Department of Education

SALARIES AND EXPENSES OVERVIEW

Fiscal Year 2020 Budget Request

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INTRODUCTION

The Salaries and Expenses Overview summarizes the administrative costs and staffing for all Department of Education accounts. The fiscal year 2020 budget request draws support for Departmental administrative costs and full-time equivalent (FTE) employment from funding in the following accounts:

- Program Administration (PA),
- Student Aid Administration (SAA),
- Office for Civil Rights (OCR),
- Office of Inspector General (OIG),
- College Housing and Academic Facilities Loans Program (CHAFL),
- Historically Black College and University Capital Financing Program (HBCUCF), and
- Institute of Education Sciences (IES).

Greater detail on the funds supporting administrative costs and staffing is provided separately in each account's justification materials.

Department of Education's Significant Programs

Administrative funds support Department programs. Key fiscal year 2020 programs include:

- Title I of the Elementary and Secondary Education Act (ESEA), for which $15.9 billion would help approximately 25 million students in high-poverty schools make progress toward State academic standards;
- Individuals with Disabilities Education Act Part B Grants to States, for which $12.4 billion would help States and school districts meet the special education needs of 7 million students with disabilities;
- Federal Pell Grants, for which $30.1 billion in need-based grants would support 7.3 million students enrolled in postsecondary institutions; and
- Postsecondary student loan programs, which would provide roughly $147 billion for new and consolidated Direct Loans to help students and families pay for college.

Hurricane Education Recovery Act

On February 9, 2018, the President signed into law, the Bipartisan Budget Act of 2018. The Act provided recovery funding in response to Hurricanes Harvey, Irma, and Maria, as well as the 2017 wildfires. The Department received $2.7 billion to assist meet the educational needs of individuals affected by a covered disaster or emergency. Of that total, $7 million is for administrative funding, including $4 million for the Office of Inspector General for oversight of activities supported with the recovery activities and funds appropriated, and up to $3 million for Program Administration.

FY 2020 BUDGET REQUEST

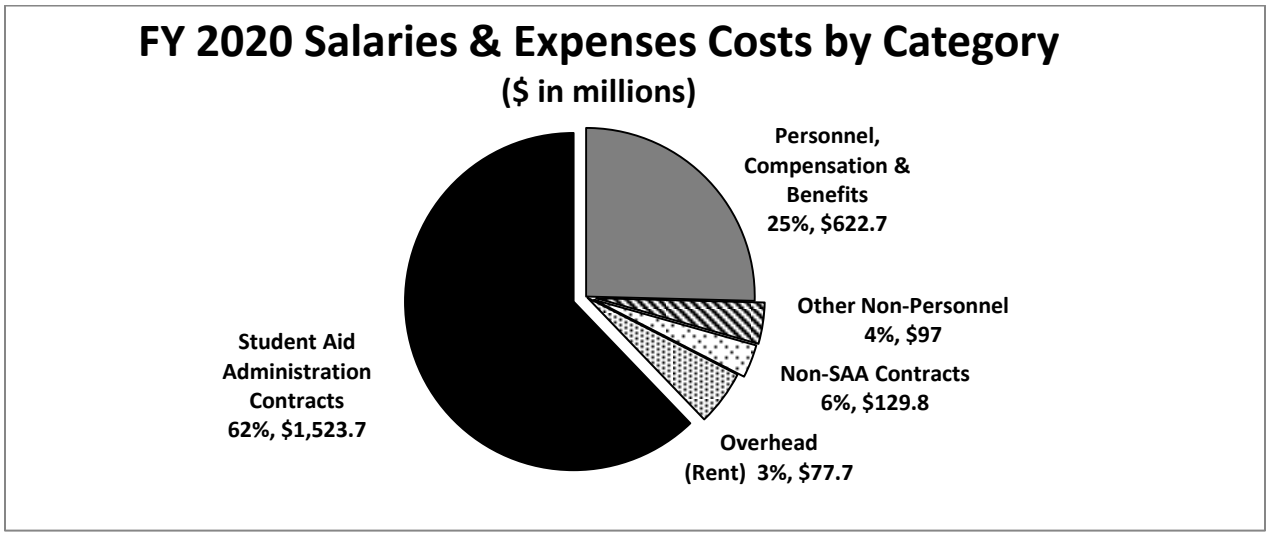
The Administration's fiscal year 2020 request for discretionary Salaries and Expenses totals $2.5 billion, $152.3 million more than the fiscal year 2019 appropriation. A summary of changes by funding account is provided on page W-10.

The requested fiscal year 2020 increase focuses on key departmental policy and management priorities. These include continued IT security improvements to ensure the integrity of Department of Education and prevent potential breaches. It also includes the Office of Federal Student Aid's (FSA) transition to the Next Generation Financial Services Environment; continual operations for student aid application processing, origination, and disbursement operations; and student aid IT system hosting. Funding is also requested for building modernization and renovation activities which will reduce the Department's overall footprint and save on future rent costs by vacating existing space.

The Department is pursuing an innovative strategy to deliver Federal student aid services and information to our customers. Next Gen FSA will create an improved, world-class customer experience for Federal Student Aid (FSA)'s millions of customers, while creating a more agile, flexible model that will streamline FSA's existing operations. Next Gen FSA will improve the integrity of the Title IV programs and transform how FSA oversees organizations that support its mission.

