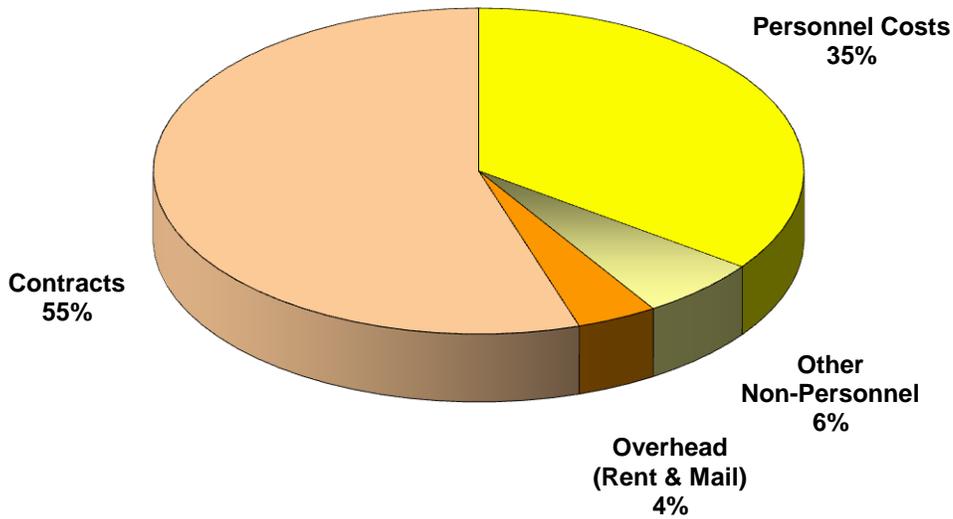
Note that the increases for the pay raises and rental costs for space are “fixed” increases that will be incurred in 2011. Any reductions in funding for these fixed costs will necessitate cuts elsewhere in the Department's budget (i.e., employee reductions) to support these fixed and mandated costs. The Federal Student Aid contracts are necessary to ensure that student aid is effectively delivered and administered. The additional FTE are necessary in order to ensure that the Department's most important ongoing operations are not jeopardized. Investment in the renovation of buildings occupied by the Department will result in long-term savings. Expenses for physical and IT security are mostly mandated from outside the Department.

More information on these activities is provided in each account's justification.

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The following chart provides a breakdown of the Department's total S&E budget by type of cost.

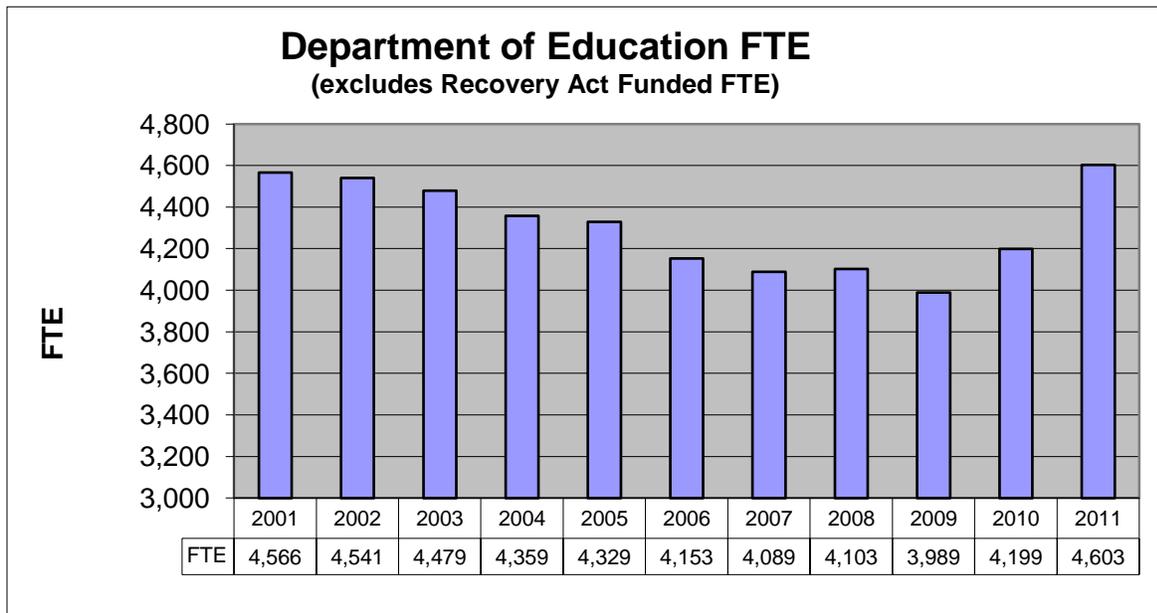
FY 2011 Salaries and Expenses Costs by Category



STAFFING AND COSTS SUMMARY

Staffing

The 2011 request includes funding for 4,603 FTE, a net increase of 404 FTE from the 2010 level of 4,199 FTE.



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A total of 263 additional FTE are requested for the Federal Student Aid office, mainly to manage the significantly increased workload in the loan purchasing programs authorized by ECASLA and in the Direct Loans program, as loan volume serviced by the Department has nearly doubled in the past year. Also, additional staff are needed to increase the number of program reviews, perform risk and internal review activities, validate that corrective actions identified in GAO and OIG reports are complete or in-process, monitor performance measures in annual and strategic plans in order to improve overall organization performance, and procure and manage the increasing contract workload.

