

**Department of Education**  
**PROGRAM ADMINISTRATION**  
**Fiscal Year 2019 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, \$459,257,000, of which up to \$26,751,000, to remain available until expended, may be for relocation of, and renovation of buildings occupied by Department staff.<sup>1</sup>

### NOTES

A full year 2018 appropriation for this account was not enacted at the time the fiscal year 2019 Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2018 (Division D of P.L. 115-56, as amended). The amounts included for 2018 reflect the annualized level provided by the continuing resolution.

Each language provision that is followed by a footnote reference is explained in the Analysis of Language Provisions and Changes document, which follows the appropriation language.

**PROGRAM ADMINISTRATION**

**Analysis of Language Provisions and Changes**

Language Provision	Explanation
<u>1...of which up to \$26,751,000, to remain available until expended, may be for relocation of, and renovation of buildings occupied by Department staff:</u>	This language provides for the funds to remain available until expended for relocation of and renovations of buildings occupied by Department staff.

**PROGRAM ADMINISTRATION**

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

Appropriation and Adjustments	2017	2018 Annualized CR	2019
Discretionary budget authority:			
Appropriation .....	\$432,000	\$432,000	\$459,257
Across-the-board reduction .....	<u>0</u>	<u>-2,934</u>	<u>0</u>
Subtotal, discretionary appropriation .....	432,000	429,066	459,257
Unobligated balance, start of year .....	79	109	0
Recovery of prior-year obligations .....	437	0	0
Unobligated balance expiring .....	-552	0	0
Unobligated balance, end of year .....	<u>-109</u>	<u>0</u>	<u>0</u>
Total, direct obligations .....	431,855	429,175	459,257

## PROGRAM ADMINISTRATION

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

Object Class	2017 Actual	2018 Annualized CR	2019 Request	Change from 2018 to 2019
11.10 Full-time permanent	\$188,271	\$194,987	\$189,107	-\$5,880
11.31 Full-time temporary	14,224	1,319	3,802	2,483
11.32 Part-time	2,300	0	0	0
11.33 Consultants	220	0	0	0
11.51 Overtime	438	354	415	61
11.52 Awards	2,445	2,525	2,525	0
11.8 Other compensation	<u>129</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal, Personnel Comp.	208,027	199,185	195,849	-3,336
12.00 Benefits	64,455	63,808	63,040	-768
12.15 Student Loan Repayment	0	60	60	0
13.10 Benefits for former personnel	<u>539</u>	<u>1,568</u>	<u>340</u>	<u>-1,228</u>
Subtotal, Benefits	64,994	65,436	63,440	-1,996
21.00 Travel	2,252	3,695	4,028	333
22.00 Transportation of things	5	1	1	0
23.10 Rental Payments to GSA	32,989	36,328	41,977	5,649
23.31 Communications	531	513	949	436
23.32 Postage/fees	<u>26</u>	<u>175</u>	<u>124</u>	<u>-51</u>
Subtotal, 23	33,546	37,016	43,050	6,034
24.00 Printing & Reproduction	938	875	938	63
25.10 Advisory and Assistance Svcs	3,701	2,372	2,333	-39
25.21 Other Services	14,529	17,399	21,760	4,361
25.22 Training/Tuition/Contracts	1,095	2,209	2,894	685
25.23 Field Readers	23	0	0	-0
25.30 Goods/Services from Gov't	23,819	23,076	23,387	311
25.40 Operations/Maint of Facilities	0	0	0	0
25.71 Operations/Maint of Equipment	785	1,443	1,443	0
25.72 IT Services/Contracts	<u>76,630</u>	<u>72,127</u>	<u>75,491</u>	<u>3,364</u>
Subtotal, 25	120,582	118,626	127,308	8,682
26.00 Supplies	394	503	511	8
31.01 IT Equipment/Software	593	278	353	75
31.03 Other Equipment	<u>295</u>	<u>3,032</u>	<u>1,251</u>	<u>-1,781</u>
Subtotal, 31	888	3,310	1,604	-1,706
32.00 Building Alterations	219	528	22,528	22,000
42.2 Settlement of Claims former Employees	10	0	0	0
43.01 Prompt Payment Interest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total, Obligations	431,855	429,175	459,257	30,082
Total, Pers. Comp. & Ben.	273,021	264,621	259,289	-5,332
Total, Non-Personnel	158,834	164,554	199,968	35,414

**PROGRAM ADMINISTRATION**

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

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2018.....	\$429,066
2019.....	<u>459,257</u>
Net Change.....	+30,191

