**Department of Education**

**SALARIES AND EXPENSES OVERVIEW**

**Fiscal Year 2013 Budget Request**

**CONTENTS**

# 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 2013 from funding in the following accounts:  Program Administration (PA), Office for Civil Rights (OCR), Office of 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.

Key programs administered by the Department include Title I of the Elementary and Secondary Education Act (ESEA), which under the Department's 2013 request would deliver $14.5 billion to help 21 million students in high poverty schools make progress toward State college- and career-ready standards; Individuals with Disabilities Education Act Part B Grants to States, which would provide $11.6 billion to help States and school districts meet the special educational needs of students with disabilities; Federal Pell Grants, which would make available $39.8 billion in need-based grant assistance to students enrolled in postsecondary institutions; and the postsecondary student loan programs, which would help provide roughly $154 billion a year in low-interest, new direct loans to help students and families pay for college.

The Department must 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 sites (e.g., www.ED.Gov, www.college.gov).

- Grants payment processing.

The FY 2013 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 for departmental assets, improve grants management, and provide better financial data to Department managers.

- Improving staff performance, including leadership development for Department employees.

- Improving recruitment, retention, and development of human capital.

- Improving the acquisition process through development of the Department's acquisition workforce and reducing the reliance on high-risk contract vehicles.

- Information technology, including improving the capability to collect educational data, a continued focus on security, and enhancements to the Department's Web sites.

- Student aid administration, with a focus on administering Pell Grants and Student Loans, servicing loans obtained through the Ensuring Continued Access to Student Loans Act of 2008, and ensuring adequate capacity to originate 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.
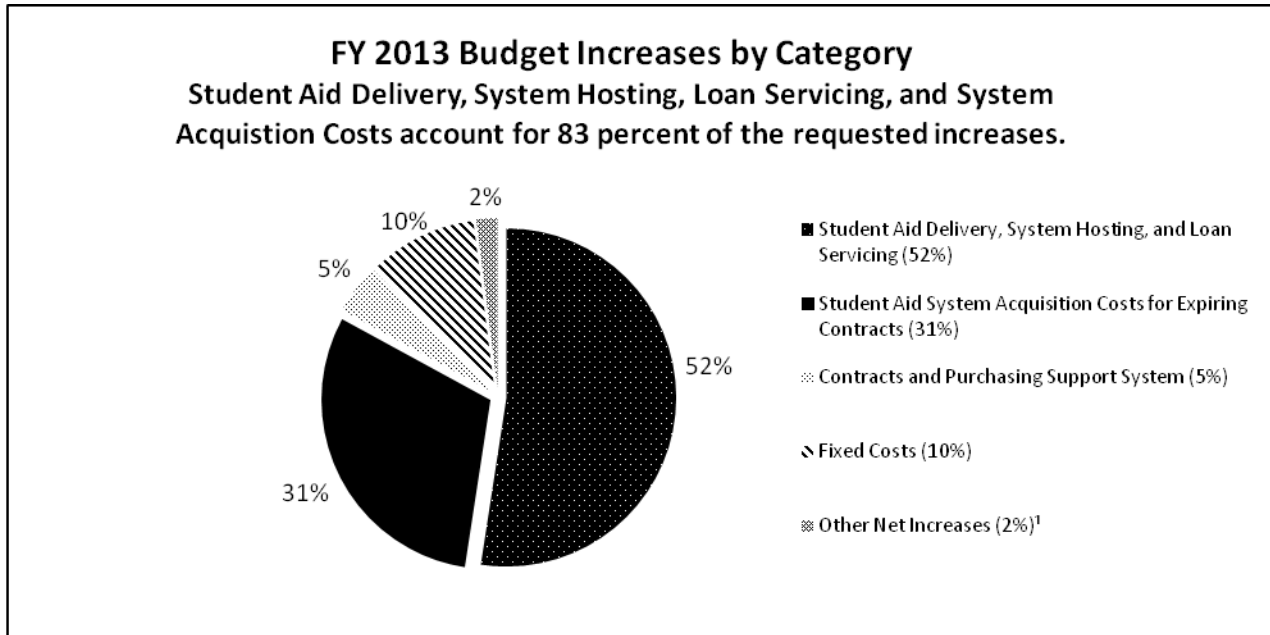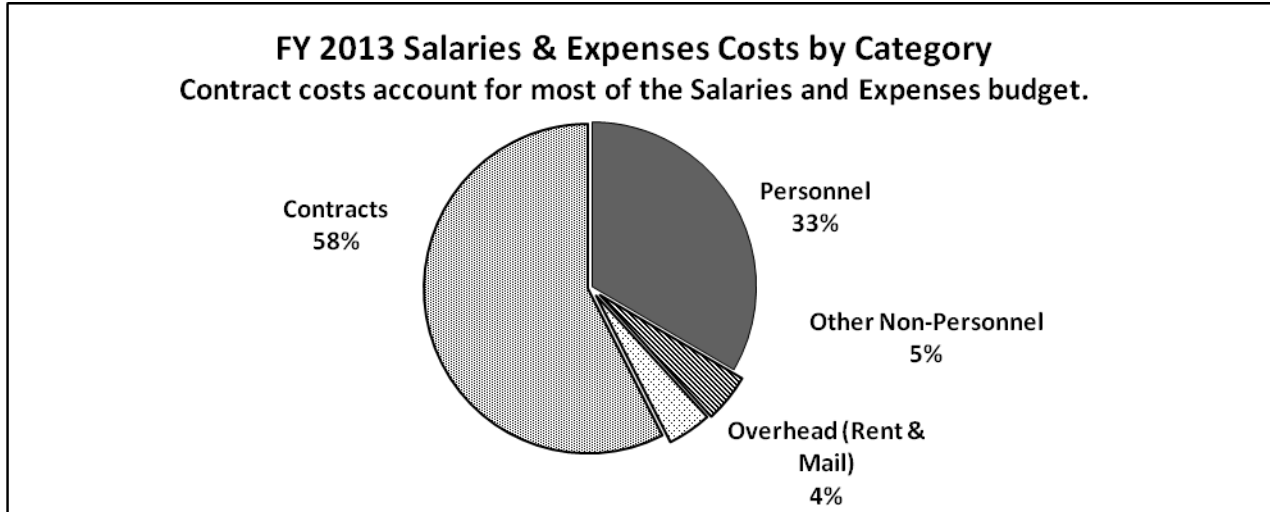
## FY 2013 BUDGET REQUEST