The Department is requesting 50 FTE to support innovative programs and approaches such as Race to the Top and Investing in Innovation. The FTE will support a new approach to grants management, transitioning the Department from an organization focused on compliance monitoring to an organization adept at both supporting States in achieving their educational goals and holding States accountable for meeting educational goals, financial requirements, and legal obligations. Most of the FTE will serve on State teams to provide dedicated technical assistance. Dedicated technical assistance will build on intimate knowledge of each State's capacity, assets, and deficits, using all tools available to provide support and incentives for change. Eventually, the role of these State teams may be expanded to include other Department programs.

Of the total FTE increase, 36 FTE will be for administering programs in the following ARRA accounts: State Fiscal Stabilization Fund, Innovation and Improvement, and Impact Aid. In 2009 and 2010, ARRA funds were used for the payroll costs of these FTE and for related ARRA implementation expenses. The authority to obligate most ARRA funds at the Federal level ends in 2010, but key activities such as grant monitoring and technical assistance must continue in 2011.

Six additional FTE are requested in the Office of Elementary and Secondary Education to: 1) work in the Student Achievement and School Accountability area to develop regulations and guidance, work on accountability issues, and administer Title II and Title III formula grants (3 FTE); and 2) perform grant management activities for the Effective Teaching and Learning for a Complete Education program (3 FTE.)

An increase of 20 FTE in the Office of Inspector General is needed to conduct audits and investigations related to high priority areas of the Department, including Student Financial Assistance programs and operations, information technology security and management, new programs of the Department, programs nearing reauthorization, and grantee and contract awards.

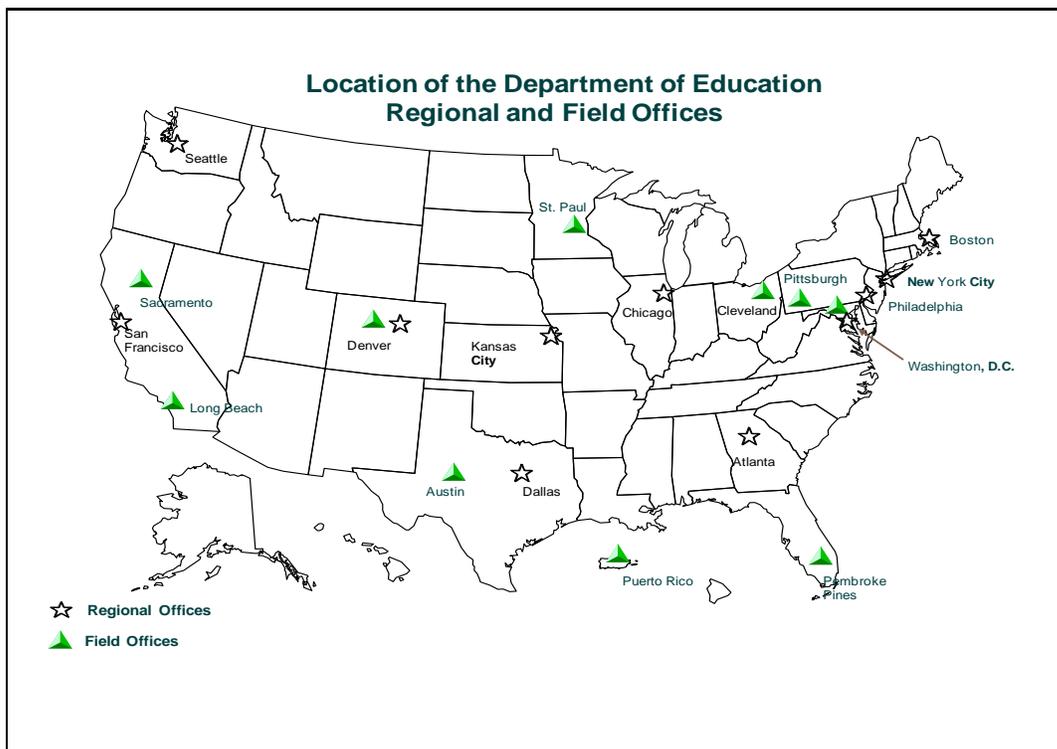
As part of an OMB Governmentwide initiative, the Department is requesting 20 FTE in the Office of the Chief Financial Officer to supplement its acquisition workforce activities in order to achieve contract savings and improve acquisition management. The increase in staff will be split between price analysts and contract specialists. The additional price analysts will help ensure that the Department is getting the best possible prices when purchasing goods and services. The additional contract specialists will reduce acquisition costs by improving acquisition cycle times and negotiating better deals.

Five additional FTE are requested in the Office for Civil Rights to provide proactive support in its civil rights activities in order to reduce the complaint volume.

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A total of 4 additional FTE are requested in 2011 in the Institute for Education Sciences for the following activities: 1) 2 FTE for the National Center for Education Research to conduct new and expanding research programs including the Reading for Understanding Research initiative and research on chronically low-performing schools; and 2) 2 FTE for the National Center for Special Education Research to expand special education research efforts.

As shown in the following chart, staff are divided between the Washington, D.C., headquarters, 10 regional offices, and 10 field offices. Most regional and field office staff are in Federal Student Aid (FSA), the Office of the Inspector General (OIG), and the Office for Civil Rights (OCR). The FSA regional office staff conduct reviews of lenders, institutions, and guaranty agencies participating in the student financial aid programs, and perform debt collection activities on defaulted student loans. OIG staff conduct audits and investigations of Department programs and operations. OCR investigates civil rights complaints and conducts civil rights compliance reviews.



