

**Department of Education**  
**PROGRAM ADMINISTRATION**  
**Fiscal Year 2018 Budget Request**

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## PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, \$438,000,000.

### NOTE

A full year 2017 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

**PROGRAM ADMINISTRATION**

**Amounts Available for Obligation**  
(dollars in thousands)

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Appropriation and Adjustments	2016	2017 Annualized CR	2018
Discretionary budget authority:			
Appropriation .....	\$432,000	\$432,000	\$438,000
Across-the-board reduction .....	<u>0</u>	<u>-821</u>	<u>0</u>
Subtotal, discretionary appropriation .....	432,000	431,179	438,000
Unobligated balance, start of year .....	7,072	79	0
Recovery of prior-year obligations .....	1,425	0	0
Unobligated balance expiring .....	-536	0	0
Unobligated balance, end of year .....	<u>-79</u>	<u>0</u>	<u>0</u>
 Total, direct obligations .....	 439,882	 431,258	 438,000

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## PROGRAM ADMINISTRATION

### Obligations by Object Classification (dollars in thousands)

Object Class	2016	2017 Annualized CR	2018	Change from 2017 to 2018
11.10 Full-time permanent	\$188,003	\$201,997	\$196,895	-\$5,102
11.31 Full-time temporary	23,457	6,303	5,078	-1,225
11.32 Part-time	2,281	0	0	0
11.33 Consultants	300	0	0	0
11.51 Overtime	261	354	354	0
11.52 Awards	2,128	2,500	2,525	25
11.80 Other Compensation	<u>129</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal, Personnel Comp.	216,559	211,154	204,852	-6,302
12.00 Benefits	66,961	64,838	64,922	84
13.10 Benefits for former personnel	<u>100</u>	<u>200</u>	<u>220</u>	<u>20</u>
Subtotal, Benefits	67,061	65,038	65,142	104
21.00 Travel	3,235	3,461	3,640	179
22.00 Transportation of things	1	1	1	0
23.10 Rental Payments to GSA	41,827	38,315	40,890	2,575
23.31 Communications	684	372	372	0
23.32 Postage/fees	<u>98</u>	<u>602</u>	<u>585</u>	<u>-17</u>
Subtotal, 23	42,609	39,289	41,847	2,558
24.00 Printing & Reproduction	1,193	915	915	0
25.10 Advisory and Assistance Svcs	1,801	1,802	1,802	0
25.21 Other Services	18,215	16,790	16,650	-140
25.22 Training/Tuition/Contracts	1,176	2,093	2,148	55
25.23 Field Readers	19	59	0	-59
25.30 Goods/Services from Gov't	19,067	23,950	24,760	810
25.40 Operations/Maint of Facilities	0	0	0	0
25.71 Operations/Maint of Equipment	1,386	1,458	1,081	-377
25.72 IT Services/Contracts	<u>58,611</u>	<u>63,478</u>	<u>73,243</u>	<u>9,765</u>
Subtotal, 25	100,275	109,630	119,684	10,054
26.00 Supplies	872	503	521	18
31.01 IT Equipment/Software	542	328	504	176
31.03 Other Equipment	<u>2,666</u>	<u>414</u>	<u>366</u>	<u>-48</u>
Subtotal, 31	3,208	742	870	128
32.00 Building Alterations	4,869	525	528	3
43.01 Prompt Payment Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total, obligations	439,882	431,258	438,000	6,742
Total, Pers. Comp. & Ben.	283,620	276,192	269,994	-6,198
Total, Non-Personnel	156,262	155,066	168,006	12,940

**PROGRAM ADMINISTRATION**

**Summary of Changes**  
(dollars in thousands)

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2017 Annualized CR .....	\$431,179
2018.....	<u>438,000</u>
Net change .....	+6,821

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	<u>2017 Annualized CR</u>	<u>Change from Annualized CR</u>
<b>Increases:</b>		
<u>Built in:</u>		
Increase in benefits, primarily for transit subsidy and workers' compensation.	\$64,778	+\$84
Increase in rent for annual increases for tax and operating cost escalations.	38,315	+2,575
<u>Program:</u>		
Increase in benefits for former personnel and awards.	2,700	+45
Increase in travel.	3,461	+179
Increase in training, supplies and building alterations.	3,121	+76
Increase in goods/services from the Government, primarily for security rent and services.	23,950	+810
Increase in contracted IT services, mostly for Impact Aid Payment System redesign and to restore funding for ED <i>Facts</i> .	5,200	+5,519
Increase in contracted IT services for IT security.	9,274	+4,325
Increase in IT technology equipment/software, mostly for the Telework Registration System.	328	<u>+176</u>
Subtotal, increases		+13,789