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<b>Increases:</b>	2018	Change from
	<u>Annualized CR</u>	<u>Annualized CR</u>
<u>Built in:</u>		
Increase in rent for annual increases for tax and operating cost escalations.	\$36,328	+\$5,649
<u>Program:</u>		
Increase in overtime.	354	+61
Increase in travel.	3,695	+333
Increase in training.	2,209	+685
Increase in printing and supplies.	1,378	+71
Increase in communications for the OSEP GRADS 360 database.	513	+436
Increase in other services for the new Teacher Recognition Ambassador program.	0	+1,400
Increase in other services for design services for Dallas and New York regional offices renovation, PCP, LBJ 5 <sup>th</sup> floor and 3 <sup>rd</sup> through 7 <sup>th</sup> floor headquarters modernization.	0	+3,070
Increase in goods/services from the Government, primarily for security rent and Federal Personnel and Payroll System.	23,076	+311
Increase in IT technology service/contracts primarily for Enterprise Cybersecurity.	72,127	+3,364
Increase in IT technology equipment/software, primarily for the Database management system (Asset Management).	278	+75
Increase in building alterations, primarily LBJ 5 <sup>th</sup> , 3 <sup>rd</sup> - 7 <sup>th</sup> floors and PCP headquarters offices, and Dallas, New York regional offices modernization.	0	<u>+22,000</u>
Subtotal, increases		+37,455

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## PROGRAM ADMINISTRATION

### Summary of Changes (dollars in thousands)

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<b>Decreases:</b>	2018	Change from
	<u>Annualized CR</u>	<u>Annualized CR</u>
<u>Built in:</u>		
Net decrease in personnel compensation due lower FTE.	\$193,306	-\$3,397
Net decrease in benefits due to lower FTE.	65,436	-1,996
<u>Program:</u>		
Decrease in postage.	175	-51
Decrease in advisory and assistance services.	2,372	-39
Decrease in other equipment.	3,032	<u>-1,781</u>
Subtotal, decreases		-7,264
Net Change		+30,191

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**PROGRAM ADMINISTRATION**

**Authorizing Legislation**  
(dollars in thousands)

Activity	2018 Authorized	2018 Annualized CR	2019 Authorized	2019 Request
Salaries and Expenses (DEOA)	Indefinite	\$429,066	Indefinite	\$432,506
Building Modernization (DEOA)	<u>Indefinite</u>	<u>0</u>	<u>Indefinite</u>	<u>26,751</u>
Total appropriation		429,066		459,257



## PROGRAM ADMINISTRATION

### Appropriations History (dollars in thousands)

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Year	Budget Estimate to Congress	House Allowance	Senate Allowance	Appropriation
2010	\$456,500	\$452,200	\$452,200 <sup>1</sup>	\$456,200
2011	492,488	465,000 <sup>2</sup>	492,488 <sup>1</sup>	455,288 <sup>3</sup>
2012	479,038	449,815 <sup>4</sup>	449,074 <sup>4</sup>	446,259
2013	448,470	446,259 <sup>5</sup>	448,470 <sup>5</sup>	430,605
2014	430,605	N/A <sup>6</sup>	422,917 <sup>1</sup>	422,917
2015	442,000	N/A <sup>6</sup>	426,917 <sup>7</sup>	411,000
2016	474,089	410,000 <sup>8</sup>	391,326 <sup>8</sup>	432,000
2017	474,827	432,000 <sup>9</sup>	432,000 <sup>9</sup>	432,000 <sup>9</sup>
2018	429,066	287,157 <sup>10</sup>	430,000 <sup>10</sup>	429,066 <sup>10</sup>
2019	459,257			

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<sup>1</sup> The level for the Senate allowance reflects Committee action only.

<sup>2</sup> The level for the House allowance reflects the House-passed full-year continuing resolution.

<sup>3</sup> The level for appropriation reflects the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10).

<sup>4</sup> The level for the House allowance reflects an introduced bill and the level for the Senate allowance reflects Senate Committee action only.

<sup>5</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>6</sup> The House allowance is shown as N/A because there was no Subcommittee action.

<sup>7</sup> The level for the Senate allowance reflects Senate Subcommittee action only.

<sup>8</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>9</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.

<sup>10</sup> The levels for the House reflect floor action on an Omnibus appropriation bill; Senate allowances reflect Committee action on the regular annual 2018 appropriations bill; the Appropriation reflects the annualized Continuing Resolutions level.

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## PROGRAM ADMINISTRATION

### Significant Items in FY 2018 Appropriations Report

#### Education Costs Related to Illegal Immigration

**House:** The Committee requests an update to the report submitted to Congress by the Department of Education on the topic as it appears in the explanatory statement accompanying division H of the Consolidated Appropriations Act, 2016 (P.L. 114-113).