Personnel and Non-Personnel Costs Summary

The budget request includes \$636.8 million for personnel compensation and benefits, an increase of \$73.4 million, or 13 percent, from the 2010 level of \$563.4 million. Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, information technology (IT), contractual services, equipment, supplies, and other Departmental services. The total request for non-personnel activities in 2011 is \$1.206 billion, an increase of \$270.6 million, or 29 percent from 2010. The increases include \$280.9 million for Federal Student Aid origination, disbursement, and servicing contracts, and a total of \$9.3 million for centralized overhead and technology items, primarily for the Building Modernization project.

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Centralized Overhead and Technology

Departmental overhead expenses cover centralized support and administrative services for all program and staff offices. The funds are administered by the Office of Management. These services include rent, building alterations and repairs, training, supplies, mail, and physical security for buildings and personnel. A total of \$151.2 million is requested for these costs in 2011, an increase of \$14.1 million from the 2010 level. The increase is primarily for renovations of buildings occupied by Department staff, consolidation of space, and related staff relocation costs, rent, and physical security.

Information technology activities that comprise centralized IT services include Departmentwide computer operations, maintenance, and improvements; local area network operations; initiatives designed to link Department business needs with the best available technology; and other commonly shared Department IT and office automation activities. The funds are administered by the Office of the Chief Information Officer. Within the total for non-personnel costs, a total of \$92.8 million is requested for these IT activities. This is a \$4.8 million decrease from the 2010 budget level, primarily due to decreased costs for EDUCATE, the Department's centralized information technology network.

Improper Payments

The Department will be focusing on accurately measuring, identifying, and reducing improper payments, and recovering confirmed improper payments, where appropriate. Planned actions include the following activities. First, the Department will implement revisions of the 2011-2012 FAFSA Web form to facilitate enhanced flagging and verification of specified data items consistent with regulatory and legislative changes to the verification selection process or as informed by data analysis of the FAFSA/IRS Data Retrieval pilot. Second, the Department will conduct a risk assessment of the TEACH program after the majority of schools have submitted an audit covering participation in this program. June 30, 2009 marked the end of the first award year that TEACH Grants were available. Most schools have fiscal years that end on June 30. Therefore, audits for most schools participating in the TEACH Grant Program will be submitted in 2010. Third, the Department will analyze data resulting from the FAFSA/IRS Data Retrieval pilot project to inform enhancements and changes to the data retrieval process and potential impacts to the current application verification processes for the 2011-2012 academic year.

Securing Americans Value and Efficiency (SAVE) Awards

The Department is proposing the following three administrative cost savings items as part of the Governmentwide SAVE program.

Reduced Use of Paper - savings of \$65,000 per year:

ED is going to implement an initiative that requires staff to use the double-sided printing option as their default printing option. The total paper budget is \$260,000. If half of the printing continued to be one-sided and half two-sided, savings would be approximately \$65,000.

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Increased Use of Videoconferencing - savings of \$240,000:

The Department plans going to implement a policy that emphasizes use of videoconferencing first, instead of staff travel. Under the proposal, communication between the Department's regional staff and headquarters would be done primarily through videoconferencing.

Reduced Freedom of Information Act (FOIA) requests - savings of \$60,000 per year:

The Department is proposing to put additional documents on its Web site, thus reducing the number of FOIA requests received. Savings of approximately one-half of an FTE or approximately 1,000 manpower hours is expected.

PARTICIPATION IN GOVERNMENTWIDE E-GOVERNMENT INITIATIVES

The Department is actively participating in a number of Governmentwide e-Government initiatives, designed to make it easy for citizens and businesses to interact with the Government, save taxpayer dollars, and streamline citizen-to-Government communications. The Department has budgeted a total of \$2.885 million in 2010, and \$2.829 million in 2011 for these initiatives. The request includes support for the following initiatives:

GovBenefits.gov – 2010: \$360,000; 2011: \$393,000; Student Aid Administration account

GovBenefits.gov provides a single point of access for citizens to locate and determine potential eligibility for Government benefits and services. GovBenefits.gov receives approximately 300,000 visits per month by citizens and has provided one million citizen referrals to benefits programs. There are approximately 100,000 citizen referrals from GovBenefits.gov to Department of Education Web pages annually. It is likely the number of referrals will increase in the future.

Disaster Assistance Improvement Plan (DAIP) – 2010: \$196,000; 2011: \$130,000; Student Aid Administration account

The Disaster Assistance Improvement Plan will implement provisions of Executive Order 13411, Improving Assistance for Disaster Victims, which is designed to ensure that individuals who are victims of a terrorist attack or natural disaster have prompt and efficient access to Federal disaster assistance. As an agency with information that is relevant to individuals affected by a disaster, the Department will coordinate with other agencies to provide an alternate mechanism for providing information to disaster victims. This will support delivery of assistance to disaster victims and will reduce agency direct inquiries about individual assistance.

E-Rulemaking – 2010: \$52,000; 2011: \$110,000; Program Administration account

E-Rulemaking allows citizens easy access and participation in the rulemaking process and increases the efficiency of internal agency processes. The initiative has provided the public a single central site (www.archives.gov/federal-register) to access more than 450 regulatory actions completed annually over the last 3 years. It also provides a central location for the public to comment on regulatory actions and reduces the Department's data storage costs.

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Grants.gov – 2010: \$706,000; 2011: \$706,000; Program Administration account

Grants.gov provides a single portal for all Federal grant customers to find, apply, and ultimately manage grants online.

The Department was the first agency to post an application on Grants.gov and one of the initial adopters of utilizing Grants.gov to receive applications with 152 application packages in 2008. Since the inception of Grants.gov, the Department has posted approximately 675 funding opportunities and over 300 application packages on Grants.gov. To date, approximately 23,800 application packages have been received from the grants community via Grants.gov. As such, the Department ranks in the top five agencies for the number of applications received via Grants.gov since its inception.