The 2013 total Salaries and Expenses budget request is $1.77 billion, 6 percent above the 2012 level. The Department's Salaries and Expenses budget in 2013 also includes $367 million in mandatory funding for Not-For-Profit (NFP) and New Perkins Loan Program Servicing costs in the Student Aid Administration account. In addition, the Department of Health and Human Services (HHS) has requested $3 million that will be transferred to the Department of Education's Student Aid Administration account to manage and service the Health Education Assistance Loan (HEAL) Program.

Most of the increase requested for Salaries and Expenses is to administer student aid. Fifty-two percent of the requested $105 million increase is focused on student aid application processing, origination, and disbursement costs; student aid system hosting; and loan servicing. In addition, 31 percent of the requested increase is for student aid system acquisition costs necessary for the continuation of core student aid operations. Thus, 83 percent of the requested increase is necessary as an expense for achieving approximately $68 billion in savings over 10 years (according to CBO estimates) by transitioning all Federal student loan originations to the Direct Loan Program. In addition, the Department is requesting essential funding for improving its acquisition system and consolidating Department staff from various Washington D.C. buildings into the Mary E. Switzer building. The Department is also requesting funds for fixed increases necessary to administer its programs successfully and to provide adequate oversight.

The first chart below provides detail on the total Salaries and Expenses request of $1.77 billion by category, while the second chart shows the requested budget increases of $105 million by category.



FY 2013 Salaries & Expenses Costs by Category
Contract costs account for most of the Salaries and Expenses budget.

Contracts 58%
Personnel 33%
Other Non-Personnel 5%
Overhead (Rent & Mail) 4%



FY 2013 Budget Increases by Category
Student Aid Delivery, System Hosting, Loan Servicing, and System Acquistion Costs account for 83 percent of the requested increases.

- Student Aid Delivery, System Hosting, and Loan Servicing (52%)
- Student Aid System Acquisition Costs for Expiring Contracts (31%)
- Contracts and Purchasing Support System (5%)
- Fixed Costs (10%)
- Other Net Increases (2%)[1]

[1] Includes move of staff into Mary E. Switzer building.

## STAFFING AND COSTS SUMMARY

Staffing

The 2013 request includes funding for 4,279 FTE, a net decrease of 33 FTE from the 2012 level of 4,312 FTE.

The Department's programs and responsibilities have grown substantially over the past decade. There has been landmark legislation affecting the very core of the Department's business. From education reform, to the transition to 100 percent direct lending, the past decade has seen a steady and significant growth in Department workload. There has also been a dramatic increase in mandates resulting from an increased security environment, as well as an enhanced focus on prudent financial and information technology management.

As shown in the following chart, staff are divided between Washington, D.C., headquarters, 11 regional offices, and 13 field offices. Most regional and field office staff are in Federal Student Aid (FSA), the Office of Inspector General, and the Office for Civil Rights. 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 staff investigate civil rights complaints and conduct civil rights compliance reviews.



**Location of the Department of Education Regional and Field Offices**

☆ Regional Offices
▲ Field Offices
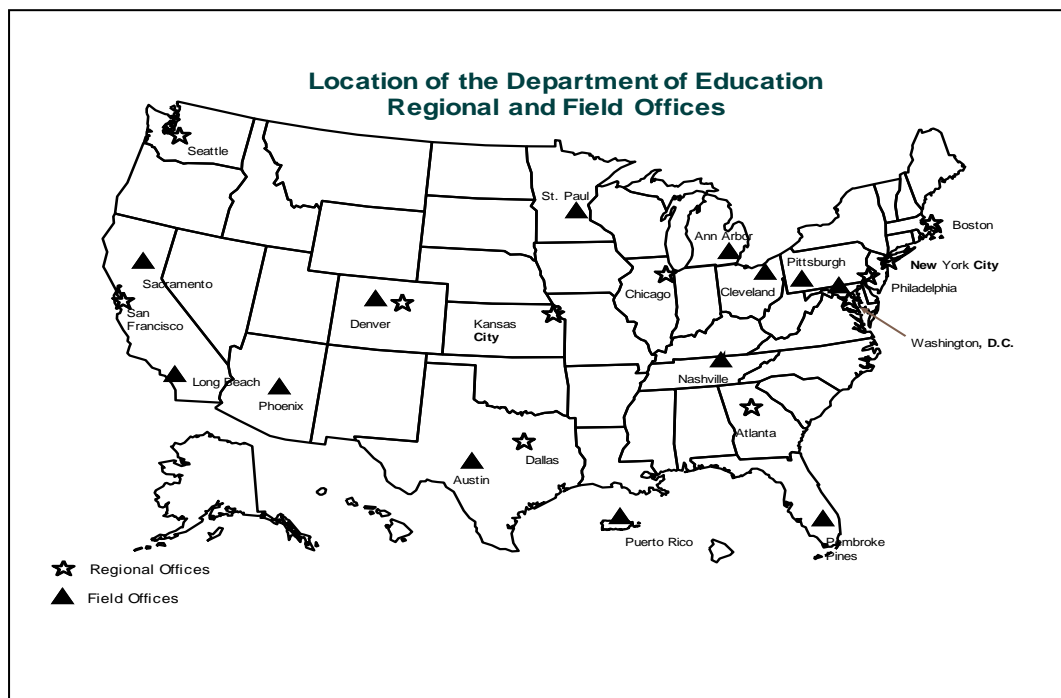
Personnel and Non-Personnel Costs Summary

The budget request includes $590.7 million for personnel compensation and benefits. The request is an increase of $6.1 million from the 2012 level, and incorporates an extra paid day.