The key to the Next Gen FSA transformation will be a comprehensive, FSA-branded customer engagement layer that will create an environment where the Department's customers will receive clear, consistent information and readily accessible self-service options at every stage of the student aid lifecycle. FSA will emphasize a mobile-first, mobile-complete, mobile continuous strategy complemented by web, phone, chat, and in-person capabilities. It will transform FSA into a trusted source of information and greatly simplify the process of assisting customers choose the best options to manage their student debt. In addition, the creation of standardized systems, processes, and procedures—combined with the inclusion of clear performance expectations tied to explicit contractual incentives and disincentives—is expected to simplify oversight of vendor performance and better ensure compliance with consumer protection and customer service standards.

The fiscal year 2020 Salaries and Expenses Costs by Category chart on page W-3 provides detail on the total Salaries and Expenses request of $2.5 billion by category.



SUMMARY OF STAFFING AND NON-PERSONNEL COSTS

Staffing

The Department of Education's programs and responsibilities have grown substantially over the past decade. Some of the growth was driven by legislation that added responsibilities or required administrative change, including the Student Aid and Fiscal Responsibility Act (SAFRA) and the move to 100 percent Direct Lending, the Workforce Innovation and Opportunity Act (WIOA), and the Federal Information Technology Acquisition Reform Act (FITARA). In addition, oversight of the Department student loan and grant programs continues to grow. The recently reauthorized Elementary and Secondary Education Act, as amended by the Every Student Succeeds Act (ESSA), requires the Department to provide assistance and flexibility to states and school districts to ensure a smooth implementation of the new statute. The Department's workload has increased as it strives to improve oversight of programs and data.

The Administration's budget request for fiscal year 2020 supports 3,991 Full-Time Equivalents (FTE) employees, a net increase of one FTE above the 2019 appropriation. The request reflects an increase of seven FTE for the Office of Inspector General and a decrease of six FTE for the Office for Civil Rights. Although no increase is requested for the Department's other administrative accounts, the total FTE request will allow offices to hire behind staff departures in critical positions.

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 M-17-22 "Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce" (OMB memo) providing guidance on implementing the EO. The OMB memo outlined four objectives of the reorganization and reduction in workforce:

- Create a lean, accountable, more efficient government that works for the American people;
- Focus the Federal government on effectively and efficiently delivering those programs that are the highest needs to citizens and where there is a unique Federal role rather than assuming current programs are optimally designed or even needed;
- Align the Federal workforce to meet the needs of today and the future rather than the requirements of the past; and
- Strengthen agencies by removing barriers that hinder front-line employees from delivering results.

The Department's reorganization took effect January 6, 2019. The Administration's vision of this reorganization was to reduce redundancy; maximize employee and organizational efficiency; maximize transparency and employee involvement; leverage ED colleagues' knowledge and expertise; and maximize creative problem-solving and teamwork while adhering to legal requirements. The reorganization has resulted in a more dynamic and flexible workforce that can be deployed to address emerging issues and changing priorities.

The reorganization work resulted in these key organizational changes in several principal office structures:

- The consolidation of the Office of the Secretary (OS) with the Office of the Deputy Secretary (ODS);
- The integration of the Office of Innovation and Improvement (OII) into the Office of Elementary and Secondary Education (OESE);
- The merger of the Office of the Chief Financial Officer (OCFO) with the Office of Management (OM) to create a new Office of Finance and Operations (OFO);
- The integration of certain functions of the Office of the Chief Information Officer (OCIO), Office of the Deputy Secretary, and Office of Planning, Evaluation and Policy Development (OPEPD)- including the entire Budget Service organization- into OFO; and
- The establishment of new organizational structures for both OCIO and OPEPD due to the creation of OFO.

A 10-year history of the Department's staffing is shown in the following chart:

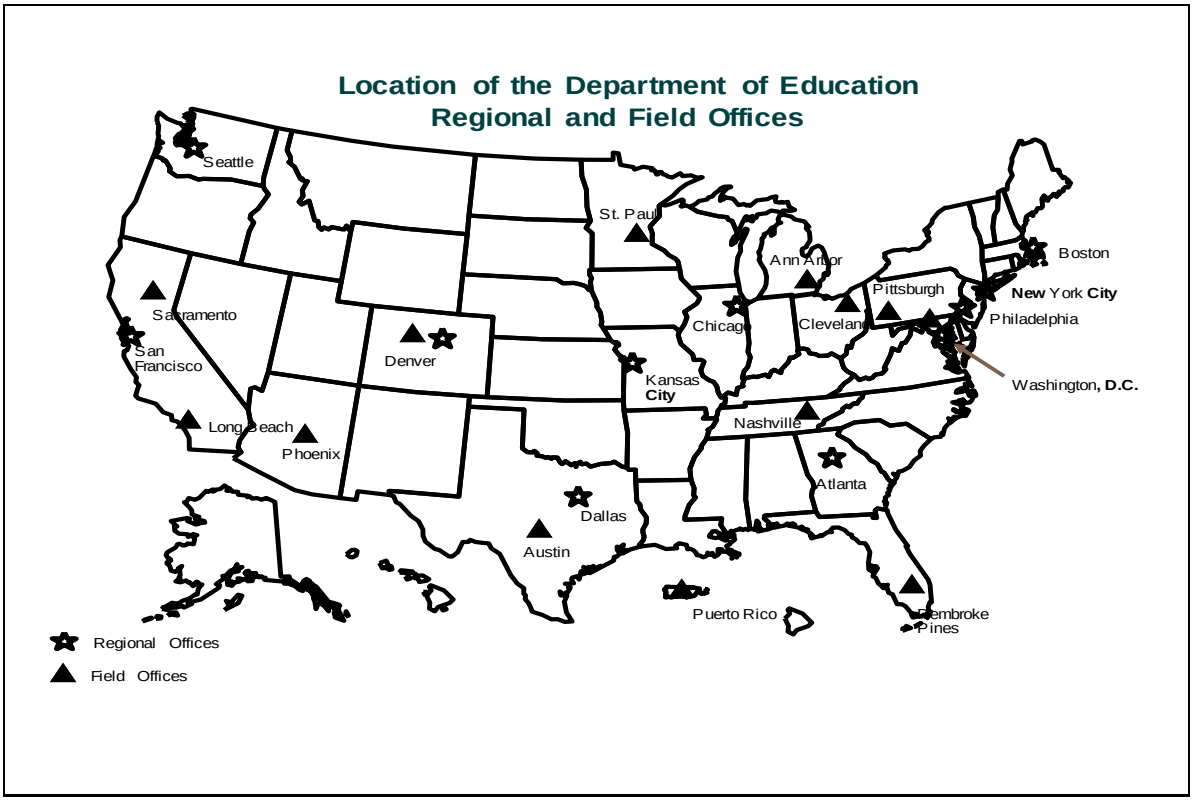
Department Full-Time Equivalent (FTE) Employment Usage
(FY 2010 – FY 2020)

FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 Est.	FY 2020 Est.
4,387	4,276	4,090	4,027	4,081	4,150	4,107	3,795	3,990	3,991

Department employees are divided between Washington, D.C., headquarters, 11 regional offices, and 13 field offices. Most regional and field office staff are in FSA, OIG, and OCR. The FSA regional staff offices' workload is dedicated to oversight of schools participating in the Title IV programs and performing program reviews of Federal Family Education Loan (FFEL) participants including: lenders, lender servicers, guaranty agencies, and guaranty agency

servicers. Additionally, FSA staff conduct program reviews of loan servicers and private collection agencies under contract with the Department. OIG staff conducts audits and investigations of Department programs and operations. OCR staff investigates civil rights complaints and conduct civil rights compliance reviews.

A map of the Department's staff location of Regional and Field Offices is shown below:



Personnel Compensation and Benefits (PC&B)

The fiscal year 2020 Request includes $622.7 million for the Department personnel compensation and benefits costs, $2.8 million more than the fiscal year 2019 appropriation. PC&B funds include salaries, overtime, awards, consultants, benefits for current and former personnel, student loan repayments, and transit subsidy benefits. The request covers increases due to health premiums and FERS contribution rates as well as one additional compensable paid day.

Non-Personnel Costs

Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, IT, contractual services, equipment, supplies, and other departmental services. The total budget for non-personnel activities in fiscal year 2020 is $1.8 billion, $149.5 million more than the fiscal year 2019 appropriation. A majority of this increase is attributable to the transition to the Next Gen Financial Services Environment and other operational costs of administering Federal student financial aid. The Office of the Chief Information Officer and FSA are aligning

technologies and services common to operating environments managed by each respective office.

Departmental Centralized Services

Centralized Services cover common support administrative and IT services for all program and staff offices. The funds are managed by the Office of Finance and Operations and the Office of the Chief Information Officer.

Office of Finance and Operations - Central Support Expenses

The Administration is requesting a total of $183.1 million for fiscal year 2020, an increase of $21.1 million compared to the fiscal year 2019 appropriation, to cover the central support services that include: rent to the U.S. General Services Administration (GSA), building alterations and repairs, lease renewal, training, supplies, mail, and physical security for buildings and personnel. Major increases include building modernization to reduce future rent costs by consolidating office space, human capital operations, and physical security.

Office of the Chief Information Officer – Central Information Technology

The Administration is requesting a total of $100.6 million for fiscal year 2020, a decrease of $5 million less than the fiscal year 2019 appropriation, including a transfer of $5 million to the IT System Modernization and Working Capital account. Central IT funds cover activities including: computer operations, maintenance and improvements; local area network operations, initiatives designed to link Department business needs with the best available technology; and other commonly shared IT and office automation activities. Major increases include cybersecurity activities, IT support for building modernization of headquarters and regional offices, and financial and principal office IT systems.

IT System Modernization – Working Capital Funds

The Administration requests that the Program Administration, Office for Civil Rights, and Office of Inspector General Salaries and Expenses accounts be allowed the flexibility to use the authority of the IT Working Capital Funds authorized by the Modernizing Government Technology (MGT) Act. The authority would enable the Department to transfer one-year administrative funds to an account with a three year period of availability for use on IT modernization. The estimated transfer amount for fiscal year 2020 is $5 million.

Getting Payments Right

The Department continues to focus on the integrity of payments made, which includes assessing risks associated with improper payments and establishing effective internal controls designed to prevent, detect, reduce, and recover improper payments that could otherwise result in a monetary loss to the government.