E -Training – Total - 2010: \$98,000; 2011: \$95,000

Program Administration account – 2010: \$54,000; 2011: \$52,000

Student Aid Administration account – 2010: \$25,000; 2011: \$24,000

Office for Civil Rights account – 2010: \$13,000; 2011: \$13,000

Office of the Inspector General account – 2010: \$6,000; 2011: \$6,000

E-Training will consolidate numerous online Federal training capabilities into a premier e-training portal, providing enhanced access to high quality training and competency development for Federal employees. Through participation in this initiative, Department employees have received access to over 2,000 e-learning courses covering a multitude of topics. The e-learning option benefits all employees, but is particularly useful for Regional employees whose work requires frequent travel.

Recruitment One-Stop – 2010: \$25,000; 2011: \$25,000 Program Administration account

Recruitment One-Stop delivers state-of-the-art online recruitment services to job seekers including job searching, online resume submission, applicant data mining, and online feedback on status and eligibility. Job applicants utilizing the Department's automated EdHires system also have access to the USAJOBS system, allowing them to apply for positions across the Government.

Enterprise Human Resource Integration – 2010: \$125,000; 2011: \$128,000; Program Administration account

Enterprise Human Resource Integration streamlines and automates the exchange of Federal employee human resources information between Federal agencies. Participation in this initiative will provide the Department's Human Resources managers and specialists with a centralized data warehouse that will assist in workforce planning and analysis capabilities that are currently not possible with a paper-based system. With these tools, trends for retirement, promotions, and reassignments can be accurately forecast. Personnel transactions that currently take weeks to finalize would take days.

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E-Travel – 2010: \$281,000; 2011: \$281,000; Program Administration account

E-Travel is designed to provide a Governmentwide Web-based service that applies world-class travel management practices to consolidate Federal travel arrangements, minimize cost, and produce superior customer satisfaction. The Department has fully migrated its travel services to “E2,” a designated E-Travel system, hosted by Carlson Wagonlit Government Travel. The E2 Travel System provides travelers with a Web-based, end-to-end travel management service with the integration of an online booking engine as well as an authorization and vouchering process.

Integrated Acquisition Environment – 2010: \$67,000; 2011: \$55,000; Program Administration account

Integrated Acquisition Environment creates a secure business environment that will facilitate and support cost-effective acquisition of goods and services by agencies. Through adoption of the tools and services developed as part of this initiative, the Department can make better informed and more efficient purchasing decisions.

Integrated Acquisition Environment – Grants and Loans – 2010: \$458,000; 2011: \$471,000; Student Aid Administration account

This is an expansion of the Integrated Acquisition Environment initiative to include participation of grant and loan recipients in addition to the contractors already participating in the initiative.

Financial Management Line of Business – 2010: \$143,000; 2011: \$143,000; Program Administration account

The Financial Management Line of Business initiative improves the quality and performance of financial management operations, thereby reducing the cost of Government to citizens through business performance improvements in financial management including finding exemplary financial management systems that can be utilized by multiple agencies.

Human Resources Management Line of Business – 2010: \$66,000; 2011: \$66,000; Program Administration account

The Human Resources Line of Business initiative reduces the cost of Government and improves services to citizens through business performance improvements in human resources management. The Department benefits by utilizing “best-in-class” human resources systems that have been approved by the Line of Business.

Grants Management Line of Business – 2010: \$198,000; 2011: \$106,000; Program Administration account

The Grants Management Line of Business initiative reduces the cost of Government and improves services to citizens through business performance improvements in grants management.

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Geospatial Line of Business – 2010: \$15,000; 2011: \$15,000; Program Administration account

The Geospatial Line of Business initiative reduces the cost of Government and improves services to citizens through sharing of geospatial data. In conjunction with this Line of Business, the Department's National Center for Education Statistics provides access to school district geographic and demographic data useful for describing and analyzing characteristics of school districts, children, and K-12 education.

Budget Formulation and Execution Line of Business – 2010: \$95,000; 2011: \$105,000; Program Administration account

The Budget Formulation and Execution Line of Business initiative improves services through business performance improvements in budget formulation and execution processes. The Department is serving as Managing Partner for this Line of Business, and thus is a leader in finding exemplary budget systems and/or tools that can be utilized by multiple agencies across the Government. Another benefit is the development of collaborative processes to improve Federal budgeting.

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Department of Education

Budget Authority by Account (\$000s)

ACTIVITY	2009	2010	2011	Change from 2010 to 2011
Program Administration:				
Salaries and Expenses	\$428,082	\$448,000	\$473,213	\$25,213
Building Modernization	5,400	8,200	19,275	11,075
Office for Civil Rights	96,826	103,024	105,700	2,676
Office of the Inspector General	54,539	60,053	65,238	5,185
Subtotal, Departmental Management	584,847	619,277	663,426	44,149
Administrative costs from program accounts:				
Career, Technical, and Adult Education:				
National Institute for Literacy	6,468	0	0	0
College Housing and Academic Facilities Loans	461	461	461	0
Historically Black College and University Capital Financing	354	354	354	0
Institute of Education Sciences:				
National Assessment Governing Board	8,723	8,723	8,723	0
National Board for Education Sciences	191	520	513	-7
Student Aid Administration				
Salaries and Expenses	521,771	534,763	673,404	138,641
Servicing Activities	231,631	335,639	496,827	161,188
Subtotal, program accounts	769,599	880,460	1,180,282	299,822
Recovery Act (non-add) ^{1/}	(91,000)	(0)	(0)	(0)
Total, Salaries and Expenses	1,354,446	1,499,737	1,843,708	343,971

^{1/} Additional details on the uses of the Recovery Act funds are included in the justifications of the corresponding accounts.