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 budget for non-personnel activities in 2013 is $1.176 billion, an increase of $98.7 million, or 9 percent from the 2012 level. The increases include $46.8 million for Federal Student Aid contracts, and a total of $25.2 million for centralized overhead items, primarily for rental costs for office space and continued operations and enhancements for the Education Central Automated Processing System (EDCAPS), the Department's core financial system.

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 $249.497 million is requested for these costs in 2013, an increase of $10.281 million from the 2012 level. The increase is primarily for rental costs for office space and security rent in buildings occupied by Department employees, the costs of which are dictated by the Federal Protective Service for necessary security of personnel and property, and for the physical security for buildings and personnel; and for the renovation of Department occupied buildings. The increases in rental costs and security rent is largely attributable to the transfer of staff from various leased buildings to the newly renovated Mary E. Switzer building in Washington, D.C. The transfer necessitates paying rent in the currently occupied buildings and the Switzer building for several overlapping months, as well as for providing guard services for the buildings.

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. A total of $108.238 million is requested, an increase of $14.924 million from the 2012 level, largely for the development of a replacement Contracting and Purchasing System component of EDCAPS, continued operations of EDCAPS, and IT security.

Improper Payments

The Department will be focusing on accurately measuring, identifying, and reducing improper payments, and recovering confirmed improper payments, where appropriate. These activities have taken on increased importance and scrutiny given the Government's current fiscal challenges. The Department of Education is working to strengthen efforts to prevent improper payments by, for example, developing a strategy to leverage audit data to better identify risk and improve grantee monitoring and assistance. In addition, the Department is implementing a real-time payment monitoring tool with a goal to identify potential improper payments and prevent them from occurring. Risk assessments continue to be periodically performed on the Department's programs to identify any programs susceptible to significant improper payments. The Department continues to use audits on a sample of payment invoices to identify and potentially recover any improper contract payments, including payments made on ARRA-funded contracts. These efforts demonstrate that the Department is moving forward in the implementation of Executive Order 13520, *Reducing Improper Payments*, and the *Improper Payments and Elimination and Recovery Act (IPERA)*. The Department continues to focus high-level attention on identifying improper payments and implementing corrective actions to

further reduce improper payment risk.

The Department is participating in OMB's pilot *Single Audit Internal Control Project – ARRA Programs,* which is designed to identify and correct internal control deficiencies in selected major programs with ARRA expenditures. Focusing attention on these deficiencies should help minimize the potential for improper payments by Department grantees.

Planned activities related to minimizing improper payments in student financial assistance programs include the following. First, the Department will implement revisions of the 2012-2013 Free Application for Federal Student Aid (FAFSA) Web form and Central Processing System (CPS) to facilitate enhanced flagging and verification consistent with regulatory and legislative changes to the verification selection process or as informed by data analysis of the FAFSA/IRS Data Retrieval project. Second, the Department will conduct a more detailed assessment of its risk susceptible programs (i.e., Pell, Direct Loans, and the Federal Family Education Loans Program) than those performed prior to IPERA's effective date. These assessments, beginning in FY 2012, will employ new methodologies to prioritize and assess risk for each type of payment within each program, identify and estimate improper payment amounts and rates, identify and categorize root causes for improper payments, and help inform improvements to existing corrective actions to reduce improper payments.

## 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 $2.192 million in 2012, and $2.247 million in 2013 for these initiatives. The request includes support for the following initiatives:

Performance Management Line of Business

Funds are requested to support the development of a Performance Management Line of Business (PMLOB) in 2013. This 2013 request of $100,000 will facilitate a transition from print-based GPRA performance plans and reports to a shared, Web-based, Governmentwide performance portal, as required by the GPRA Modernization Act (Sec. 7 and Sec. 10).

GovBenefits.gov – 2012: $265,000; 2013: $313,000; 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, and how to apply for assistance.

Disaster Assistance Improvement Plan – 2012: $49,000; 2013: $27,000; 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.

E-Rulemaking – 2012: $127,000; 2013: $316,000; 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 430 regulatory actions completed annually over the last 3 years.  It also provides a central location for the public to comment on regulatory actions, reducing the Department's data storage costs.

Grants.gov – 2012 CR: $706,000; 2013: $476,000; Program Administration account

Grants.gov provides a single portal for all Federal grant customers to find, apply, and 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.  Since its inception, the Department has posted approximately 1,100 funding opportunities and nearly 500 application packages on Grants.gov.  To date, 39,900 application packages have been received from the grants community via Grants.gov.  The Department ranks in the top five Agencies for the number of applications received via Grants.gov since its inception.

Recruitment One-Stop – 2012: $25,000; 2013: $30,000 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 – 2012: $134,000; 2013: $133,000; 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 will be processed more quickly.

E-Travel – 2012: $207,000; 2013: $290,000; 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 a designated E-Travel system, "E2," hosted by Carlson Wagonlit Government Travel, which provides travelers with a Web-based, end-to-end travel management service with an integrated online booking engine and authorization and vouchering process.

Integrated Acquisition Environment – 2012: $57,000; 2013: $67,000; 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 – 2012: $186,000; 2013: $186,000; Student Aid Administration account

This is an additional component of the Integrated Acquisition Environment initiative to include participation of grant and loan recipients along with the contractors already participating in the initiative.

Financial Management Line of Business – 2012: $143,000; 2013: $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 used by multiple Agencies.

Human Resources Management Line of Business – 2012: $66,000; 2013: $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 using "best-in-class" human resources systems that have been approved by the Line of Business.

Grants Management Line of Business – 2012: $107,000; 2013: $107,000; 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.

Geospatial Line of Business – 2012: $15,000; 2013: $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.

**SALARIES AND EXPENSES OVERVIEW**

Budget Formulation and Execution Line of Business – 2012: $105,000; 2013: $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 serves as the 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.