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## PROGRAM ADMINISTRATION

### Summary of Changes (dollars in thousands)

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<b>Decreases:</b>	2017	Change from
<u>Built in:</u>	<u>Annualized CR</u>	<u>Annualized CR</u>
Net decrease in personnel compensation due to FTE reductions, partially offset by an increase in pay for the proposed 1.9% pay and anticipated benefits increases.	\$208,300	-\$6,327
<u>Program:</u>		
Decrease in postage.	602	-17
Decrease in other services.	16,790	-140
Decrease in field readers.	59	-59
Decrease in operations and maintenance of equipment.	1,458	-377
Decrease in other equipment.	414	<u>-48</u>
Subtotal, decreases		-6,968
Net Change		<u>+6,821</u>

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**PROGRAM ADMINISTRATION**

**Authorizing Legislation**  
(dollars in thousands)

Activity	2017 Authorized	2017 Annualized CR	2018 Authorized	2018 Request
Salaries and Expenses (DEOA)	Indefinite	\$431,179	Indefinite	\$438,000
Building Modernization (DEOA)	<u>Indefinite</u>	<u>0</u>	<u>Indefinite</u>	<u>0</u>
Total appropriation		431,179		438,000

## PROGRAM ADMINISTRATION

### Appropriations History (dollars in thousands)

Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2009	\$444,439	\$422,185 <sup>1</sup>	\$427,939 <sup>1</sup>	\$433,482
2010	456,500	452,200	452,200 <sup>2</sup>	456,200
2011	492,488	465,000 <sup>3</sup>	492,488 <sup>2</sup>	455,288 <sup>4</sup>
2012	479,038	449,815 <sup>5</sup>	449,074 <sup>5</sup>	446,259
2013	448,470	446,259 <sup>6</sup>	448,470 <sup>6</sup>	430,605
2014	430,605	N/A <sup>7</sup>	422,917 <sup>2</sup>	422,917
2015	442,000	N/A <sup>7</sup>	426,917 <sup>8</sup>	411,000
2016	474,089	410,000 <sup>9</sup>	391,326 <sup>9</sup>	432,000
2017	474,827	432,000 <sup>10</sup>	432,000 <sup>10</sup>	432,000 <sup>10</sup>
2018	438,000			

<sup>1</sup> The levels for the House and Senate allowances reflect action on the regular annual 2009 appropriations bill, which proceeded in the 110th Congress only through the House Subcommittee and the Senate Committee.

<sup>2</sup> The level for the Senate allowance reflects Committee action only.

<sup>3</sup> The level for the House allowance reflects the House-passed full-year continuing resolution.

<sup>4</sup> The level for appropriation reflects the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

<sup>5</sup> The level for the House allowance reflects an introduced bill and the level for the Senate allowance reflects Senate Committee action only.

<sup>6</sup> The levels for the House and Senate allowances reflect action on the regular annual 2013 appropriations bill, which proceeded in the 112th Congress only through the House Subcommittee and the Senate Committee.

<sup>7</sup> The House allowance is shown as N/A because there was no Subcommittee action.

<sup>8</sup> The level for the Senate allowance reflects Senate Subcommittee action only.

<sup>9</sup> The levels for House and Senate allowances reflect action on the regular annual 2016 appropriations bill, which proceeded in the 114th Congress only through the House Committee and Senate Committee.

<sup>10</sup> The levels for the House and Senate allowances reflect Committee action on the regular annual 2017 appropriations bill; the Appropriation reflects the Consolidated Appropriations Act, 2017.



## PROGRAM ADMINISTRATION

### Significant Items in FY 2017 Appropriations Report

#### Illegal Immigration

**House:** The Committee recommendation continues a provision to promote Government transparency and accountability by requiring Federal agencies funded in this act to include disclaimers when advertising materials are paid for with Federal funds. The Committee expects each agency to include in their fiscal year 2018 CJ information detailing how much funding was spent on advertising in fiscal year 2017.

**Response:** The Department will comply as directed.

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DEPARTMENT OF EDUCATION FISCAL YEAR 2018 PRESIDENT'S BUDGET □  
(in thousands of dollars)

Account, Program and Activity	Category Code	2016 Appropriation	2017 Annualized CR	2017 Appropriation	2018 President's Budget	2018 President's Budget Compared to 2017 Annualized CR Amount	2018 President's Budget Compared to 2017 Annualized CR Percent	2018 President's Budget Compared to 2017 Appropriation Amount	2018 President's Budget Compared to 2017 Appropriation Percent
<b>Program Administration (DEOA)</b>									
1. Salaries and expenses	D	431,000	431,179	432,000	438,000	6,821	1.58%	6,000	1.39%
2. Building modernization	D	1,000	0	0	0	0	---	0	---
Total	D	432,000	431,179	432,000	438,000	6,821	1.58%	6,000	1.39%

NOTES: D = discretionary program; M = mandatory program  
Detail may not add to totals due to rounding.