As part of this effort, the Department has determined that the failure to verify financial data and administrative and process errors are a major root cause of improper payments. To address this issue, the Department has been encouraging financial aid applicants to retrieve certain income information within the Free Application for Federal Student Aid (FAFSA) directly from

the Internal Revenue Service (IRS). This will help mitigate the risk of improper payments and monetary loss resulting from incorrect self-reported applicant income.

The 2020 Request includes two proposals to further reduce the risk of improper payments.

- *Exempt Education from Section 6103 for Certain Student Aid Programs*. One of the primary causes of improper payments in the Pell Grant program is failure to verify accurately financial data. The Administration proposes to exempt the Department of Education from restrictions of Section 6103 of the Internal Revenue Code to allow the Department to more easily receive income tax data from the IRS, thereby simplifying and improving the accuracy of FAFSA filing by prepopulating certain fields. This exemption will also allow borrowers to more easily recertify their income to stay enrolled in Income Driven Repayment IDR plans.

- *Improve Pell Fraud Prevention*. The Administration proposes barring Pell recipients who have been awarded three consecutive Pell Grants without earning any credits from receiving another award. This will prevent the fraudulent practice of people going from school to school, enrolling long enough to receive a reimbursement but not pursuing any credits.

Additionally, FSA has begun to implement improved processes using administrative data to improve the prevention and recovery of improper payments.

- *Improve Selection for Verification.* The Department of Education is in the process of strengthening its use of administrative data to create a smarter system for selecting students for verification. By selecting for verification reviews those applicants with greater likelihood of incorrect information, this proposal will improve schools' ability to detect and prevent improper payments. In addition, it will help ensure students and schools bear the burden of verification only when necessary, balancing the need to protect taxpayers with access to student aid for those who need it most.

- *Better Target Program Reviews.* The Department of Education will strengthen its use of administrative data to target FSA's program compliance reviews on schools with higher risk of improper payments. This proposal should increase both the number of improper payments FSA identifies and the amounts it recovers.

- *Take Enforcement Actions against Noncompliant Schools.* The Department of Education has the authority to issue fines or take other enforcement actions to penalize schools for noncompliance. At present, enforcement actions currently are determined based on the type and level of severity of infraction, as well as the Department's ability to execute successfully based on available resources. The Department will consider how it may use its authority to incentivize schools to put the necessary controls into place to reduce improper payments, particularly for those schools that neglect their responsibilities.

As part of its ongoing activities, FSA conducts periodic recertification of all schools' eligibility and loss of school eligibility activities, assesses millions of dollars through final program review and audit determinations, and places schools with serious violations on heightened cash

monitoring for disbursements. In addition, FSA's Enforcement Unit debars individuals from receiving assistance or benefits from any Federal Agency as a result of financial aid fraud or other criminal convictions.

Lastly, the Department continues to refine the Continuous Controls Monitoring System (CCMS), which enables the proactive detection of anomalies in administrative and grant payment data. Integrity checks are created in CCMS based on policy-related business cases for potential improper payment detection. Case management files anomalies, which are established within the application for follow-up investigation by process owners to validate improper payments and determine root causes.

Continuous Diagnostics and Mitigation

The Department has increased its focus on cybersecurity.

The Continuous Diagnostics and Mitigation (CDM) Program, a Governmentwide program centrally managed by the Department of Homeland Security (DHS), is intended to create a common baseline of cybersecurity capability and protection across the Federal Government. The program provides Federal Departments and Agencies with CDM-certified capabilities and tools that identify and prioritize cybersecurity risks on an ongoing basis and enable cybersecurity personnel to mitigate the most significant problems first. The CDM tools also allow Departments and Agencies to better manage their IT assets, helping to reduce their overall attack surface.

Historically, it has taken Agencies days or weeks to detect cybersecurity incidents in their environment. Once fully deployed, the CDM Program will shorten this timeframe to hours and minutes.

The CDM tools provide near real-time awareness of the Department's networks and environments. Data from the tools are automatically ingested into an individual dashboard at the Department. The Agency Dashboard provides current visibility into the Department's overall security posture based on a 72-hour data currency. With the full implementation of CDM, summary data from the individual Agency dashboards across the Federal Government will be aggregated into one Federal-level dashboard with planned synchronization every 8 hours. The Federal Dashboard is maintained by the DHS CDM Program and allows DHS to monitor and respond to Federal cybersecurity threats and incidents quickly and efficiently.

Participation in Governmentwide E-Government Initiatives

The Department is actively participating in a number of Governmentwide e-Government initiatives and lines of business designed to make it easy for citizens and businesses to interact with the Government, save taxpayer dollars, and streamline citizen-to-Government communications. The Department budgeted a total of $5.3 million in fiscal year 2019 and requests $4.1 million in fiscal year 2020 for these initiatives.

(in whole dollars)

Governmentwide E-Government Initiative/Line of Business	FY 2019	FY 2020 Request
Budget Line of Business	$110,000	$110,000
E-Rulemaking	138,000	146,000
Financial Management Line of Business	231,000	231,000
Geospatial Line of Business	25,000	25,000
GovBenefits.gov*	279,000	265,000
Grants.gov	322,000	423,000
Human Resource Management Line of Business	69,000	69,000
Integrated Awards Environment*	4,049,000	2,732,000
Performance Management Line of Business	80,000	80,000
USAJOBS	32,000	32,000
Total	**5,335,000**	**4,113,000**

NOTE: Funding for initiatives marked with an asterisk * is from the Student Aid Administration account; funding for all other initiatives/lines of business is from the Program Administration account.