# SALARIES AND EXPENSES OVERVIEW

## Department of Education

## Budget Authority by Account
(dollars in thousands)

| ACTIVITY | 2011 | 2012 | 2013 Request | Change from 2012 to 2013 |
|---|---|---|---|---|
| **Program Administration:** | | | | |
| Salaries and Expenses | $447,104 | $446,259 | $461,604 | $15,345 |
| Building Modernization | 8,184 | 0 | 2,211 | 2,211 |
| Office for Civil Rights | 102,818 | 102,624 | 105,318 | 2,694 |
| Office of Inspector General | 59,933 | 59,820 | 62,401 | 2,581 |
| Subtotal, Departmental Management | 618,039 | 608,703 | 631,534 | 22,831 |
| | | | | |
| **Administrative costs from program accounts:** | | | | |
| | | | | |
| College Housing and Academic Facilities Loans | 460 | 459 | 459 | 0 |
| Historically Black College and University Capital Financing | 353 | 352 | 352 | 0 |
| Institute of Education Sciences: | | | | |
| National Assessment Governing Board | 8,706 | 8,690 | 7,690 | (1,000) |
| National Board for Education Sciences | 349 | 349 | 350 | 1 |
| Student Aid Administration | | | | |
| Salaries and Expenses | 675,363 | 675,750 | 726,618 | 50,868 |
| Servicing Activities | 316,649 | 367,637 | 399,745 | 32,108 |
| Subtotal, program accounts | 1,001,880 | 1,053,237 | 1,135,214 | 81,977 |
| | | | | |
| Total, Salaries and Expenses | 1,619,919 | 1,661,940 | 1,766,748 | 104,808 |

Note:  Includes discretionary funds only.

Click here for accessible versions of pages Y-10 through Y-14

# SALARIES AND EXPENSES OVERVIEW

## Budget Authority by Object Classification

(dollars in thousands)

| | Object Class | 2011 | 2012 | 2013 Request | Change from 2012 to 2013 |
|---|---|---|---|---|---|
| 11.10 | Full-time permanent | $443,096 | $431,858 | $437,430 | $5,572 |
| 11.31 | Full-time temporary | 14,266 | 16,519 | 16,258 | (261) |
| 11.32 | Part-time | 3,236 | 2,734 | 2,898 | 164 |
| 11.33 | Consultants | 592 | 347 | 353 | 6 |
| 11.51 | Overtime | 501 | 490 | 487 | (3) |
| 11.52 | Awards | 8,410 | 5,675 | 5,668 | (7) |
| 11.80 | Other Compensation | 35 | 12 | 0 | (12) |
| | Compensation subtotal | 470,136 | 457,635 | 463,094 | 5,459 |
| 12.00 | Benefits | 128,977 | 123,976 | 127,391 | 3,415 |
| 13.01 | Benefits for former personnel | 180 | 2,958 | 180 | (2,778) |
| 21.00 | Travel | 12,724 | 11,201 | 11,230 | 29 |
| 22.00 | Transportation of things | 160 | 1 | 1 | 0 |
| 23.10 | Rental Payments to GSA | 73,617 | 68,348 | 74,678 | 6,330 |
| 23.31 | Communications | 627 | 926 | 1,115 | 189 |
| 23.32 | Postage/fees | 1,800 | 1,668 | 1,668 | 0 |
| | Subtotal 23 | 76,044 | 70,942 | 77,461 | 6,519 |
| 24.00 | Printing & Reproduction | 3,954 | 4,336 | 4,425 | 89 |
| 25.10 | Advisory and Assistance Svcs | 11,576 | 12,114 | 10,393 | (1,721) |
| 25.21 | Other Services | 525,572 | 444,432 | 487,407 | 42,975 |
| 25.22 | Training/Tuition/Contracts | 5,061 | 6,239 | 5,829 | (410) |
| 25.23 | Field Readers | 0 | 0 | 0 | 0 |
| 25.30 | Goods/Services from Gov't | 54,383 | 46,027 | 53,822 | 7,795 |
| 25.40 | Operations/Maint of Facilities | 243 | 118 | 101 | (17) |
| 25.50 | Research & Development | 0 | 0 | 0 | 0 |
| 25.71 | Operations/Maint of Equipment | 1,070 | 1,673 | 1,347 | (326) |
| 25.72 | IT Services/Contracts | 318,068 | 475,559 | 517,673 | 42,114 |
| | Subtotal 25 | 915,973 | 986,162 | 1,076,572 | 90,410 |
| 26.00 | Supplies | 1,174 | 1,421 | 1,394 | (27) |
| 31.01 | IT Equipment/Software | 1,764 | 1,732 | 2,102 | 370 |
| 31.03 | Other Equipment | 4,009 | 264 | 325 | 61 |
| | Subtotal 31 | 5,773 | 1,996 | 2,427 | 431 |
| 32.00 | Building Alterations | 4,535 | 1,312 | 2,573 | 1,261 |
| 43.01 | Interest and Dividends | 289 | 0 | 0 | 0 |
| | Total | 1,619,919 | 1,661,940 | 1,766,748 | 104,808 |
| | Total Pers. Comp. & Ben. | 599,293 | 584,569 | 590,665 | 6,096 |
| | Total Non-Personnel | 1,020,626 | 1,077,371 | 1,176,083 | 98,712 |

Note: Includes discretionary funds only.