## PROGRAM ADMINISTRATION

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### Salaries and Expenses (DEOA)

(dollars in thousands)

FY 2018 Authorization: Indefinite

Budget authority:

	2017 <u>Annualized CR</u>	2017 <u>Appropriation</u>	<u>2018</u>	Change from <u>Annualized CR</u>
Personnel compensation and benefits costs	\$276,192	--	\$269,994	-\$6,198
Non-personnel costs	<u>154,987</u>	<u>        </u>	<u>168,006</u>	<u>+13,019</u>
Total	431,179	\$432,000	438,000	+6,821
FTE	1,776	--	1,699	-77

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### PROGRAM DESCRIPTION

The Program Administration account provides a significant portion of the funding and staff to administer the Department's programs and activities in the following program and staff offices:

Program offices:

- Office of Postsecondary Education
- Office of Elementary and Secondary Education
- Office of English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students
- Office of Special Education and Rehabilitative Services
- Office of Career, Technical, and Adult Education
- Institute of Education Sciences
- Office of Innovation and Improvement

Staff offices:

- Office of the Secretary
- Office of the Deputy Secretary
- Office of the Under Secretary
- Office of the General Counsel
- Office of Planning, Evaluation, and Policy Development
- Office of Communications and Outreach
- Office of Legislation and Congressional Affairs
- Office of Management
- Office of the Chief Financial Officer
- Office of the Chief Information Officer

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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Program offices are the front-line administrators of the Department's programs, providing leadership and financial support for education programs assisting preschoolers; elementary, secondary, and college students; and adults. Program offices are critical to managing the Department's multi-billion dollar program budget through activities including grant making, grantee technical assistance, grant monitoring, and contract management. In addition, the offices support research and demonstration projects to improve education and disseminate information on research findings and education statistics.

Staff offices provide the policy, legal, management, and financial support needed to help the Department fulfill its mission. These offices are vital to the day-to-day operation of the Department and provide policy leadership and administration of key Departmental priorities.

Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2013 .....	\$430,605
2014 .....	422,917
2015 .....	418,260 <sup>1</sup>
2016 .....	431,000
2017 .....	432,000

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<sup>1</sup> Includes \$4,740 thousand transferred to the Department of Health and Human Services per Section 491 of the Workforce Innovation and Opportunity Act, P.L. 113-128. Also includes \$12,000 thousand transferred from the Student Aid Administration and Student Financial Assistance accounts under the transfer authority included in Section 304 of the Department of Education Appropriations Act, 2015.

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### FY 2018 BUDGET REQUEST

The fiscal year (FY) 2018 request for Salaries and Expenses is \$438 million, \$6.8 million or 1.6 percent above the FY 2017 Annualized CR level. A full-year 2017 appropriation was not enacted at the time of the FY 2018 Budget was prepared; therefore, the Budget is built off the Further Continuing Appropriations Act, 2017 (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution. The Department of Education Appropriations Act, 2017, provides \$432 million, level funded with the FY 2016 level (prior to the transfer of \$1 million to Building Modernization). A number of funding requirements arose during FY 2017 including a higher than anticipated pay increase, additional security costs for the Secretary, and critical upgrades to two of the Departments major IT systems: the core financial management system and its network services and IT infrastructure system. These costs were partially mitigated by the Governmentwide hiring freeze. The Department is operating with less money in FY 2017 than it did in 2008, despite increases in pay rates, inflation, physical and information technology (IT) security needs, and other Government requirements that stem from recent IT security breaches. Even with the reduced appropriations, the Department has managed to continue to deliver on its core mission with lower administrative costs by working more efficiently and improving its acquisition and financial management, without compromising effectiveness. However, the continued reductions in funding have forced the Department to

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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postpone some larger infrastructure investments that, if not completed soon, will pose security, performance, and financial risks to the Department.

Highlights of the FY 2018 request include:

1. **Personnel Compensation and Benefits (PC&B)—Total net decrease of \$6.2 million.** Executive Order 13756 issued on December 28, 2016, authorized a 2.1 percent pay increase for Federal employees in January 2017. In addition, locality pay rates were adjusted, resulting in an approximate average pay raise of 2.8 percent for most Department employees covered by the Program Administration appropriation. The FY 2018 increase provides a proposed 1.9 percent pay increase for January 2018, and will also cover anticipated benefits increases. In order to pay for these PC&B and other fixed increases, full time equivalent (FTE) employment have been reduced by 77 FTE in the FY 2018 request, largely through attrition. The Department will be working on its Agency Reform Plan to develop its strategy for long-term workforce reductions to align with the Agency’s priorities.

2. **Information Technology—Total net increase of \$9.3 million.** The Department of Education uses a mature Information Technology (IT) investment management process to determine IT funding levels, managed by the Investment Review Board (IRB) and Planning and Investment Review Working Group (PIRWG). The process includes an annual, multi-month select phase to analyze and develop the Department’s IT portfolio, including funding requests for both current and budget years.