SALARIES AND EXPENSES OVERVIEW

Department of Education

Budget Authority by Account
(dollars in thousands)

ACTIVITY	2018 Appropriation	2019 Appropriation	2020 Request	Change from 2019 to 2020
Program Administration:				
Salaries and Expenses	$430,000	$430,000	$433,500	$3,500
Building Modernization	0	0	13,500	13,500
Office for Civil Rights	117,000	125,000	125,000	0
Office of Inspector General	61,143	61,143	63,418	2,275
Subtotal, Departmental Management	608,143	616,143	635,418	19,275
Administrative costs from program accounts:				
College Housing and Academic Facilities Loans	435	435	435	0
Historically Black College and University Capital Financing	334	334	334	0
Institute of Education Sciences:				
National Assessment Governing Board	7,745	7,745	7,745	0
National Board for Education Sciences	261	93	93	0
Student Aid Administration:				
Salaries and Expenses	763,176	852,974	1,281,281	428,307
Servicing Activities	915,767	825,969	530,719	-295,250
Subtotal, Student Aid Administration account	1,678,943	1,678,943	1,812,000	133,057
Total, Salaries and Expenses	**2,295,861**	**2,303,693**	**2,456,025**	**152,332**

SALARIES AND EXPENSES OVERVIEW

Department of Education

Budget Authority by Object Classification
(dollars in thousands)

	Object Class	2018 Appropriation	2019 Appropriation	2020 Request	Change from 2019 to 2020
11.10	Full-time permanent	$450,939	$453,768	$455,515	$1,747
11.31	Full-time temporary	3,181	3,740	3,866	126
11.32	Part-time	805	676	789	113
11.33	Consultants	274	273	274	1
11.51	Overtime	445	623	615	-8
11.52	Awards	6,493	6,477	6,477	0
	Subtotal, Personnel Comp.	462,137	465,557	467,536	1,979
12.00	Benefits	150,374	153,600	154,467	867
12.15	Student Loan Repayment	60	52	52	0
13.01	Benefits for former personnel	3,370	674	674	0
	Subtotal, Benefits	153,804	154,326	155,193	867
21.00	Travel	8,476	8,871	9,520	649
22.00	Transportation of things	1	0	0	0
23.10	Rental Payments to GSA	73,913	75,743	76,239	496
23.31	Communications	843	1,122	1,293	171
23.32	Postage/fees	239	195	197	2
	Subtotal, 23	74,995	77,060	77,729	669
24.00	Printing & Reproduction	1,767	1,147	1,141	-6
25.10	Advisory and Assistance Svcs	8,272	11,177	13,321	2,144
25.21	Other Services	994,198	937,542	804,601	-132,941
25.22	Training/Tuition/Contracts	5,101	5,177	6,037	860
25.23	Field Readers	0	0	27	27
25.30	Goods/Services from Gov't	72,685	70,596	71,197	601
25.40	Operations/Maint of Facilities	1	1	1	0
25.71	Operations/Maint of Equipment	1,516	1,524	1,540	16
25.72	IT Services/Contracts	508,300	565,835	830,102	264,267
	Subtotal, 25	1,590,073	1,591,852	1,726,826	134,974
26.00	Supplies	975	752	998	246
31.01	IT Equipment/Software	1,703	2,305	2,507	202
31.03	Other Equipment	1,175	1,257	449	-808
	Subtotal, 31	2,878	3,562	2,956	-606
32.00	Building Alterations	755	566	14,126	13,560
43.01	Interest and Dividends	0	0	0	0
	Total, Budget Authority	**2,295,861**	**2,303,693**	**2,456,025**	**152,332**
	Total, Pers. Comp. & Ben.	**615,941**	**619,883**	**622,729**	**2,846**
	Total, Non-Personnel	**1,679,920**	**1,683,810**	**1,833,296**	**149,486**

SALARIES AND EXPENSES OVERVIEW

Department of Education

Full-Time Equivalent (FTE) Employment (Staff Years) by Account

ACCOUNT	2018 Actual	2019 Appropriation	2020 Request	Change from 2019 to 2020
Program Administration	1,585	1,626	1,626	0
Office for Civil Rights	534	625	619	-6
Office of Inspector General	224	241	248	7
Subtotal, Departmental Management	2,343	2,492	2,493	1
FTE funded from program accounts:				
College Housing and Academic Facilities Loans	2	2	2	0
Historically Black College and University Capital Financing	1	2	2	0
Institute of Education Sciences:				
National Assessment Governing Board	13	14	14	0
National Board for Education Sciences	0	0	0	0
Student Aid Administration	1,436	1,480	1,480	0
Subtotal, Program Accounts	1,452	1,498	1,498	0
Total, FTE	**3,795**	**3,990**	**3,991**	**1**