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Budget Authority by Object Classification (\$000s)

Object Class	2009	2010	2011	Change from 2010 to 2011
11.10 Full-time permanent	\$372,983	\$422,515	\$479,749	\$57,234
11.31 Full-time temporary	28,214	14,407	15,472	1,065
11.32 Part-time	6,980	2,665	2,939	274
11.33 Consultants	587	360	367	7
11.51 Overtime	2,254	447	461	14
11.52 Awards	7,276	8,168	8,659	491
11.80 Other Compensation	0	35	35	0
Compensation subtotal	418,294	448,597	507,682	59,085
12.00 Benefits	107,183	114,654	128,921	14,267
13.01 Benefits for former personnel	568	180	180	0
21.00 Travel	8,620	13,245	13,481	236
22.00 Transportation of things	276	5	5	0
23.10 Rental Payments to GSA	72,608	74,052	75,637	1,585
23.31 Communications	9,862	5,301	669	(4,632)
23.32 Postage/fees	445	2,001	2,001	0
Subtotal 23	82,915	81,354	78,307	(3,047)
24.00 Printing & Reproduction	4,715	5,735	6,510	775
25.10 Advisory and Assistance Svcs	17,726	12,011	16,108	4,097
25.21 Other Services	35,283	52,830	51,560	(1,270)
25.22 Training/Tuition/Contracts	3,099	5,268	5,902	634
25.23 Field Readers	87	0	0	0
25.30 Goods/Services from Gov't	59,812	56,484	52,695	(3,789)
25.40 Operations/Maint of Facilities	174	203	291	88
25.50 Research & Development	0	0	0	0
25.70 Operations/Maint of Equipment	1,050	1,035	1,105	70
25.72 IT Services/Contracts	601,438	693,804	955,040	261,236
Subtotal 25	718,669	821,635	1,082,701	261,066
26.00 Supplies	1,579	2,265	2,394	129
31.01 IT Equipment/Software	5,287	3,223	5,151	1,928
31.03 Other Equipment	213	569	7,595	7,026
Subtotal 31	5,500	3,792	12,746	8,954
32.00 Building Alterations	2,362	8,275	10,781	2,506
41.01 Grants	3,754	0	0	0
41.23B Admin Expense Allowance	0	0	0	0
43.01 Interest and Dividends	11	0	0	0
Total	1,354,446	1,499,737	1,843,708	343,971
Recovery Act (non-add) ^{1/}	(91,000)	(0)	(0)	(0)
Total PC&B	526,045	563,431	636,783	73,352
Total Non-Personnel	828,401	936,306	1,206,925	270,619

^{1/} Additional details on the uses of the Recovery Act funds are included in the justifications of the corresponding accounts.

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Department of Education

Full-time Equivalent Employment (Staff Years) by Account

ACCOUNT	2009	2010	2011	Change from 2010 to 2011
Program Administration	2,048	2,078	2,194	116
Office for Civil Rights	582	609	614	5
Office of the Inspector General	272	298	318	20
Subtotal, Departmental Management	2,902	2,985	3,126	141
FTE funded from program accounts:				
Career, Technical, and Adult Education:				
National Institute for Literacy	12	0	0	0
College Housing and Academic Facilities Loans	3	3	3	0
Historically Black College and University Capital Financing	1	1	1	0
Institute of Education Sciences:				
National Assessment Governing Board	13	14	14	0
National Board for Education Sciences	0	1	1	0
Student Aid Administration	1,058	1,194	1,457	263
Subtotal, program accounts	1,087	1,213	1,476	263
Subtotal, FTE	3,989	4,198	4,602	404
Appalachian Regional Commission Programs (Energy and Water Development Appropriations)	0	1	1	0
Total, discretionary authority	3,989	4,199	4,603	404
Recovery Act (non-add) ^{1/}	(31)	(69)	(25)	(-44)
Total, FTE	3,989	4,199	4,603	404

^{1/} Additional details on the uses of the Recovery Act funds are included in the justifications of the corresponding accounts.

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Department of Education

Full-time Equivalent Employment (Staff Years) by Office

OFFICE	2009	2010	2011	Change from 2010 to 2011
Postsecondary Education	212	222	222	0
Federal Student Aid	980	1,103	1,366	263
Elementary and Secondary Education	215	221	262	41
English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students	24	24	24	0
Special Education and Rehabilitative Services	274	269	269	0
Vocational and Adult Education	89	88	88	0
Institute of Education Sciences	185	189	193	4
Safe and Drug-Free Schools	44	45	45	0
Innovation and Improvement	83	86	118	32
Secretary	122	130	137	7
Deputy Secretary	7	11	11	0
Under Secretary	4	11	11	0
General Counsel	101	103	106	3
Planning, Evaluation, and Policy Development	119	126	131	5
Communications and Outreach	106	101	105	4
Legislation and Congressional Affairs	17	20	20	0
Management	198	195	195	0
Chief Financial Officer	192	186	206	20
Chief Information Officer	132	139	139	0
Advisory Councils	6	7	7	0
Office of Civil Rights	582	609	614	5
Office of the Inspector General	272	298	318	20
National Institute for Literacy	12	0	0	0
National Assessment Governing Board	13	14	14	0
National Board for Education Sciences	0	1	1	0
Subtotal, FTE	3,989	4,198	4,602	404
Appalachian Regional Commission Programs (Energy and Water Development Appropriations)	0	1	1	0
Recovery Act (non-add) ^{1/}	(29)	(69)	(25)	(-44)
Total, FTE	3,989	4,199	4,603	404

^{1/} Additional details on the uses of the Recovery Act funds are included in the justifications of the corresponding accounts.