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

[Click here for accessible version](#)

DEPARTMENT OF EDUCATION FISCAL YEAR 2019 PRESIDENT'S BUDGET  
(in thousands of dollars)

	Category Code	2017 Appropriation	2018 Annualized CR	2019 President's Budget	2019 President's Budget Compared to 2018 Annualized CR Amount	Percent
<b>Program Administration (DEOA)</b>						
1. Salaries and expenses	D	432,000	429,066	432,506	3,440	0.80%
2. Building Modernization	D	0	0	26,751	26,751	---
Total		432,000	429,066	459,257	30,191	7.04%

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

(Department of Education Organization Act)

(dollars in thousands)

FY 2019 Authorization: Indefinite

Budget Authority:

	<u>2018</u> <u>Annualized CR</u>	<u>2019</u> <u>Request</u>	<u>Change from</u> <u>Annualized CR</u>
Personnel Compensation and Benefits Costs	\$264,621	\$259,289	-\$5,332
Non-Personnel Costs	<u>164,445</u>	<u>173,217</u>	<u>+8,772</u>
Total	\$429,066	432,506	+3,440
FTE	1,648	1,615	-33

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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)
2014 .....	422,917
2015 .....	418,260 <sup>1</sup>
2016 .....	431,000
2017 .....	432,000
2018 .....	429,066

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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 2019 BUDGET REQUEST

The Department is requesting \$432.5 million for the fiscal year 2019 Salaries and Expenses budget, which is \$3.4 million over the fiscal year 2018 Annualized CR level. Appropriations for the Program Administration account have declined significantly in recent years; the Department is operating with less money in fiscal year 2018 than it did in 2010, despite increases in pay rates, inflation, physical and information technology (IT) security needs, and other Government requirements that stem from recent IT security breaches in other Federal agencies and the private sector. 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.

After the Departments of Defense, Veterans Affairs, and Health and Human Services, ED has the fourth largest discretionary budget of any federal agency. When comparing federal civilian employment in the executive branch, ED's workforce is smaller than all other Cabinet agencies.

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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While this budget submission highlights many of the cost reducing measures that ED has already implemented, it also highlights that any additional workforce reductions must be considered carefully to ensure that effectiveness will not be compromised.

On March 13, 2017, the President signed Executive Order 13781, “Comprehensive Plan for Reorganizing the Executive Branch” (EO), directing the Office of Management and Budget (OMB) to submit a comprehensive plan to reorganize Executive Branch departments and agencies. On April 12, 2017, OMB issued a “Memorandum for Heads of Executive Departments and Agencies” (OMB memo) providing guidance on implementing the EO.

To respond to the Executive Order (EO), ED took a number of short term steps to ensure that its positions are dedicated to mission critical work. In fiscal year 2017, the Program Administration budget supported 1,753 Full-Time Equivalents (FTE) Employment. The fiscal year 2018 Annualized CR level includes funding to support 1,648 FTE, a decrease of 105 FTE, addressing ED’s core responsibilities.

Given the uncertainty of final fiscal year 2018 appropriations levels, ED has taken meaningful steps to achieve this FTE reduction. First, the Secretary made the decision to extend the government-wide hiring freeze until the end of fiscal year 2018, which has already resulted in a reduced workforce. ED has also taken great care to ensure that exceptions to the hiring freeze are for positions that perform or protect the most critical work and data of ED. It has also prioritized positions for high performing, but less costly positions, including Presidential Management Fellows (PMFs), Pathways, and merit promotion opportunities available for GS-13s and below. Offices that have higher attrition rates than ED’s average have been prioritized in the Department’s limited hiring exception process. Additional rounds of the hiring exception process will occur in fiscal year 2018, with exception approvals assumed to occur at rates slightly higher than the first round completed in fiscal year 2017.

In addition to the hiring freeze, ED has reduced the number of political appointees in its budget—typically about 150 FTE, including in fiscal year 2016, to 100.

ED offered a Voluntary Early Retirement Authority (VERA)/Voluntary Separation Incentive Payment (VSIP) at the beginning of fiscal year 2018 and 69 employees accepted. In general, buyout positions may be backfilled, but generally at lower grades and after a time lag to allow for fiscal year 2018 salary savings to materialize.

The Department recently reviewed several key work functions that are managed by a number of ED offices. This review will help determine whether the identified functions should be consolidated, whether there were non-core, non-essential activities performed by ED staff that could be eliminated and, in conjunction with the federal property review, and whether ED could consolidate building space in its regional offices and Potomac Center Plaza (PCP) in Washington, D.C.