FY 2018 increases are spread across multiple IT investments, but can be primarily attributed to: 1) improvements to the Department’s IT security to ensure the integrity of Department of Education data as well as to detect and prevent potential IT security breaches; 2) the Department’s new network services and IT infrastructure contract supporting its 4,100 employees, named Portfolio of Integrated Value-Oriented Technologies (PIVOT); and 3) development of a new Impact Aid Payment System to replace the current antiquated system that is well past its lifecycle, risking timely awards to more than 1,100 Impact Aid recipients.

3. Due to budget constraints, staffing levels are at all-time lows, as shown in the following table, with many vacancies being consolidated with existing positions.

**Program Administration FTE Usage (Fiscal Year 2009 – FY 2018)**

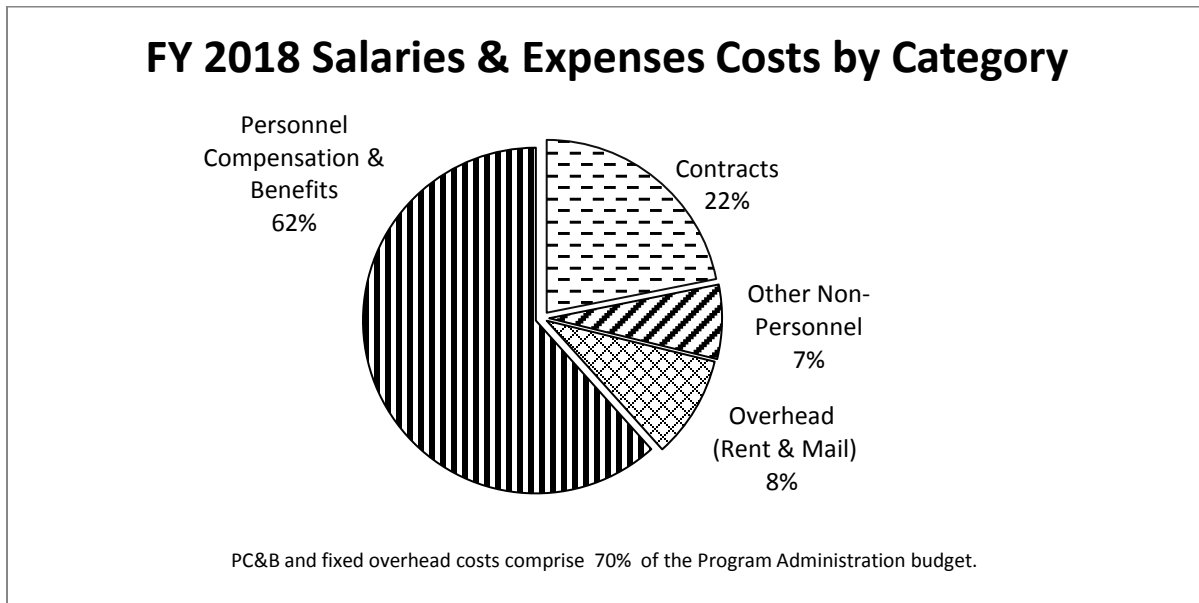
FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 Est.	FY 2018 Est.
2,048	2,024	2,128	2,053	1,942	1,898	1,912	1,888	1,776	1,699

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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The chart below provides detail on the Program Administration request by type of cost.



### STAFFING AND COSTS SUMMARY

The FY 2018 request includes funding for 1,699 FTE, a decrease of 77 FTE from the FY 2017 annualized CR level.

#### **Summary of Personnel Compensation and Benefits (PC&B) and Non-Personnel Costs**

The FY 2018 budget request includes \$270 million for personnel compensation and benefits. The decrease of \$6.2 million from the FY 2017 annualized CR level includes a net decrease of 77 FTE, a proposed 1.9 percent January 2018 pay raise, and other associated benefit increases. The total request for non-personnel activities in FY 2018 is \$168 million, an increase of \$13 million from the FY 2017 annualized CR level. Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, IT, contractual services, equipment, supplies, and other departmental services. The following section provides detailed information on the Department's top priority areas.

#### **Department Priorities**

##### **Providing adequate IT security to protect data and prevent IT security breaches**

The Office of the Chief Information Officer oversees IT projects that provide security for the Department's IT systems.

Several high-profile Governmentwide security breaches resulting in the compromise of sensitive personal data have reinforced the importance of the Department's IT security investments.