SALARIES AND EXPENSES OVERVIEW

Department of Education

Full-Time Equivalent (FTE) Employment by Office

OFFICE	2018 Actual	2019 Appropriation	2020 Request	Change from 2019 to 2020
Career, Technical and Adult Education	73	72	72	0
Chief Information Officer	115	99	99	0
Civil Rights	534	625	619	-6
Communications and Outreach	84	82	82	0
Elementary and Secondary Education	260	263	263	0
English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students	16	16	16	0
Federal Student Aid	1,307	1,350	1,349	-1
Finance and Operations	395	445	445	0
General Counsel	105	110	111	1
Inspector General	224	241	248	7
Institute of Education Sciences	166	169	169	0
Legislation and Congressional Affairs	13	15	15	0
National Assessment Governing Board	13	14	14	0
National Board for Education Sciences	0	0	0	0
Planning, Evaluation, and Policy Development	18	34	34	0
Postsecondary Education	161	170	170	0
Secretary*	107	83	83	0
Special Education and Rehabilitative Services	188	184	184	0
Under Secretary	16	18	18	0
Total, FTE	**3,795**	**3,990**	**3,991**	**1**

NOTE: FY 2018 reflects adjustments for comparability to FY 2019 and FY 2020 to reflect the Department's Reorganization. The offices impacted include OFO (OM-173/OCFO-163/BS-OPEPD-59), OS (ODS-32), and OESE (OII-63).