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Department of Education

Detail of Full-Time Equivalent Employment

	2009 Actual	2010 Estimate	2011 Request
Executive level I.....	1	1	1
Executive level II.....	2	3	3
Executive level III.....	1	1	1
Executive level IV.....	6	10	10
Executive level V.....	0	2	2
Subtotal.....	10	17	17
Total - EX Salary.....	\$1,632,800	\$2,740,275	\$2,750,500
Senior Executive Service.....	79	104	104
Subtotal - ES..... ^{1/}	79	104	104
Total - ES Salaries.....	\$13,446,738	\$17,128,800	\$17,191,200
AL.....	0	1	1
AD.....	110	149	151
ED/EI.....	9	15	16
GS/GM-15.....	523	538	584
GS/GM-14.....	873	899	975
GS/GM-13.....	1,013	1,043	1,131
GS-12.....	692	703	758
GS-11.....	230	236	252
GS-10.....	2	3	3
GS-9.....	187	193	215
GS-8.....	56	59	61
GS-7.....	109	151	173
GS-6.....	26	34	36
GS-5.....	26	46	51
GS-4.....	36	39	43
GS-3.....	15	26	35
GS-2.....	5	4	5
GS-1.....	0	1	1
Subtotal.....	3,912	4,141	4,490
Recovery Act (non-add) ^{2/}	(29)	(69)	(25)
Total full-time equivalent employment, end of year.....	4,001	4,262	4,611
Full-time equivalent (FTE) usage.....	3,989	4,199	4,603
Average ES salary.....	\$170,212	\$164,700	\$165,300
Average GS/GM grade.....	12.1	11.9	11.9
Average GS/GM salary.....	\$101,378	\$103,011	\$106,293

1/ FY2009 includes 12 FSA SES positions. FY 2010 and FY 2011 include 11 FSA SES positions.

2/ Additional details on the uses of the Recovery Act funds are included in the justifications of the corresponding accounts.

SALARIES AND EXPENSES OVERVIEW



Department of Education Locations of Major Administrative Contracts and Current Contractors



Z-18

- | | | | |
|---|--|----|--|
| 1 | Financial Management System (FSA) | 8 | Education Department Central Processing System (EDCAPS) (OCFO) |
| 2 | Comprehensive Security Program (FSA) | 9 | Enterprise Integration Services (FSA) |
| 3 | Common Services for Borrowers and Additional Servicers (CSB) (FSA) | 10 | Person Record Mgmt/PIN Recording |
| 4 | OCR EDEN Survey (OCR) | 11 | Virtual Data Center (FSA) |
| 5 | National Student Loan Data System (FSA) | 12 | Front End Business Integration (FSA) |
| 6 | Integrated Technical Architecture (FSA) | 13 | Common Origination and Disbursement |
| 7 | Payroll/Personnel Processing Center (OM) | 14 | EDUCATE (OCIO) Operations |

SALARIES AND EXPENSES OVERVIEW

Report on the Budget Formulation and Execution Line of Business as Required by Division D, Section 737(d) of the Consolidated Appropriations Act, 2008, P.L. 110-161

The U.S. Department of Education assumed the role of Managing Partner for the Budget Formulation and Execution Line of Business (BFELoB) in the fall of 2006. The focus of the BFELoB is to build a “budget of the future” by promoting information-sharing across Government agency budget offices, as well as building a “community of practice.” Through this collaboration, the budget community has been identifying best practices for all aspects of budget formulation and execution. The BFELoB strives to find solutions linking budget formulation, execution, planning, performance, and financial management information.

Goals of the BFELoB include improvement and enhancements of:

- the efficiency and effectiveness of agency and central processes for formulating and executing the Federal Budget;
- the integration and standardized exchange of budget formulation, execution, planning, performance measurement, and financial management information and activities across the Government;
- capabilities for analyzing budget formulation, execution, planning, performance, and financial information in support of decisionmaking;
- capabilities for aligning programs and their outputs and outcomes with budget levels and actual costs to institutionalize budget and performance integration; and
- the efficiency and effectiveness of the Federal budgeting workforce.

BFELoB anticipates 10-year savings of over \$200 million Governmentwide due to efficiencies gained through collaboration and increased use of technology. Most agency budget offices do not have automated systems to support budget formulation and execution activities. Agencies rely on basic office software and manual processes. BFELoB’s goal is to reduce time spent on manual processes (via increased use of technology) and increase budget personnel time spent on high priority analytical activities.

BFELoB is a mixed lifecycle investment. Activities and solutions under development by BFELoB workgroups are at different stages within the development lifecycle. Products under development are listed in the Objectives and Benefits table below and include implementation or projected implementation dates.

The following tables display the objectives and benefits, risks, costs, and agency contributions to BFELoB.