# SALARIES AND EXPENSES OVERVIEW

## Department of Education

## Full-time Equivalent Employment (Staff Years) by Account

| ACCOUNT | 2011 | 2012 | 2013 Request | Change from 2012 to 2013 |
|---|---|---|---|---|
| Program Administration | 2,128 | 2,074 | 2,064 | -10 |
| Office for Civil Rights | 619 | 603 | 598 | -5 |
| Office of Inspector General | 274 | 273 | 277 | 4 |
| Subtotal, Departmental Management | 3,021 | 2,950 | 2,939 | -11 |
| FTE funded from program accounts: | | | | |
| 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 | 1 | 1 | 1 | 0 |
| Student Aid Administration | | | | |
| Discretionary authority | 1,298 | 1,321 | 1,321 | 0 |
| Mandatory authority | 0 | 0 | 0 | 0 |
| Subtotal, program accounts | 1,316 | 1,340 | 1,340 | 0 |
| Subtotal, FTE | 4,337 | 4,290 | 4,279 | -11 |
| Total, discretionary authority | 4,337 | 4,290 | 4,279 | -11 |
| Total, mandatory authority | 0 | 0 | 0 | 0 |
| Recovery Act (Office of Inspector General) | 50 | 22 | 0 | -22 |
| Total, FTE | 4,387 | 4,312 | 4,279 | -33 |

# SALARIES AND EXPENSES OVERVIEW

**Department of Education**

**Full-time Equivalent Employment (Staff Years) by Office**

| OFFICE | 2011 | 2012 | 2013 Request | Change from 2012 to 2013 |
|---|---|---|---|---|
| Advisory Committee on Student Financial Assistance | 6 | 6 | 6 | 0 |
| Chief Financial Officer | 193 | 180 | 180 | 0 |
| Chief Information Officer | 133 | 135 | 133 | -2 |
| Civil Rights | 619 | 603 | 598 | -5 |
| Communications and Outreach | 111 | 111 | 111 | 0 |
| Deputy Secretary | 38 | 73 | 69 | -4 |
| Elementary and Secondary Education | 226 | 255 | 252 | -3 |
| English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students | 21 | 20 | 20 | 0 |
| Federal Student Aid | 1,211 | 1,230 | 1,230 | 0 |
| General Counsel | 103 | 103 | 107 | 4 |
| Innovation and Improvement | 102 | 98 | 96 | -2 |
| Inspector General | 324 | 295 | 277 | -18 |
| Institute of Education Sciences | 193 | 182 | 186 | 4 |
| Legislation and Congressional Affairs | 20 | 19 | 18 | -1 |
| Management | 186 | 194 | 188 | -6 |
| National Assessment Governing Board | 13 | 14 | 14 | 0 |
| National Board for Education Sciences | 1 | 1 | 1 | 0 |
| Planning, Evaluation, and Policy Development | 130 | 122 | 123 | 1 |
| Postsecondary Education | 209 | 193 | 197 | 4 |
| Safe and Drug-Free Schools [1] | 44 | 0 | 0 | 0 |
| Secretary | 133 | 98 | 98 | 0 |
| Special Education and Rehabilitiative Services | 269 | 269 | 263 | -6 |
| Under Secretary | 18 | 28 | 30 | 2 |
| Vocational and Adult Education | 84 | 83 | 82 | -1 |
| Total, FTE | 4,387 | 4,312 | 4,279 | -33 |

NOTE: The Office of Inspector General includes 45 FTE in 2011 and 22 FTE in 2012 funded by the Recovery Act.

[1] Office of Safe and Drug-Free Schools was moved under the Office of Elementary and Secondary Education in 2012.