SALARIES AND EXPENSES OVERVIEW

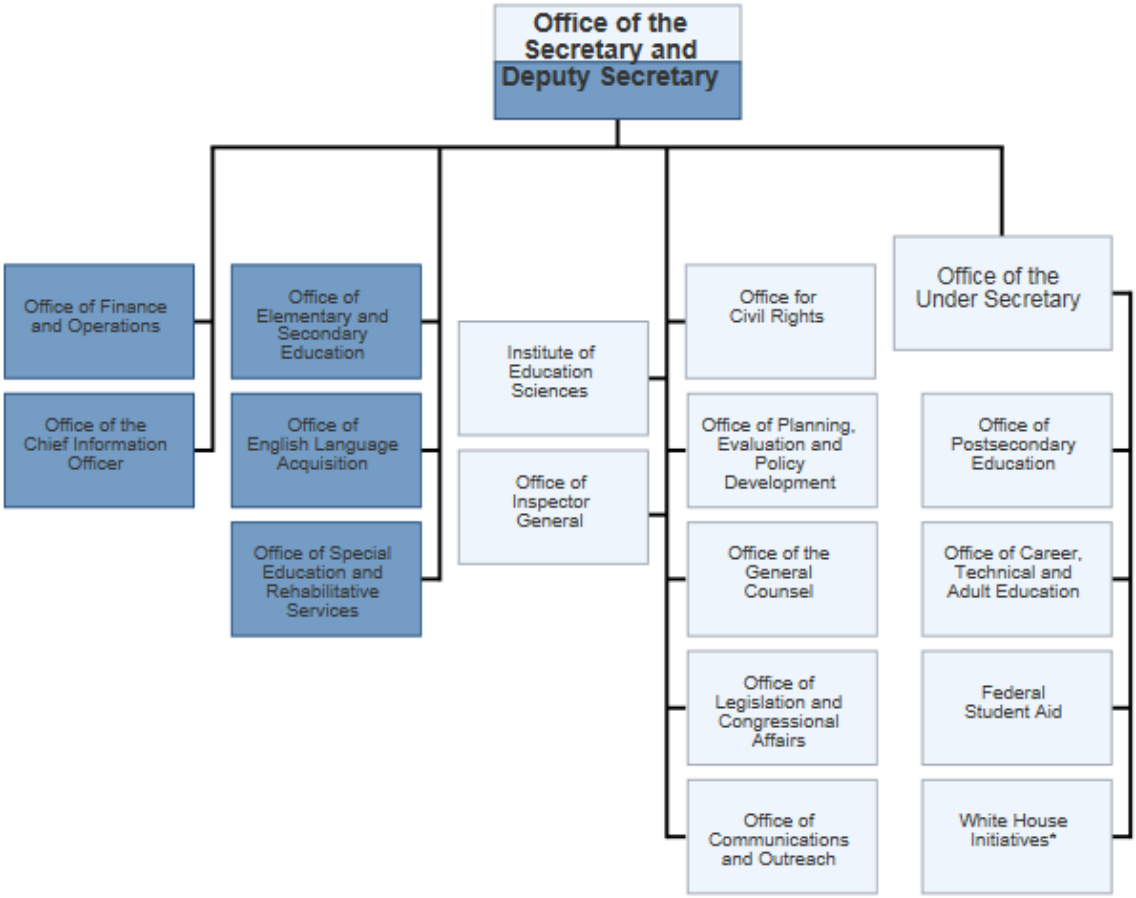
Department of Education

Detail of Full-time Equivalent (FTE) Employment

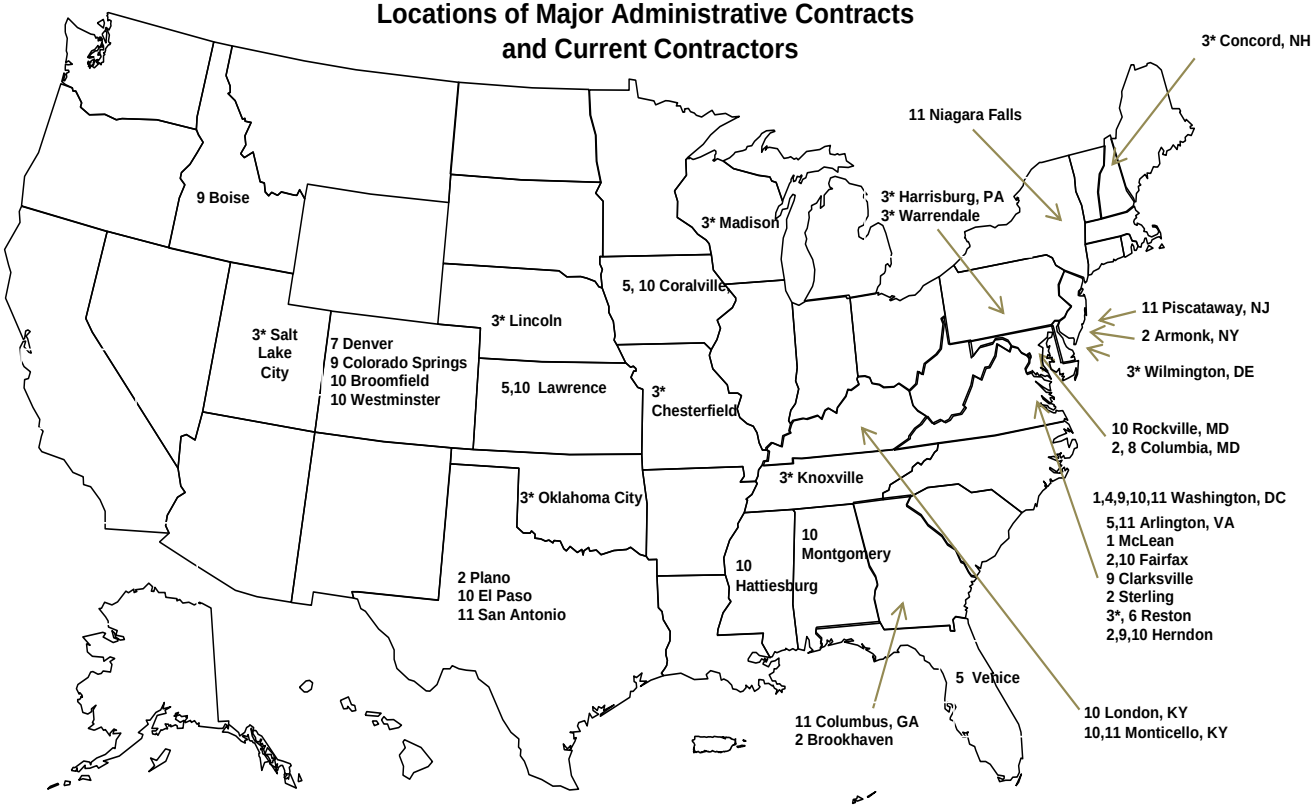
	2018 Actual	2019 Appropriation	2020 Request
Executive level I	1	1	1
Executive level II	3	3	3
Executive level III	0	1	2
Executive level IV	7	7	7
Executive level V	0	0	1
Executive level AD	2	2	0
Subtotal	13	14	14
Total - EX Salary	$2,138,300	$2,103,400	$2,431,700
Senior Executive Service	76	86	86
Subtotal - ES[1]	76	86	86
Total - ES Salaries	$13,592,668	$15,007,000	$15,007,000
AL	2	1	2
AD	212	236	236
ED/EI	1	4	4
GL	0	0	1
GS/GM-15	430	439	439
GS/GM-14	865	849	849
GS/GM-13	1,067	1,028	1,028
GS-12	656	665	665
GS-11	167	134	134
GS-10	0	0	0
GS-9	71	71	71
GS-8	26	26	26
GS-7	49	49	49
GS-6	8	6	6
GS-5	3	3	3
GS-4	10	10	10
GS-3	1	1	1
GS-2	5	5	5
GS-1	0	0	0
Subtotal	3,573	3,527	3,529
Total full-time equivalent employment, end of year	3,662	3,627	3,629
Full-time equivalent (FTE) usage	3,795	3,990	3,991
Average ES salary	$178,851	$174,500	$174,500
Average GS/GM grade	12.2	12.1	12.1
Average GS/GM salary	$116,138	$113,457	$113,854

[1] FY 2018 includes 7 FSA SES positions. FY 2019 and FY 2020 include 10 FSA SES positions.

Operating Structure for Policy and Reporting Guidance



Department of Education
Locations of Major Administrative Contracts and Current Contractors



1 Financial Management System (FSA)
2 EDUCATE/PIVOT (OCIO)
3 Loan Servicers (FSA)
4 OCR CRDC Survey (OCR)
5 National Student Loan Data System (FSA)
6 System Security Authorizations (FSA)
7 Payroll/Personnel Processing Center (OFO)
8 Education Department Central Automated Processing Systems (EDCAPS)(OFO)
9 Next Generation Data Center (FSA)
10 Application and Eligibility Determination System, FSA Customer Contact Center, and FSA Feedback and Ombudsman System (FSA)
11 Title IV Origination and Disbursement System (FSA)

Note: An asterisk represents a headquarters location for loan servicing contracts. Additional locations can be found in the Student Aid Administration Congressional Justification.