SALARIES AND EXPENSES OVERVIEW

Objectives and Benefits

Capability	Objectives and Benefits
Technology	
Collaboration	<p>Improves the efficiency and effectiveness of Government activities through the ready accessibility of information, and the ability to collaborate remotely both within an agency (i.e., collaboration with regional and field staff) and across Federal agencies (i.e., collaboration of each agency with OMB and other agencies on shared programs).</p> <p>Current products include the MAX Federal Community (a “wiki” site, in production December 2006), and secure online meeting capability (in production November 2008).</p> <p>Current Status: The MAX Federal Community provides increased information sharing, collaboration, and knowledge management securely across the Federal Government, as well as within each agency. Over 26,000 members and multiple communities utilize the MAX Federal Community across Government. Usage is currently growing at a rate of approximately 500 users per month. Many agencies are also using the secure online meeting tool allowing agency personnel to attend meetings remotely with presentations displayed on their computer screens.</p>
Data Collection & Tracking	<p>Improves OMB and agency efficiency and effectiveness in carrying out the numerous budget data exercises that occur. Benefits apply to both central budget exercises (i.e., those requested of agencies by OMB) and exercises at the departmental or agency level (i.e., those requested by central agency offices of agency regional and field offices). Agency benefits include increased data collection capabilities, reduced errors, and reduced time spent manually consolidating and publishing data.</p> <p>Current products include multiple Web-based data collection tools for central budget exercises (first exercise in production in March 2007, with ongoing roll-outs), as well as a Web-based tool, MAX Collect, for agency use in the collection of budget briefing and “Q&A” materials, (in production November 2008).</p> <p>Current Status: BFELoB data collection tools have already demonstrated value by automating the collection of data for centralized exercises related to earmarks, continuing resolutions, across-the-board reductions. The MAX Collect tool provides even greater benefit by enabling agency budget offices to automate their own data collection exercises. Agencies are now using the tool to facilitate the rapid collection of agency “Q&A” (questions and answers), “QFR” (questions for the record) information.</p>
Knowledge Management	<p>Improves the ability of agencies to locate and access information, increases the availability and comprehensiveness of data, and improves the ability of the budgeting community to manage the impending retirement of key personnel. Database-driven products such as the MAX Federal Community and MAX Collect enhance knowledge management capabilities.</p>

SALARIES AND EXPENSES OVERVIEW

Capability	Objectives and Benefits
Agency Budget Formulation and Execution Tools	<p>Provides a cost-effective strategy for agencies that do not have budget formulation and execution applications, or have outdated applications, to quickly improve their effectiveness through automation. This effort encourages common and integrated solutions that are reusable Governmentwide.</p> <p>Products include the Budget Formulation and Execution Manager system (BFEM), the first fee-for-service budget formulation system by the Department of Treasury (in production April 2007), the decision matrix for budget systems evaluation (full systems evaluations published in October 2008, with ongoing maintenance and updates), and the MAX A-11 Data Transfer and Rule Validation.</p> <p>Current Status: BFELoB continues to support Treasury's BFEM system as it moves toward providing customer agencies with enhanced connections to OMB's MAX budget system. The decision matrix allows agencies to define their specific budget system requirements and evaluates the capability and maturity of six agency and three commercial budget systems against those requirements. From these efforts, BFELoB will continue to work towards identifying a second fee-for-service budget system. In addition, the MAX A-11 Rule Validation team is developing the process, methodology, and standards to enable agencies to exchange data with OMB's MAX A-11 system.</p>
Analytical Tools	<p>Enhances Federal capabilities for analyzing budget formulation, execution, planning, performance, and financial information. This enables more complete, thorough, and timely analysis, which will in turn provide policy decisionmakers with improved understanding of policy option impacts and alternatives.</p> <p>Current products include the MAX Analytics tool suite (in production September 2009), which creates custom charts and graphs for analysis.</p> <p>Current Status: MAX Analytics integrates with BFELoB data collection and collaboration tools, enabling charts that update automatically as new data is entered. Agencies have begun to use MAX Analytics to dynamically display the results of their data collections. BFELoB continues to work with agencies to include the most relevant and useful capabilities in the tool suite.</p>
Budget Execution and Financial Management Integration	<p>Improves the quality and integrity of information, data flows, and reporting in budget formulation and execution, especially in regard to its touch points with financial management. Identifying common business processes and data standards will form the basis for requirements for use in developing budget systems, as well as closer alignment with financial management systems.</p> <p>Current products include Governmentwide process maps for budget execution (published in October 2008) and the computer-based budget execution training module (to be released in early 2010).</p> <p>Current Status: BFELoB is currently piloting the computer-based training module to small groups of new analysts. With budget execution process maps complete, BFELoB is identifying intersections with financial management processes, as well as data exchanges between agencies, OMB, and Treasury, via collaboration of budget and financial management professionals Governmentwide.</p>

SALARIES AND EXPENSES OVERVIEW

Capability	Objectives and Benefits
Budget Performance Integration	Improves management, assessments, tracking, analysis, and program reporting to enhance the efficiency and effectiveness of Government programs in accordance with the Government Performance Results Act. Products include the first fee-for-service performance system, the Budget Formulation and Execution Manager, developed by the Department of Treasury (performance component in production January 2008).
Document Production	Enables agency budgeting personnel to move from clerical to analytical functions, increasing agency analytical resource availability. Agency budget staff currently works countless hours to incorporate late-breaking policy data changes in high-visibility publications. Often, many changes must be simultaneously made in multiple documents for different stakeholders. Document production capabilities exist in Treasury's fee-for-service budget formulation system, as well as in the MAX Collect Tool.
Governance	
Program Management Office (PMO)	<p>Serves as a central coordination point for Governmentwide collaboration and sharing of technologies and processes. The PMO allows resources across Government to be leveraged for cost savings. In this way, costs are reduced, economies of scale are achieved, and risks in developing and buying agency budget tools are reduced through a coordinated combination of approaches that include: sharing common budget formulation components, purchasing commonly used software that has been proven in multiple agencies, and purchasing services from other agencies.</p> <p>The PMO will support enhanced efficiency, effectiveness, quality, knowledge management, presentation, collaboration, and flexibility within the BFELoB. Currently, the PMO supports six initiative-specific workgroups that meet on a regular basis.</p>