# SALARIES AND EXPENSES OVERVIEW

**Department of Education**
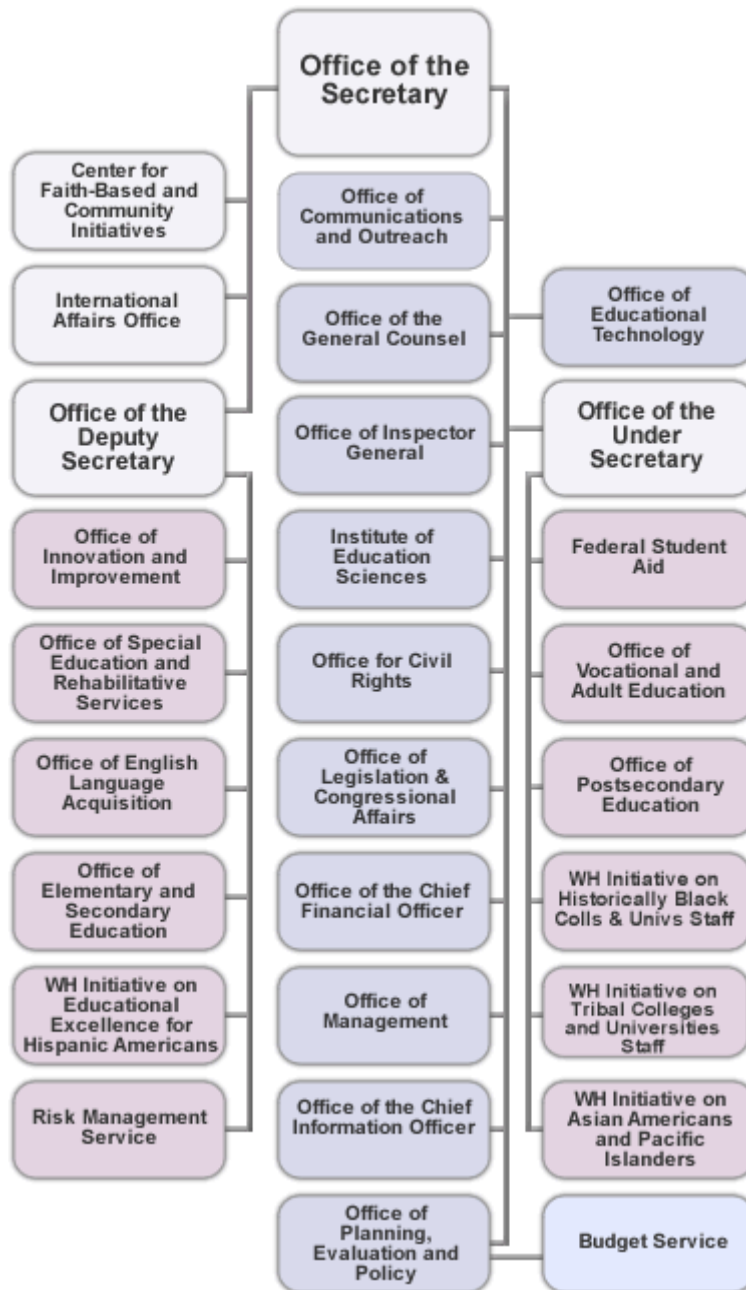
**Detail of Full-Time Equivalent Employment**

|  |  | 2011 Actual | 2012 Estimate | 2013 Request |
|---|---|---|---|---|
| Executive level I........................... | | 1 | 1 | 1 |
| Executive level II.......................... | | 4 | 3 | 3 |
| Executive level III......................... | | 1 | 1 | 1 |
| Executive level IV........................ | | 7 | 10 | 10 |
| Executive level V......................... | | 1 | 2 | 2 |
| Subtotal.................................... | | 14 | 17 | 17 |
| Total - EX Salary........................ | | $2,312,825 | $2,750,500 | $2,750,500 |
| Senior Executive Service...............… | | 88 | 103 | 103 |
| Subtotal - ES ...........................…..... | 1/ | 88 | 103 | 103 |
| Total - ES Salaries........................ | | $14,493,600 | $17,025,900 | $17,025,900 |
| AL................................................. | | 1 | 1 | 1 |
| AD................................................. | | 182 | 176 | 175 |
| ED/EI........................................…… | | 9 | 10 | 9 |
| GS/GM-15...................................… | | 568 | 546 | 543 |
| GS/GM-14..................................... | | 936 | 900 | 895 |
| GS/GM-13..................................... | | 1,043 | 1,003 | 997 |
| GS-12........................................... | | 713 | 715 | 706 |
| GS-11........................................... | | 288 | 288 | 282 |
| GS-10........................................... | | 2 | 2 | 2 |
| GS-9............................................. | | 229 | 233 | 229 |
| GS-8............................................. | | 49 | 49 | 48 |
| GS-7............................................. | | 117 | 125 | 120 |
| GS-6............................................. | | 21 | 25 | 25 |
| GS-5............................................. | | 26 | 34 | 30 |
| GS-4............................................. | | 48 | 48 | 45 |
| GS-3............................................. | | 18 | 18 | 15 |
| GS-2............................................. | | 8 | 8 | 7 |
| GS-1............................................. | | 0 | 0 | 0 |
| Subtotal.................................... | | 4,258 | 4,180 | 4,130 |
| Recovery Act (non-add)2/ | | (22) | 0 | 0 |
| Total full-time equivalent employment, end of year........... | | 4,360 | 4,300 | 4,250 |
| Full-time equivalent (FTE) usage......................................... | | 4,384 | 4,312 | 4,279 |
| Average ES salary........................ | | $164,700 | $165,300 | $165,300 |
| Average GS/GM grade................. | | 11.9 | 11.8 | 11.9 |
| Average GS/GM salary................ | | $102,906 | $102,977 | $105,112 |

1/  FY 2011 includes 9 FSA SES positions.  FY 2012 and FY 2013 include 11 FSA SES positions.
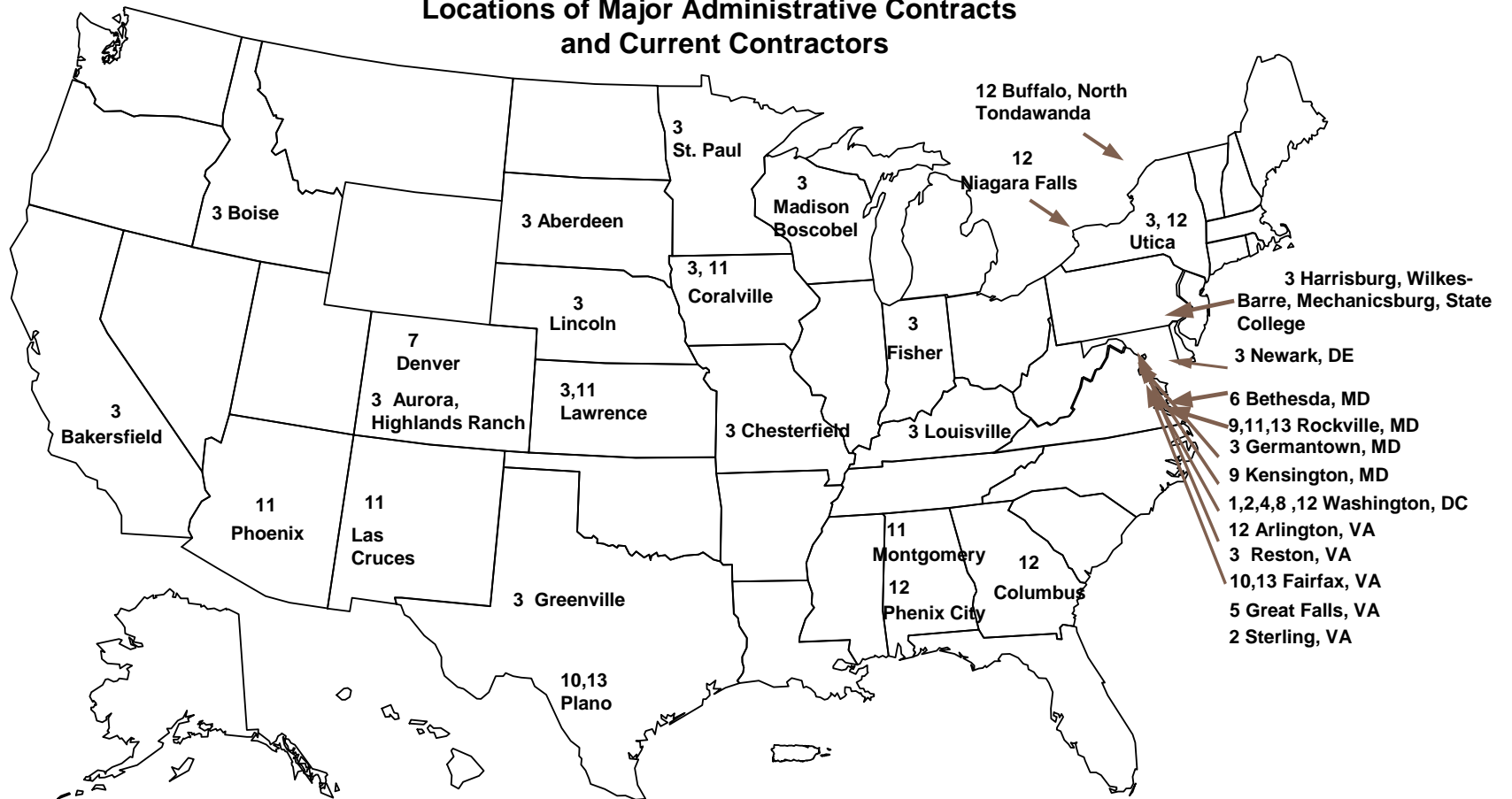
2/  Additional details on the uses of the Recovery Act funds are included in the justifications of the corresponding accounts.