ED’s Agency Reform Plan aims to improve services to the public and to strengthen the support ED provides to states, districts, and postsecondary institutions in their efforts to provide a high-quality education to all students. ED can better serve the public by providing regulatory relief

## PROGRAM ADMINISTRATION

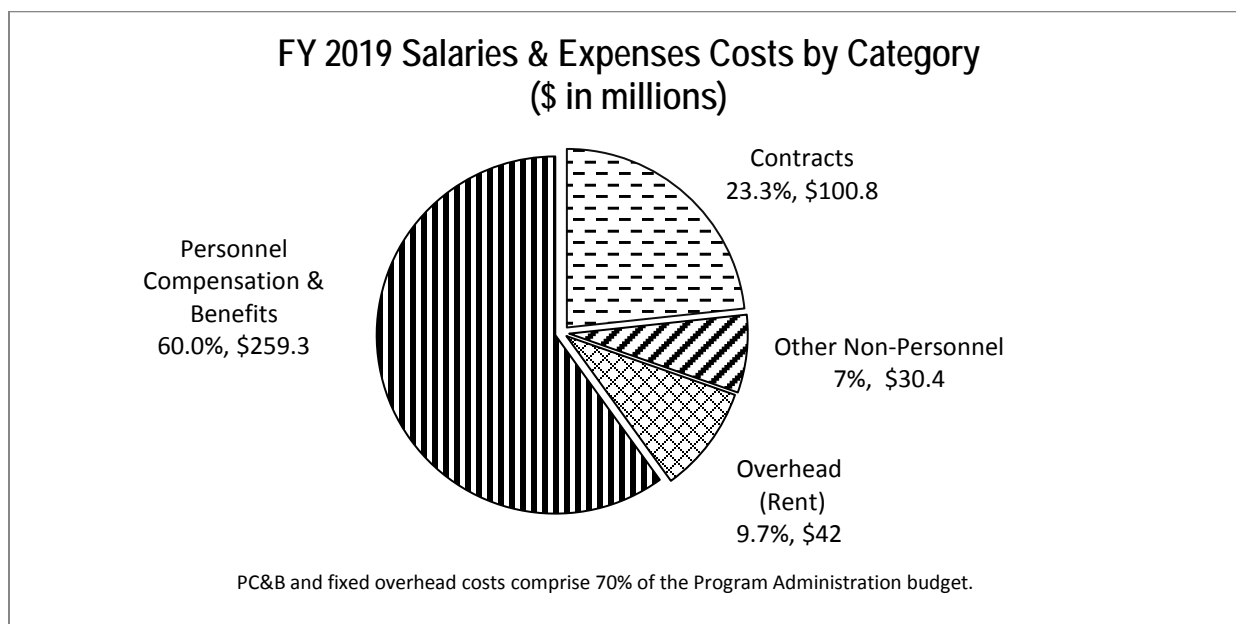
### Salaries and Expenses

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and by improving its decision-making processes and by identifying whether areas of duplication, inefficiency, or misalignment with mission exist.

The Department is in the process of reviewing the FTE implications associated with its Agency Reform Plan. In the interim, the Program Administration budget submission assumes that a hiring freeze (with a managed exception process) continues for employees funded by the Program Administration account, resulting in 33 fewer FTEs from the fiscal year 2018 Annualized CR level.

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



### STAFFING AND COSTS SUMMARY

The fiscal year 2019 request includes funding for 1,615 FTE, a decrease of 33 FTE below the fiscal year 2018 level.

#### Personnel Compensation and Benefits (PC&B) Costs

The fiscal year 2019 request includes \$259.3 million for Personnel Compensation and Benefits to support 17 departmental offices. This is a decrease of \$5.3 million below the fiscal year 2018 Annualized CR level. The fiscal year 2019 budget request includes a net decrease of 33 FTE.

Staffing levels are at historical lows, with many vacancies being consolidated with existing positions. The Department continues to operate under a full hiring freeze, with limited hiring exceptions granted for only the most critical positions. A 10-year history of staffing is shown in the following table.

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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#### Program Administration FTE Usage (Fiscal Year 2010 – FY 2019)

FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 Est.	FY 2019 Est.
2,024	2,128	2,053	1,942	1,898	1,912	1,888	1,753	1,648	1,615

#### Non-Personnel Costs

The total request for Non-Personnel activities for fiscal year 2019 is \$173.2 million, an increase of \$8.7 million over the fiscal year 2018 Annualized CR level. Non-Personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, Information Technology (IT), contractual services, equipment, supplies, and other overhead departmental services.