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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Key Department IT security systems, most of which are required by statute, Executive Order, OMB guidance, or Governmentwide directive include: 1) Cyber Security Operations, which provides the Department with cyber monitoring and analysis of cyber intrusion, system vulnerabilities, and support for remediation after a breach has occurred; 2) Security Authorization, which supports Department compliance with FISMA requirements, National Institute of Standards and Technology standards, and OMB requirements for IT systems; 3) Information Assurance Enhancement, which consists of critical projects to build, integrate, and maintain advanced network security capabilities to protect, monitor, and respond to cyber threats; 4) Identity Management, which addresses the HSPD-12 requirement to implement two-factor authentication Personal Identity Verification (PIV) cards for all Department employees and support contractors that access Department IT systems; (5) IT Security Training provided to employees and contractors; 6) Enterprise Trusted Internet Connection, which improves the Federal Government's security posture through the reduction and consolidation of Department and Agency-external network connections; and (7) the Federal Information Security Modernization Act of 2014 (FISMA) Reporting Tool, which collects and reports on the security status of the Department's IT systems.

The total request for these projects is \$13.6 million, an increase of \$4.3 million from the FY 2017 annualized CR level.

A portion of IT funding is provided by the Department's other Salaries and Expenses accounts. The total request across all accounts for these projects is \$29.3 million, an increase of \$10 million over FY 2017.

#### Identity Management

The Identity Management (IDM) investment addresses federally mandated security initiatives (Homeland Security Presidential Directive 12 (HSPD-12) and OMB Memorandum 11-11 (M-11-11)) and information security risks associated with both physical and logical access to the Department's information systems and infrastructure. Based on the Department's current inventory, 34 of the Department's non-Federal Student Aid systems must comply with OMB timelines established in M-11-11 and with mandated requirements for standard authentication using PIV cards. The increase of \$1 million over the FY 2017 annualized CR level will enable the Department to fund implementation, testing and deployment of an Enterprise Identity, Credential and Access Management (ICAM) solution to provide services such as single sign on, centralized identity management, automated account management, and centralized policy enforcement to ensure compliance with Federal and Department ICAM requirements. It will also provide application integration support for the transition of IDM infrastructure in concert with the Education Department Utility for Communications, Applications and Technical Environment (EDUCATE) re-compete.

#### Education central automated processing system (EDCAPS)

Funding for EDCAPS comes from the Program Administration and Student Aid Administration accounts.

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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A total of \$7.3 million is requested in FY 2018. The funds support continued operations and enhancement of the EDCAPS core financial system, which includes five major components: G5 (grant making system), the Contracts and Purchasing Support System (CPSS) (contracts and procurement system), the Financial Management Systems Software (FMSS) (general ledger, accounting, reporting, budget execution, funds control), the Integrated Support System, and the Travel System.

In FY 2017, a critical upgrade to the core financial management system Oracle version 11i to Oracle Release 12 (R12) was necessary to prevent security risks to the Department's data. The Department has had to push out the Oracle upgrade and rely on short-term security patches because appropriation levels have not supported the upgrade of the investment. The current system is on extended support at a premium cost to the Department, and patches are no longer an option to keep the system secure. A 2-year effort is currently underway to upgrade the R12 financial system and is currently in the Phase 1 assessment stage which lasts from January 23, 2017 through June 30, 2017. The major activities for this phase include:

- building Linux servers for the sandbox, development, testing, and training environments;
- installing the database environment;
- migrating of data to the Linux Platform;
- installing the R12 application;
- upgrading the R12 application from version 12.2.0 to version 12.2.6;
- performing an assessment of the R12 functions with a comparison to the current 11i version; and
- forming the various teams of subject matter experts into functional subgroups.

The R12 project is scheduled for a total of four phases with Phases 2 and 3 occurring in FY 2018 and Phase 4 occurring in FY 2019.

### Transition to a new network service and IT infrastructure vendor

The Department's EDUCATE network services and IT infrastructure contract expires in November 2017. This contract is the largest dollar value contract funded by the Program Administration account, and is essential to the operations of every single Department office, providing IT hardware, software, network connectivity (including remote network access), data storage, technical support, e-mail, wireless, and mobile phone services.

The Department gathered information from EDUCATE customers to help guide the development of the new contract solicitation. The new Portfolio of Integrated Value-Oriented Technologies (PIVOT) contract is expected to further the Department's effort to leverage cloud and other shared services in an effort to improve efficiency and maximize flexibility, while improving IT service levels and the underlying technology. A continued Department goal is to ensure that the IT platform supports improved services to stakeholders; reduces operational risk; measures and improves performance and accountability; enhances security and privacy; and optimizes, standardizes, and consolidates the information management and technology infrastructure.