# SALARIES AND EXPENSES OVERVIEW

## Office of the Secretary

- Center for Faith-Based and Community Initiatives
- International Affairs Office
- Office of the Deputy Secretary
  - Office of Innovation and Improvement
  - Office of Special Education and Rehabilitative Services
  - Office of English Language Acquisition
  - Office of Elementary and Secondary Education
  - WH Initiative on Educational Excellence for Hispanic Americans
  - Risk Management Service

- Office of Communications and Outreach
- Office of the General Counsel
- Office of Inspector General
  - Institute of Education Sciences
  - Office for Civil Rights
  - Office of Legislation & Congressional Affairs
  - Office of the Chief Financial Officer
  - Office of Management
  - Office of the Chief Information Officer
  - Office of Planning, Evaluation and Policy

- Office of Educational Technology
- Office of the Under Secretary
  - Federal Student Aid
  - Office of Vocational and Adult Education
  - Office of Postsecondary Education
  - WH Initiative on Historically Black Colls & Univs Staff
  - WH Initiative on Tribal Colleges and Universities Staff
  - WH Initiative on Asian Americans and Pacific Islanders
  - Budget Service

# Department of Education
## Locations of Major Administrative Contracts
## and Current Contractors

12 Buffalo, North Tondawanda

12 Niagara Falls

3 St. Paul

3 Boise

3 Aberdeen

3 Madison Boscobel

3, 12 Utica

3, 11 Coralville

3 Harrisburg, Wilkes-Barre, Mechanicsburg, State College

3 Lincoln

7 Denver

3 Fisher

3 Newark, DE

6 Bethesda, MD

3 Aurora, Highlands Ranch

3,11 Lawrence

9,11,13 Rockville, MD

3 Bakersfield

3 Chesterfield

3 Louisville

3 Germantown, MD

9 Kensington, MD

1,2,4,8 ,12 Washington, DC

11 Phoenix

11 Las Cruces

12 Arlington, VA

3 Reston, VA

3 Greenville

11 Montgomery

12 Columbus

10,13 Fairfax, VA

5 Great Falls, VA

12 Phenix City

2 Sterling, VA

10,13 Plano

| | | | |
|---|---|---|---|
| 1 | Financial Management System (FSA) | 7 | Payroll/Personnel Processing Center (OM) |
| 2 | Comprehensive Security Program (FSA) | 8 | Education Department Central Automated Processing System (EDCAPS) (OCIO) |
| 3 | Common Services for Borrowers (CSB), Title IV Additional Servicers (TIVAS), and New Not-For-Profits (NFP) (FSA) | 9 | Enterprise Information Technology Integration (EITI) (FSA) |
| 4 | OCR CRDC/ED*Facts* Survey (OCR) | 10 | Virtual Data Center (FSA) |
| 5 | National Student Loan Data System (FSA) | 11 | Front End Business Integration (FSA) |
| 6 | Integrated Partner Management (FSA) | 12 | Common Origination and Disbursement (FSA) |
| | | 13 | EDUCATE (OCIO) |

**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 and increase budget personnel time spent on high priority analytical activities (via increased use of technology, improved processes, and a better equipped workforce).

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.

**Objectives and Benefits:  Technology**

| Capability | Objectives and Benefits |
|---|---|
| **Technology** | |
| **Collaboration** | 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).<br><br>Current products include the MAX Federal Community (a "wiki" site, in production Dec. 2006), secure online meeting capability (Nov. 2008) and MAX Shared Desktop (Feb. 2011).<br><br>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.  With over 52,000 members, the MAX Federal Community across Government is reportedly the largest Government collaboration site.  Usage is currently growing at a rate of approx 1,000 users per month.  Many Agencies are also using the secure MAX Shared Desktop or the secure online meeting tool allowing Agency personnel to attend meetings remotely with presentations displayed on their computer screens. |
| **Data Collection & Tracking** | 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.<br><br>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 question and answer (Q&A) materials (in production since Nov. 2008).  Over a hundred MAX Collect exercises have been utilized in the last year.<br><br>Current Status:  BFELoB data collection tools have already demonstrated value by automating the collection of data for dozens of centralized exercises related to earmarks, continuing resolutions, and 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's, questions for the record (QFR) information, and many other exercises. |

| | |
|---|---|
| **Knowledge Management** | 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 by capturing "knowledge" as it is generated, simply through use of these tools. |
| **Agency Budget Formulation and Execution Tools** | 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.<br><br>Products include the Budget Formulation and Execution Manager system (BFEM), the first shared budget formulation system by the Department of Treasury (in production April 2007); the Departmental E-Budgeting System (DEBS), a shared offering from the Department of Labor (April 2010); the Decision Matrix for budget systems evaluation (full systems evaluations re-published in Feb 2011); the Budget Capability Self-Assessment Tool (BC SAT) (republished in April 2011); and the MAX A-11 Data Transfer and Rule Validation project, for which multiple services went live in Oct 2011.<br><br>Current Status:  BFELoB continues to support Treasury's BFEM and Labor's DEBS systems as they move 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.  Version 2 of the BC SAT was published this past year, providing comprehensive resource listings to further help Agencies with strategic planning and resourcing.  In addition, the MAX A-11 Rule Validation team developed processes, methodologies, and standards to enable Agencies to exchange data with OMB's MAX A-11 system through the use of multiple 'services'. |
| **Analytical Tools** | 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.<br><br>Current products include the MAX Analytics tool suite (in production Sept. 2009), which creates custom charts and graphs for analysis, and associated tools built upon the analytics core (such as MAX Calendar).<br><br>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. |
| **Budget Execution and Financial Management** | 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 |