#### Departmental Centralized Services

Approximately 71 percent of the total non-personnel budget request is to cover Program Administration's share of the Department's centralized services. The centralized services request totals \$123.1 million for fiscal year 2019, an increase of \$6.2 million over the fiscal year 2018 Annualized CR level. The major centralized service items include overhead costs for: rent to the U.S. General Services Administration (GSA), interagency agreements for services such as payroll processing, guard services, background security investigations, communications, and IT services and contracts. The communications and IT amounts will be used primarily for the Department IT contracts, which cover IT equipment, telecommunications, IT processing services, network support, end-user support, maintenance, and improvements.

The following section provides detailed information on the Department's top priority areas.

#### Department Priorities

##### Information Technology (IT) – Centralized services

##### *IT SECURITY*

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.

The Enterprise Cybersecurity Program (ECP) activities and investment goals include:

- Enhanced protection of Educations (ED) high value assets (HVAs);
- Robust implementation of the Cybersecurity Framework functions (Identify, Protect, Detect, Respond, Recover);



## PROGRAM ADMINISTRATION

### Salaries and Expenses

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- Improved situational awareness;
- Enhanced network monitoring;
- Timely incident response;
- Consistent and formal security authorizations for all FISMA information systems;
- Timely mitigation of vulnerabilities to acceptable risk levels; and,
- Updated documentation of ECP policies, processes and procedures. This investment also supports a Departmental risk-based security authorization approach via National Institute of Standards and Technology (NIST) guidelines.

The scope of ECP investments is primarily focused on improving security for the Department's primary network infrastructure (Portfolio of Integrated Value-Oriented Technologies (PIVOT)) and the applications and systems that are hosted on that primary network infrastructure, and/or hosted in the Federal Student Aid (FSA) Virtual Data Center. One of the significant challenges that ED will work to address is that the large number of ED applications and information technology (IT) systems currently externally hosted at contractor managed sites across the country are fully compliant with Federal and ED cybersecurity and privacy policy and guidelines.

The total request for these projects is \$16.8 million, an increase of \$2.2 million over the fiscal year 2018 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 \$35 million.

### ***EDCAPS***

Funding for Education Central Automated Processing System (EDCAPS) comes from the Program Administration and Student Aid Administration accounts.

The funds support continued operations and enhancement of the EDCAPS core financial system, which includes five major components:

- G5 (grant making system);
- Contracts and Purchasing Support System (CPSS) (contracts and procurement system);
- Financial Management Systems Software (FMSS) (general ledger, accounting, reporting, budget execution, funds control);
- Integrated Support Services; and
- Travel System.

In fiscal year 2017, a critical upgrade to the core financial management system, from Oracle Financials version 11i to Oracle Financials Release 12 (R12) was started in order to prevent security risks to the Department's data and to continue receiving regular support from Oracle. The Department had to delay the Oracle upgrade and rely on short-term security patches because appropriation levels have not supported the upgrade of system. 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 two year effort is currently underway to upgrade the financial system to R12.

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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The Phase 1 assessment stage began on January 23, 2017 and was completed on June 30, 2017. Major activities during this phase included:

- 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 in a development environment;
- 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 Phase 2 Upgrade activities started immediately upon completion of Phase 1 and will continue through deployment, which is scheduled for November 2018. Major activities in this phase include:

- Configuring Applications for Payments, Vendors, Accounts Receivable, Accounts Payable, Federal Administrator, Purchasing, General Ledger, and Sub-ledger Accounting;
- Developing the interfaces to FMSS for the G5 Grants Management System, the Contracts and Purchasing Support System (CPSS), the FSA FMS, the E2 travel system, the Nortridge system, and Hyperion Budget planning system;
- Creating the Communication Plan, the Training Approach and Curriculum, and the Applications and Integration Test Plan;
- Establishing User Acceptance Test Environment and the Performance Test Environment;
- Executing of Conference Room Pilots (CRPs) 1 - 3. CRPs provide an opportunity for stakeholders to experience and comment on the system functions prior to finalization of the configurations;
- Developing financial reports including the Department-wide financial statements;
- Configuring all security and system alert features;
- Incorporating new R12 features into the business functions;
- Developing ADI capabilities;
- Establishing the Production Environment;
- Performing integration testing, performance testing, End-to End testing;
- Executing a mock cut-over;
- Performing User Acceptance Testing;
- Executing cut-over.

The Program Administration request for these projects is \$5.9 million. 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 \$12.1 million.

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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#### **PIVOT**

The Portfolio of Integrated Value-Oriented Technologies (PIVOT) contracts are scheduled to replace the Department's EDUCATE network services and IT infrastructure contract, which expired in November 2017 with the option to extend services through May 2018. This contract is the largest dollar value contract funded by the Program Administration account, and is essential to the operations of every Department office, providing IT hardware, software, network connectivity (including remote network access), data storage, technical support, email, wireless, and mobile phone services.