## PROGRAM ADMINISTRATION

### Salaries and Expenses

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The PIVOT contract framework will consist of six contracts, including:

Contract	Description	Solicitation Release Date	Planned Award Date
PIVOT - Integrator and End-User Services (I)	Integration and Performance Management, End User Computing and Helpdesk, Unified Communications, Multimedia and Enterprise Security	December 2016  (proposals were received February 2017)	June 2017
PIVOT - Hosting (H)	Data Storage and Systems/Application Hosting	March 2017	Late June 2017
PIVOT - Network (N)	Data Network Management	March 2017	May 2017
PIVOT - Oversight (O)	Program & Project Management Support, IT Performance Monitoring and IT Technical Expertise	April 2017	August 2017
PIVOT - Printers (P)	Printing Services, Scanning and Copier Services	April 2017	July 2017
PIVOT - Mobile Services (M)	Mobile Device procurement, provision and deployment	April 2018	September 2018

Transition from the current vendor to a new vendor(s) is anticipated to take 6 months, and the level of effort will ramp up during that time with 100 percent completion of the transition effort by the end of December 2017. Funding requested under this investment includes only “overlap” and additional costs, including initial costs for the new IT solution, legacy hardware and maintenance agreement buyout, service and knowledge transfer activities, and any overlap costs for all incumbent contract services that must be “shadowed” by the incoming vendor(s). If transition is delayed, the Department would have to renegotiate the EDUCATE contract for month-to-month extensions which would result in expensive unplanned operational expenses. In addition, neither the EDUCATE vendor or the PIVOT vendors would have full operational responsibility for the IT services, and the Department could experience interrupted IT services.

Funding of \$27.8 million is needed in FY 2018 to cover all costs associated with the transition to the new vendor(s) awarded the PIVOT contracts. This amount represents solely the Program Administration account’s share of total costs; the total needed for this investment is \$56.3 million. The balance of the funding needed is included in the budget requests for the Department’s other Salaries and Expenses accounts.

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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#### Continued Development of a new Impact Aid Payment System

The Department is requesting \$2.3 million, an increase of \$2.1 million from the FY 2017 budgeted level, for the redesign of the Impact Aid Payment system. The current system is not 508 compliant, lacks document management functionality to meet records management requirements, and lacks an automated interface with the Department's grant system. In addition, ongoing maintenance has proven to be difficult; the system lacks transparency to the frustration of grantees, and relies on key software components that are no longer supported by vendors (e.g., PowerBuilder). The new system will improve the customer experience for school districts and improve the speed and accuracy with which they receive their funding by reducing the reliance on physical documents, streamlining the e-application process and reduce manual processing, automating transmission of obligation and payment files to the Grants Management System (G5), using current and supported software, and reducing data errors.

#### Other IT Projects

The following section provides additional information on select IT projects.

##### EDWeb

The Department's internet site ([www.ed.gov](http://www.ed.gov)) provides a critical communications link to both its internal and external customers, including grantees, students, parents, educational institutions, Government Agencies, and contractors. The request for maintenance and enhancements in FY 2018 is \$1.5 million, a decrease of \$55,000 below the FY 2017 annualized CR level.

Funds will be used to migrate ed.gov content and applications to cloud-based hosting, as well as to provide regular website enhancements.

##### EDFacts

*EDFacts* is an information management solution of systems and services related to K-12 education performance data. Systems provide web-based data collection, ad hoc and standard reporting, commercial-off-the-shelf software for business process management and meta data collection, a data warehouse centralizing K-12 data with data from other systems, and a commercial software survey. Services provided by *EDFacts* include data supplier conferences, data user and supplier assistance, technical assistance to States, custom reports, and training. *EDFacts* data is centralized with data from other ED investments such as financial grant information. *EDFacts* supports policy and budget decisions with a significant degree of accuracy and timeliness.

In FY 2018, \$12 million is requested for *EDFacts*, an increase of \$7 million from the FY 2017 annualized CR level. Due to budget constraints in FY 2017, the contract period for the *EDFacts* contract was shortened to reduce costs in FY 2017. The funds requested in FY 2018 will be used to provide funding for a full year, enabling the Department to catch up on funding for steady state operations and maintenance costs, making upgrades to the system to tighten its security profile, upgrading the *EDFacts* Metadata Repository for improvements in reference metadata, and creating a summary data mart that builds on prior data quality work.

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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#### Enterprise Risk Management Services and Tools

The Department requests a total of \$900,000 in FY 2018 for the Office of Deputy Secretary, same as the FY 2017 annualized CR level, to fund risk analysis requirements mandated by the OMB grant administrative requirement under Title 2 Grants and Agreements. Funds also will support the inclusion of grants enterprise risk management as an essential element of the Department's performance-based decisions.

Requested funds will continue the operation and improvement of the system for analyzing grant performance information. This work ensures material compliance with expanded risk analysis mandates found in the Uniform Guidance, including integration of OMB-designated databases related to grantee eligibility and integrity, such as the Federal Awardee Performance and Integrity Information System (FAPIIS) and Treasury's Do-Not-Pay Portal, upon OMB validation of source readiness. To expand current activities beyond awardee-level assessment and into enterprise-level risk management, the requested funds will be used for: upgrading Entity Risk Review reports to an automated self-service solution run by the program offices to perform pre-award risk reviews; analysis and reporting of key grant monitoring issues, including missing single audits and financial performance monitoring; and development of tools to automate other grant oversight requirements. It will provide a myriad of program staff-developed reports to support monitoring activities.