SALARIES AND EXPENSES OVERVIEW

Capability	Objectives and Benefits
Process Improvements	<p>Allows for the development of system requirements and guidelines for tools that are modular in nature (can be used as part of any system) and available for use by multiple agencies. Accounts for the importance of flexibility in the budgeting process and acts as a set of standards that are essential for the automated exchange of budget data with Treasury and OMB, as well as agency financial management systems.</p> <p>Current products include a budget segment architecture (for release in November 2009), budget execution process maps (published October 2008), budget formulation process maps (published October 2009), and the Self-Assessment Tool (published September 2009).</p> <p>Current Status: Efforts discussed under “Budget Execution and Financial Management Integration” are moving toward these standards, and Governmentwide Budget Formulation process maps have been developed to provide a common reference point for process improvement planning and discussions.</p>
Service Module Standardization	<p>Encourages reusability and interoperability of budget systems across agencies to achieve significant cost savings through a "build once, use often" philosophy. Service module registration via the PMO will help ensure that agencies are aware of existing services so that duplicative investments are not made.</p>
Human Capital	
Budget Human Capital	<p>Enhances the effectiveness of the existing budgeting workforce and encourages participation from other professions within Government, the private sector, and universities. BFELoB provides a central venue for the budget community, OPM, and the Council of Human Capital Officers to grow the appeal of Federal Budgeting as a career by combining agency efforts to define budget career paths, core competencies, leadership development, certification programs, and sharing of ideas in areas such as succession planning, retention and recruitment.</p> <p>Products include recommendations on core competencies (published November 2008) and proficiency levels (for release in early 2010), training curricula for budget analysts, as well as no-cost training courses for budget staff and self-paced training modules.</p> <p>Current status: Once the core competency proficiency levels for budget analysts are finalized, BFELoB will explore the possibilities of a competency assessment tool for use by budget analysts. In FY 2009, BFELoB hosted over 25 training and presentation sessions, covering a variety of budget and finance topics. These sessions benefited approximately 1,200 employees from over 40 agencies, bureaus, and components.</p>

SALARIES AND EXPENSES OVERVIEW

Risks

Type of Risk ¹	Risk	Description	Mitigation Approach
Other	Project Resources	Voluntary agency contributions to BFELoB can be impacted by unexpected agency funding issues (such as continuing resolutions or budget decreases).	1) Accept end of fiscal year funds that become available in September and have flexible contracting arrangements for upcoming projects; 2) refine the business model so that it produces alternative funding streams that avoid the same limitations and risks.
Other	Schedule	Agency staff (from multiple agencies) lead and participate in workgroups on a voluntary basis, which at times, slows progress.	1) Commit agencies to make personnel resources available to maximize the dollar investment made in the LoB; encourage making it part of the participants' performance evaluations or other methods; 2) include commitment of personnel resources in Revised Project Charter and ask all agencies to approve the charter; 3) conduct agency outreach and marketing.
Other	Management Oversight	Agency budget offices do not make use of the full range of LoB products and services available to them.	Develop marketing and outreach strategy and dedicated PMO staff to assist agencies build out community pages, and exercise deployment.
Other	Business Impact	PMO strategic plan (CONOPS and target architecture documents) need to be revisited/revalidated.	Revisit strategic plan and architecture documents in advance of next year's planning, to take place in spring 2010.

¹ If they occur, significant risks have substantial impact on the ability of the Line of Business to succeed. Other risks, while potentially serious, may not significantly impact the Line of Business and its ability to succeed.

SALARIES AND EXPENSES OVERVIEW

Line of Business Costs

(\$000s)

Type	2007	2008	2009	2010	2011	2012	2013
Planning	\$516	\$437	\$655	\$515	\$445	\$455	\$460
Acquisition	714	904	810	1,050	1,005	842	897
Operations and Maintenance	401	650	680	805	1,020	1,160	1,190
FTE	376	490	480	505	610	674	682
Total	2,007	2,481	2,625	2,875	3,080	3,131	3,229
Number of FTE	2	4	4	5	5	5	5

SALARIES AND EXPENSES OVERVIEW

Contributions by Agency

(\$000s)

Department or Agency	2009	2010	2011
Department of Agriculture	\$95	\$95	TBD
Department of Commerce	85	95	105
Department of Defense--Military	95	95	105
Department of Education (<i>direct funds</i>)	95	95	105
Department of Energy	95	95	105
Department of Health and Human Services	95	95	105
Department of Homeland Security	95	95	105
Housing and Urban Development	85	95	105
Department of the Interior	95	95	105
Department of Justice	95	95	105
Department of Labor	95	95	105
Department of State	95	95	105
Department of Transportation	85	95	105
Department of the Treasury	95	95	105
Department of Veterans Affairs	95	95	105
US Army Corps of Engineers-Civil Works	95	95	105
Environmental Protection Agency	95	95	105
General Services Administration	95	95	105
National Aeronautics and Space Administration	85	95	105
National Science Foundation	95	95	105
Nuclear Regulatory Commission	TBD	TBD	TBD
United States Agency for International Development	95	95	105
Office of Personnel Management	95	95	105
Small Business Administration	45	50	50
Social Security Administration	TBD	TBD	TBD
Securities and Exchange Commission	45	50	50
Office of the Dir of National Intelligence	95	95	105
Exec Office of the President	95	95	105
Smithsonian Institution	TBD	TBD	TBD
Broadcasting Board of Governors	TBD	50	50
National Archives	TBD	TBD	TBD
Office of National Drug Control Policy	50	50	50
Federal Communications Commission	TBD	TBD	TBD

TBD is to be determined.