The Department gathered information from EDUCATE customers to help guide the development of the new contract solicitation. The PIVOT contracts are 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.

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

Portfolio of Integrated Value-Oriented Technologies (PIVOT) Contract			
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)	February 2018
PIVOT - Hosting (H)	Data Storage and Systems/Application Hosting	March 2017  (proposals were received June 2017)	February 2018
PIVOT - Network (N)	Data Network Management	June 2018	December 2018
PIVOT - Oversight (O)	Program & Project Management Support, IT Performance Monitoring and IT Technical Expertise	August 2017	September 2017  <b>AWARDED</b>
PIVOT - Printers (P)	Printing Services, Scanning and Copier Services	October 2017	February 2018
PIVOT - Mobile Services (M)	Mobile Device procurement, provision and deployment	March 2018	July 2018

## **PROGRAM ADMINISTRATION**

### **Salaries and Expenses**

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Funding of \$26.8 million is budgeted for fiscal year 2019 for the PIVOT contracts, which is the same as the fiscal year 2018 Annualized CR level. This amount represents solely the Program Administration account's share of total costs; the total budgeted for this investment is \$52.1 million. The balance of the funding needed is included in the budget requests for the Department's other Salaries and Expenses accounts.

### **Department Priority**

#### **Information Technology (IT) – Non-Centralized Services**

##### ***Impact Aid Payment System***

The Department is requesting \$1.5 million in fiscal year 2019 for the final year of 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 Impact Aid system will add capabilities to meet higher security requirements and additional business needs that are not available with the legacy system. This 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. The Department has undertaken the Impact Aid System Redevelopment project to reduce operation and maintenance costs, while adapting a new solution with the capability of satisfying current business, functional and technical requirements now and into the future.

#### **Other Information Technology (IT) – Centralized services**

##### ***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 fiscal year 2019 is \$1.7 million, same as the fiscal year 2018 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.

#### **Other Information Technology (IT) – Non-Centralized Services**

##### ***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

## PROGRAM ADMINISTRATION

### **Salaries and Expenses**

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reporting, commercial-off-the-shelf software for business process management and metadata 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 fiscal year 2019, \$11.2 million is requested for *EDFacts*. Due to budget constraints, the *EDFacts* contract was only partially funded during fiscal year 2017. The funds requested in fiscal year 2018 and fiscal year 2019 will be used to cover the shortfall and to help catch up on funding for steady state operations and maintenance costs, to continue system upgrades to tighten the security profile and respond to data submission innovations gaining interest among the states, to upgrade the *EDFacts* Metadata Repository for improvements in reference metadata, and to continue to enhance data quality and privacy processes.

### ***Enterprise Risk Management Services and Tools***

The Department requests a total of \$1.5 million for fiscal year 2019 for the Enterprise Risk Management Services and Tools project, an increase of \$600,000 over the fiscal year 2018 Annualized CR level. The increase in funding will be used to improve the existing Risk Management tools used by ED's grant-making offices by developing the Tool to Access Grantee Risk (TAGR). This tool will be developed per user requirements and will help provide enhanced functionality. Funds will also be used to leverage evidence-based data exploitation methodologies in social media and text mining to expand the Department's data-driven management of risks to principal offices and grantees' performance. In addition, funds are requested to perform risk analysis requirements mandated by the OMB grant administrative requirement under Title 2 Grants and Agreements. Funds also will support actionable, automated risk management services and tools, including: pre-award reports assessing the risks posed by prospective grantees; business intelligence for ED's grant-making, grants programs, states, and grantees; data visualization; and principal office component calculations to inform risk-based program monitoring plans.

The intended result of this investment is proactive management of inherent risks present in the performance of federal direct assistance to minimize or mitigate risk of fragmentation, duplication, overlap, non-compliance, fraud, waste, and abuse by ED and its grantees.

### ***Online Application System***

The Office of Communications and Outreach developed 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). Fiscal year 2018 costs are to operate and maintain the implemented solution and complete production implementations for any remaining programs. By the end of fiscal year 2018, OLAS will be fully deployed. The fiscal year 2019 request of \$154,000 is a decrease of \$29,000 below the fiscal year 2018 Annualized CR level.

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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#### ***OSEP GRADS 360 and Customer Service Database***

The OSEP GRADS 360 and Customer Service Database (OCSD) purpose is to develop and maintain an online automated environment that will: (1) allow OSEP to more efficiently and effectively administer the \$12.2 billion IDEA formula grant program; (2) reduce the associated reporting burden for grantees (SEAs and State Departments of Health); and (3) increase transparency for the public and our key stakeholder groups. The fiscal year 2019 funding request is \$877,000, an increase of \$429,000 over the fiscal year 2018 Annualized CR level, to complete full implementation of the online automated system.