#### Online Application System

The Office of Communications and Outreach is developing a new integrated digital service system, the Online Application System (OLAS), to facilitate submission and review of applications for three programs: the U.S. Presidential Scholars Program (PSP), School Ambassador Fellowship program (SAF), and the Student Volunteer Internship program (SVI). The PSP has been using the PSAonline system that is being decommissioned in FY 2017. The system was outdated, needed fixes, and could only handle the PSP program. The fixes and enhancements would have cost more in the long run, than to implement OLAS which can service all three programs, with the flexibility to easily accommodate other similar ED award programs. OLAS is being developed in phases and was partially utilized in FY 2017, with funding from the old system being used for development, maintenance and enhancement of the remaining phases. The FY 2018 request of \$172,000, which is level funded from FY 2017, will pay for the new system's annual licensing fee.

#### **Other Non-Pay**

The Department's FY 2018 request includes little net change in other non-pay items. Funding for these projects includes only minor increases and decreases from FY 2017 in light of the critical increases being requested for information technology. The following section provides additional information on select non-pay projects.

#### Security items for personnel and buildings

A total of \$9.5 million is requested for security-related items including guard services, background investigations, and the implementation of the Continuity of Operations Plan. The Federal Protective Service (FPS) is responsible for setting overall security policy and in

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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determining the costs of security items. The Department works with the FPS and other local and Federal law enforcement organizations to ensure the safety and security of the Department's many buildings, its classified information, and its employees. The Department's security policies and procedures have been implemented in response to General Services Administration and Department of Homeland Security standards, and follow regulations set forth in HSPD-12, FISMA, and a series of Executive Orders. The request is an increase of \$100,000 above FY 2017.

### Overtime utilities

This project funds utilities outside the normal work hours, i.e., after-hour and weekend lighting, heating, and air conditioning costs in buildings occupied by Department personnel. The request in FY 2018 is \$1.3 million, an increase of \$70,000 above the FY 2017 annualized CR level.

### Presidential Scholars Program

This program, started in 1964, recognizes the Nation's most distinguished graduating high school seniors. Each year, the White House Commission on Presidential Scholars selects up to 141 students for this honor. To support this program in FY 2018, \$970,000 is requested, a decrease of \$189,000 from the FY 2017 annualized CR level, resulting from the savings of the OLAS system replacing the retiring PSAonline system.

### Record information management services (RIMS) support services

A total of \$820,000 in FY 2018 will support compliance with Government initiatives regarding the acquisition, release, and maintenance of information. This includes carrying out provisions of the Freedom of Information Act and the Privacy Act. The request is a decrease of \$3,000 from the FY 2017 annualized CR level.

### Randolph-Sheppard arbitrations

A total of \$472,000 is requested in FY 2018 for Randolph-Sheppard arbitrations, the same as the FY 2017 annualized CR level. The Randolph-Sheppard Act authorizes a program to provide gainful employment for individuals who are blind to operate vending facilities on Federal and other property. The Rehabilitation Services Administration is required to administer the arbitration process that involves grievances for blind licensees, hearing and arbitration, non-compliance by Federal Departments and Agencies, and complaints by State licensing agencies. There has been a significant increase in the volume of Randolph-Sheppard arbitration cases, resulting in a growing backlog.

## PROGRAM ADMINISTRATION

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### Building Modernization (DEOA)

(dollars in thousands)

FY 2018 Authorization: Indefinite

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### PROGRAM DESCRIPTION

The Building Modernization activity supports the related expenses necessary for the relocation of Department of Education staff or renovations of Department of Education buildings within the Washington, D.C. metropolitan area and in several regional offices.

Funding levels for the past 5 fiscal years were:

Fiscal Year	(dollars in thousands)
2013 .....	0
2014 .....	0
2015 .....	0
2016 .....	\$1,000
2017 .....	0 <sup>1</sup>

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<sup>1</sup> The 2017 Appropriation Act provided authority for up to \$1 million to remain available in Building Modernization, until expended, for relocation of, and renovation of buildings occupied by Department Staff. The Department chose not to use the authority due to the need to use the \$1 million in the Program Administration Account.

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### FY 2018 BUDGET REQUEST

In FY 2016, President Obama called on all Government Agencies to utilize their space more efficiently. Presidential and OMB Memorandums, such as “Reduce the Footprint,” directed Agencies to reduce the total square footage of their domestic office and warehouse inventory. In response, the Department developed a multi-year plan for space reduction and consolidation, and identified space savings through the expansion of telework, more efficient workspaces, and elimination of unneeded space. Rent is a large “fixed” cost that cannot be sustained in an era of declining appropriations, and teleworking offers the opportunity to reduce space costs.