| Integration | standards will form the basis for requirements for use in developing budget systems, as well as closer alignment with financial management systems. Current products include Governmentwide process maps for budget execution (published in Oct. 2008) and budget formulation (Nov. 2009) and the Web-based budget execution training module (Nov. 2009), budget formulation training module (Oct. 2010), and Appropriations Law (March 2011).<br><br>Current Status:  The training modules are in use throughout the budget community.  Over 2,300 people have taken the self-paced online training module courses, which have an estimated return on investment to date of over 1,300 percent.  The next module, Operating Plans, is in development with an anticipated release date of late spring/summer 2012. |
|---|---|
| **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 and Labor's shared service budget systems, as well as in the MAX Collect Tool. |

### Objectives and Benefits:  Governance

| Capability | Objectives and Benefits |
|---|---|
| **Governance** | |
| **Program Management Office (PMO)** | 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.<br><br>The PMO will support enhanced efficiency, effectiveness, quality, knowledge management, presentation, collaboration, and flexibility within the BFELoB.  Currently, the PMO supports eight initiative-specific workgroups that meet on a regular basis. |
| **Process Improvements** | 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.<br><br>Current products include a budget segment architecture (published in Nov. 2009), budget execution process maps (Oct. 2008), budget formulation process maps (Nov. 2009), and the BC SAT (republished in April 2011). |

| Capability | Objectives and Benefits |
|---|---|
| **Service Module Standardization** | 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. |

## Objectives and Benefits: Human Capital

| Capability | Objectives and Benefits |
|---|---|
| **Human Capital** | |
| **Budget Human Capital** | 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.<br><br>Products include recommendations on core competencies (published Nov. 2008) and proficiency levels (published May 2010), training curricula for budget analysts, as well as no-cost training courses for budget staff and self-paced training modules (released in 2010 and 2011). More are in development.<br><br>Current status: Thousands of Government employees have undergone no-cost training through in-class, Web-based, or facilitated online training sessions hosted by the BFELoB. Two brownbag discussion groups focusing on a deeper understanding of budget execution and on the Budget Career Road Map began in Nov. 2010 and were attended by over 500 personnel in the first year. |

## Risks

| Type of Risk [1] | Risk | Description | Mitigation Approach |
|---|---|---|---|
| Other | Schedule | Agency staff (from multiple Agencies) led and participate in workgroups on a voluntary basis, which at times, slows progress. | 1) conduct Agency outreach/marketing, and 2) target Agency staff (based on skill set) for participation on specific projects and for specific time periods. |
| Other | Management Oversight | Agency budget offices do not make use of the full range of BFELoB products and services available to them. | Develop marketing and outreach strategy and dedicate PMO staff to assist Agencies on activities such as building out community pages. |
| Other | Business Impact | PMO strategic plan (CONOPS and target architecture documents) have been revalidated. | Implementation planning consistent with CONOPS and architecture document to occur in spring 2012. |

[1] If significant risks occur, they 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.

**Line of Business IT Costs** (dollars in thousands)

| | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** |
|---|---|---|---|---|---|---|---|
| Planning | 516 | 437 | 655 | 100 | 125 | 125 | 125 |
| Acquisition | 714 | 904 | 810 | 355 | 285 | 320 | 375 |
| O & M | 401 | 650 | 680 | 1990 | 1790 | 1794 | 1588 |
| Govt FTE Costs | 376 | 490 | 444 | 390 | 396 | 406 | 557 |
| | 2,007 | 2,481 | 2,589 | 2,835 | 2,596 | 2,645 | 2,645 |
| FTEs | 2 | 4 | 4 | 4 | 4 | 4 | 5 |

**Anticipated Contributions by Agency (dollars in thousands)**

| AGENCY | FY 2011 | FY 2012 | FY 2013 |
|---|---|---|---|
| Department of Agriculture | 95 | 95 | 95 |
| Department of Commerce | 105 | 105 | 105 |
| Department of Defense--Military | 105 | 105 | 105 |
| Department of Education (*direct funds)* | 105 | 105 | 105 |
| Department of Energy | 105 | 105 | 105 |
| Department of Health and Human Services | 105 | 105 | 105 |
| Department of Homeland Security | 105 | 105 | 105 |
| Housing and Urban Development | 105 | 105 | 105 |
| Department of the Interior | 105 | 105 | 105 |
| Department of Justice | 105 | 105 | 105 |
| Department of Labor | 105 | 105 | 105 |
| Department of State | 105 | 105 | 105 |
| Department of Transportation | 105 | 105 | 105 |
| Department of the Treasury | 105 | 105 | 105 |
| Department of Veterans Affairs | 105 | 105 | 105 |
| US Army Corps of Engineers-Civil Works | 105 | 105 | 105 |
| Environmental Protection Agency | 95 | 95 | 95 |
| General Services Administration | 105 | 105 | 105 |
| National Aeronautics and Space Administration | 105 | 105 | 105 |
| National Science Foundation | 105 | 105 | 105 |
| USAID | 105 | 105 | 105 |
| Office of Personnel Management | 105 | 105 | 105 |
| Small Business Administration | 50 | 50 | 50 |
| Securities and Exchange Commission | 50 | 50 | 50 |
| Broadcasting Board of Governors | 50 | 50 | 50 |
| Office of National Drug Control Policy | -- | 50 | 50 |
| Equal Employment Opportunity Commission | 50 | 50 | 50 |
| Consumer Financial Protection Board | -- | 50 | 50 |