#### **Non-Personnel Costs – Non-Information Technology (IT)**

The Department's fiscal year 2019 request includes little net change in other non-pay items. Funding for these projects includes only minor increases and decreases from the fiscal year 2018 Annualized CR level 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 \$18.5 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 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 \$605,000 above the fiscal year 2018 Annualized CR level for access security equipment and for HSPD-12 PIV system.

#### ***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 161 students for this honor. To support this program in fiscal year 2019 for the anticipated cost increase for the contract renewal, \$792,000 is requested, an increase of \$22,000 over the fiscal year 2018 Annualized CR level.

#### ***Teacher Recognition Ambassador Program***

The Department requests \$1.4 million for a new Teacher Recognition Ambassador Program. The program will honor teachers in elementary and secondary schools that make significant progress in closing achievement gaps. The Teacher Recognition program request is on par with similar Department programs like Blue Ribbon Schools.

## PROGRAM ADMINISTRATION

### Salaries and Expenses

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#### *Randolph-Sheppard Arbitrations*

A total of \$472,000 is requested for fiscal year 2019 for Randolph-Sheppard arbitrations, the same as the fiscal year 2018 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 over the last few fiscal years.

## PROGRAM ADMINISTRATION

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### Building Modernization (Department of Education Organization Act)

(dollars in thousands)

FY 2019 Authorization: Indefinite

Budget Authority:

<u>2018</u> <u>Annualized CR</u>	<u>2019</u> <u>Request</u>	<u>Change from</u> <u>Annualized CR</u>
\$0	\$26,751	+\$26,751

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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)
2014 .....	0
2015 .....	0
2016 .....	\$1,000
2017 .....	0 <sup>1</sup>
2018 .....	0

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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 Salaries and Expenses Account.

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### FY 2019 BUDGET REQUEST

The Department is requesting a total of \$26.8 million for fiscal year 2019. The Department is actively working to utilize space more efficiently. In recent years the Presidential and OMB Memorandums, "Reduce the Footprint," directed Agencies to reduce the total square footage of their domestic office and warehouse inventory. In response, the Department developed a comprehensive program to modernize and reduce occupied space, while improving efficiencies and utilization rates through 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, or even level, appropriations, and



## PROGRAM ADMINISTRATION

### Building Modernization

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teleworking offers the opportunity to reduce space costs. The primary goal is to reduce the Department's space footprint and associated out-year costs.

A total of \$26.8 million is requested in fiscal year 2019 for Building Modernization, with a goal of reducing Department rent costs beginning in fiscal year 2020 and into the out years. Given the importance of this effort, GSA is also requesting funding in its Budget request to reduce overall ED rent by an estimated \$11.2 million annually. With the reduction in staffing and Program Administration funding over the past 5 years, this funding is imperative to ensure that ED's space is utilized in the most efficient manner possible and that taxpayer resources are focused on the operating costs that allow the Department to better serve students and their parents. As the Potomac Center Plaza (PCP) lease is soon set to expire, the FY 2019 request would ensure that the Department pursues all avenues possible to avoid spending more of its operating resources on rent increases.

The funds requested in fiscal year 2019 are for the following purposes.

#### Headquarters Offices and Construction:

- **LBJ 5<sup>th</sup> floor modernization and consolidation:** This project will double the density/utilization rate of the 5<sup>th</sup> floor at LBJ, which will provide space for the relocation of staff from another floor in the building – vacating the space for renovation.
- **LBJ Modernization 3<sup>rd</sup> through 7<sup>th</sup> Floors:** Following the completion of the 5<sup>th</sup> floor at LBJ, the remaining floors will be reconfigured and consolidated, doubling the density/utilization, and enabling the relocation of all staff from PCP space to LBJ (except for OCIO, OIG, and OM/OHA), by year 2023. This will result in a much smaller footprint at PCP (or replacement lease location), and will reduce overall ED rent an estimated \$11.2 million annually.
- **PCP Lease Expiration:** The GSA lease (and ED Occupancy Agreement) at the current PCP location is at the end of its term with a lease expiration in March 2020, and will require a competitive procurement for a new lease.
  - GSA has negotiated a short term lease extension, to allow for the procurement process, which is underway. Whether at the existing location or a new building, the new lease will be for a somewhat smaller space than currently utilized.
  - The Department is in negotiations with GSA to delay any increase in LBJ rent charges until the Department is able to reduce space at PCP, in order to avoid any early rent increases before significant savings can be realized.
  - As LBJ renovated space becomes available, space at PCP (or the new location) will be reduced further, until only OCIO, OIG, and OM/OHA remain in the leased location, at a similar density/utilization rate as the renovated LBJ space.
  - Funds will pay for modernization of space that will be part of the new lease in the existing or for a very limited, “barebones” buildout (i.e., primarily furniture with very few walls) at a new location, anticipating relocation of most staff to LBJ.