In order to produce immediate rent savings, in FY 2016 the Department implemented a Rapid Rent Reduction (R3) short-term strategy to mitigate the impacts of budget constraints. Under this plan, the Department vacated expensive leased space in three buildings, and moved over 800 employees into smaller, less expensive space. These moves all occurred in the

## PROGRAM ADMINISTRATION

### Building Modernization

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Department's Washington, D.C. location. In order to implement this strategy in the shortest timeframe possible, the moves were mostly limited to existing space, space not necessarily optimized for telework or for the Department's long-term workspace model (which reduces the average workspace size).

The Department's multi-year plan to reduce its total square footage and rental costs also includes the following steps:

1. Modernizing the LBJ Federal building to include smaller workstations, hoteling space, and other space efficiencies. This work, including build-out, has already begun on the 2<sup>nd</sup> floor.
2. Reducing space currently occupied in the PCP building. Corresponding with the lease expiration for PCP (in 2018), the Department is planning to consolidate existing space into a location with 220,000 square feet, representing a space reduction of over 50 percent. GSA submitted a lease prospectus to Congress in July 2014 with these specifications.
3. Reducing space at regional locations. These opportunities coincide with the expiration of the current building leases. Plans to reduce regional space include Chicago and Dallas (in 2018), and New York (in 2020).

The Administration requests no new funding for Building Modernization in FY 2018. The request reflects the tough decisions needed to achieve the President's goal of increasing support for national security and public safety without adding to the Federal budget deficit.

The Department will utilize funds carried over into 2017 for the following actions to help consolidate space and reduce the Department's overall footprint.

(dollars in thousands)

Description	2017 Carryover
LBJ modernization project 2 <sup>nd</sup> floor West move services	\$12
LBJ modernization project 2 <sup>nd</sup> floor East move services	9
LBJ modernization project 2 <sup>nd</sup> floor Sub-basement furniture	46
LBJ modernization project 2 <sup>nd</sup> floor West filing system furniture	2
LBJ modernization project IT services	10
Total	79

## PROGRAM ADMINISTRATION

### Full-time Equivalent Employment by Office

OFFICE	2016	2017	2018	Change from 2017 to 2018
Advisory Committee on Student Financial Assistance	0	0	0	0
Career, Technical, and Adult Education	68	73	70	-3
Chief Information Officer	117	111	106	-5
Chief Financial Officer	142	145	138	-7
Communications and Outreach	104	89	79	-10
Deputy Secretary	41	36	33	-3
Elementary and Secondary Education	237	213	204	-9
English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students	18	16	16	0
General Counsel	91	88	82	-6
Innovation and Improvement	91	72	67	-5
Institute of Education Sciences	189	180	168	-12
Legislation and Congressional Affairs	18	14	11	-3
Management	194	187	178	-9
Planning, Evaluation, and Policy Development	80	74	64	-10
Postsecondary Education	147	137	122	-15
Secretary	101	118	160	42
Special Education and Rehabilitative Services	213	204	192	-12
Under Secretary	37	19	9	-10
Total	1,888	1,776	1,699	-77

NOTE: The Office of the Secretary's FY 2018 FTE level reflects an increase of Schedule C employees occurring over the next several months as the new Administration's team arrives. Many of these employees will ultimately move to other Department offices to fill key leadership positions.

**PROGRAM ADMINISTRATION**

**Summary of Budget Authority by Principal Office**  
(dollars in thousands)

OFFICE	2016 BA	2017 Annualized CR	2018 Request	Change from 2017 to 2018
Advisory Committee on Student Financial Assistance	\$13	0	0	0
Career, Technical, and Adult Education	10,888	\$11,726	\$11,529	-\$197
Central Information Technology	43,469	53,090	53,913	823
Central Support	70,502	68,877	72,446	3,569
Chief Information Officer	19,508	19,233	18,431	-802
Chief Financial Officer	25,437	25,642	24,919	-723
Communications and Outreach	19,279	16,900	15,549	-1,351
Deputy Secretary	9,333	7,740	7,281	-459
Elementary and Secondary Education	35,811	34,679	35,656	977
English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students	2,615	2,431	2,508	77
General Counsel	16,120	15,886	15,146	-740
Innovation and Improvement	13,303	11,317	10,610	-707
Institute of Education Sciences	39,445	35,118	40,449	5,331
Legislation and Congressional Affairs Management	2,550	1,980	1,574	-406
Planning, Evaluation, and Policy Development	29,105	27,714	27,021	-693
Postsecondary Education	13,300	12,905	11,541	-1,364
Secretary	22,163	21,297	19,524	-1,773
Secretary	17,584	28,012	35,813	7,801
Special Education and Rehabilitative Services	35,286	33,017	31,880	-1,137
Under Secretary	6,289	3,615	2,210	-1,405
<b>Total Budget Authority</b>	<b>432,000</b>	<b>431,179</b>	<b>438,000</b>	<b>6,821</b>

NOTES: FY 2016 includes Building Modernization in Central Support (no funds in Building Modernization in FY 2017 and FY 2018).