## PROGRAM ADMINISTRATION

### Building Modernization

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#### Regional Offices and Construction:

- **Dallas Regional Office:** The March 2020 lease expiration in Dallas requires a competitive procurement for a new lease with project completion by the end of the lease expiration date. Within an overall framework of increasing efficiency of ED's Regional Offices, additional vacant positions will be relocated from other Regions, allowing the release of leased space in other locations. In addition, the density/utilization rate of the Dallas space will be more than doubled from its current capacity, which will result in rent reductions of roughly \$750,000 annually – even with the addition of more staff.
- **Chicago Regional Office:** Construction will begin shortly on Chicago relocation/consolidation. The remaining costs for fiscal year 2019 are for moving costs and costs related to clean out of old space. The increased density/utilization rate in Chicago will result in a rent reduction of approximately \$2 million annually.
- **New York Regional Office:** The current lease in New York is expiring in May of 2020. GSA has space at 26 Federal Plaza (Federal Building) that will accommodate the New York office. Federal buildings have many advantages, including typically lower rents and long-term future occupancy with no requirements to re-compete the lease. As part of the relocation, the density/utilization rate of the New York space will be more than doubled from its current capacity, which will result in rent reductions of roughly \$1.5 million annually.

## PROGRAM ADMINISTRATION

### Full-Time Equivalent (FTE) Employment by Office

OFFICE	2017 Actual	2018 Annualized CR	2019 Request	Change from 2018 to 2019
Career, Technical, and Adult Education	73	69	64	-5
Chief Information Officer	109	108	100	-8
Chief Financial Officer	147	143	132	-11
Communications and Outreach	92	82	73	-9
Deputy Secretary	36	34	32	-2
Elementary and Secondary Education	214	195	180	-15
English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students	17	15	14	-1
General Counsel	89	87	81	-6
Innovation and Improvement	73	64	58	-6
Institute of Education Sciences	181	166	151	-15
Legislation and Congressional Affairs	14	13	12	-1
Management	188	169	156	-13
Planning, Evaluation, and Policy Development	70	57	53	-4
Postsecondary Education	133	123	113	-10
Secretary*	92	122	213	91
Special Education and Rehabilitative Services	206	189	172	-17
Under Secretary	<u>19</u>	<u>12</u>	<u>11</u>	<u>-1</u>
Total	1,753	1,648	1,615	-33

NOTE: The Office of the Secretary's FY 2018 and 2019 FTE levels reflect an increase of Schedule C employees as the new Administration's team arrives. Many of these employees will ultimately move to other Department offices to fill key leadership positions. Also included in the Office of the Secretary FTE levels are estimated hiring exception waiver approvals over the next 2 years that will be also moved to other Department offices as they are approved and brought on board.

**PROGRAM ADMINISTRATION**

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

OFFICE	2017 BA	2018 Annualized CR	2019 Request	Change from 2018 to 2019
Career, Technical, and Adult Education	\$11,825	\$11,403	\$10,607	-\$796
Central Information Technology	53,868	52,392	55,332	2,940
Central Support	65,691	72,039	102,534	30,495
Chief Information Officer	19,410	18,806	17,488	-1,318
Chief Financial Officer	25,261	25,709	24,587	-1,122
Communications and Outreach	16,993	16,526	15,073	-1,453
Deputy Secretary	7,807	7,425	7,783	358
Elementary and Secondary Education	36,020	34,131	30,699	-3,432
English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students	2,457	2,400	2,235	-165
General Counsel	16,095	15,998	15,074	-924
Innovation and Improvement	11,328	10,330	9,319	-1,011
Institute of Education Sciences	35,270	40,795	37,540	-3,255
Legislation and Congressional Affairs	2,008	1,850	1,745	-105
Management	28,055	26,490	24,363	-2,127
Planning, Evaluation, and Policy Development	13,089	10,410	10,525	115
Postsecondary Education	21,458	19,353	17,943	-1,410
Secretary	28,384	28,519	44,397	15,878
Special Education and Rehabilitative Services	33,344	31,814	29,387	-2,427
Under Secretary	<u>3,637</u>	<u>2,676</u>	<u>2,626</u>	<u>-50</u>
<b>Total, Budget Authority</b>	<b>432,000</b>	<b>429,066</b>	<b>459,257</b>	<b>30,191</b>

NOTES: FY 2019 includes Building Modernization in Central Support and Central Information Technology (no funds are included for Building Modernization in FY 2017 and FY 2018).