Report on the Budget Formulation and Execution Line of Business

Required by Division D, Section 737(d) of the Consolidated Appropriations Act, 2008, P.L. 110-161

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

The goals of the Budget LoB are to:

- Improve the efficiency and effectiveness of Agency and central processes for formulating and executing the Federal Budget
- Improve capabilities for analyzing and presenting budget, execution, planning, and financial information in support of decision making
- Enhance the effectiveness of the Federal budgeting workforce

Budget LoB anticipates 10-year savings of over $200 million Governmentwide due to efficiencies gained through collaboration and increased use of technology. Many Agency budget offices do not have automated systems to support budget formulation and execution activities. Agencies rely on basic office software and manual processes. Budget LoB's goal is to reduce time spent by budget personnel on manual processes and increase time spent on high priority analytical activities (via increased use of technology, improved processes, and a better equipped workforce).

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

The following tables display the objectives and benefits, risks, costs, and Agency contributions to Budget LoB.

SALARIES AND EXPENSES OVERVIEW

Objectives and Benefits: Technology

Capability	Objectives and Benefits
Technology	
Collaboration	Improves the efficiency and effectiveness of Government activities through the ready accessibility of information, and the ability to collaborate remotely both within an Agency (i.e., collaboration with regional and field staff) and across Federal Agencies (i.e., collaboration of each Agency with OMB and other Agencies on shared programs). Current products include the MAX Federal Community, MAX Desktop and meetings.max.gov (a secure online meeting capability), and MAX Calendar. Current Status: The MAX Federal Community, a cross-agency collaboration platform, provides increased information sharing, collaboration, and knowledge management securely across the Federal Government, as well as within each Agency. With nearly 238,000 members (up from approximately 215,000 in Nov 2017), the MAX Federal Community is reportedly the largest Government operated collaboration site.
Data Collection & Tracking	Improves OMB and Agency efficiency and effectiveness in carrying out the numerous required budget data exercises. Benefits apply to both central budget exercises (i.e., those required of Agencies by OMB) and exercises at the departmental or Agency level (i.e., those requested by central offices of Agency regional and field offices). Agency benefits include increased data collection capabilities, reduced errors, and reduced time spent manually consolidating and publishing data. Current products include web-based data collection tools, specifically MAX Collect and MAX JIRA Forms, used for central budget exercises and for Agency use in the collection of budget briefings, questions for the record, performance management, apportionments, allotments, and other budget data. MAX Survey is a basic data collection capability also available on MAX.gov. Current Status: Budget LoB data collection tools have demonstrated significant value by automating the collection of data for dozens of centralized exercises related to the budget community for earmarks, continuing resolutions, questions for the record, and across-the-board reductions. The MAX Collect tool provides even greater benefit by enabling Agency budget offices to automate their own data collection exercises. Agencies are now using the tool to facilitate a broad range of data calls and data collection exercises numbering in the hundreds. In recent years, the Budget LoB developed MAX JIRA Forms, which provides a much simpler and far more powerful user interface for collecting and reporting on data. Over the past year, the Budget LoB has transitioned all but two Collect Forms exercises to MAX JIRA, which provides a more customizable interface and additional capabilities desired by Agency budget offices, like customized notifications, view access, and a clean user interface. With the anticipation of the de-commission of MAX Collect Forms in the next year, the remaining exercises will be transitioned to MAX JIRA. MAX Survey is used to quickly gather and analyze information via tokenized surveys.

SALARIES AND EXPENSES OVERVIEW

Capability	Objectives and Benefits
Technology	
Knowledge Management	Improves the ability of Agencies to locate and access information, increases the availability and comprehensiveness of data, and improves the ability of the budgeting community to manage the impending retirement of key personnel. Database-driven products such as the MAX Federal Community, MAX Collect, and MAX JIRA enhance knowledge management capabilities by capturing "knowledge" as it is generated, simply as a by-product of these tools.
Agency Budget Formulation and Execution Tools	Provides a cost-effective strategy for Agencies that do not have budget formulation and execution applications, or have outdated applications, to quickly improve their effectiveness through automation. This effort encourages common and integrated solutions that are reusable Governmentwide. Products include the Budget Formulation and Execution Manager system (BFEM), the first shared budget formulation system by the Department of Treasury; the Departmental E-Budgeting System (DEBS), a shared offering from the Department of Labor; the Decision Matrix for budget systems evaluation (full systems evaluations); the Budget Capability Self-Assessment Tool (BC SAT); the MAX A-11 Data Transfer and Rule Validation project; and a common Budget Office Solutions catalog. The Decision Matrix allows Agencies to define their specific budget system requirements and evaluates the capability and maturity of six Agency and three commercial budget systems against those requirements. The BC SAT has provided several Agencies with comprehensive resource listings to further help them with strategic planning and resourcing. Current Status: The MAX A-11 Rule Validation team supports processes, methodologies, and standards to enable Agencies to exchange data with OMB's MAX A-11 system through the use of multiple 'services', greatly improving the process, eliminating large amounts of manual data entry, and enabling availability of account level information on a real-time basis. The Budget LoB continues to support Treasury's BFEM, Labor's DEBS and EPA's BFS systems as they provide customer Agencies with enhanced connections to OMB's MAX budget system.
Analytical Tools	Enhances Federal capabilities for analyzing budget formulation, execution, planning, performance, and financial information. This enables more complete, thorough, and timely analysis, which will, in turn, provide policy decision-makers with improved understanding of policy option impacts and alternatives. Current products include the MAX Analytics tool suite, including CTools, which creates custom charts and graphs for analysis, and associated tools built upon the analytics core (such as MAX Calendar). Current Status: MAX Analytics integrates with Budget LoB data collection and collaboration tools, enabling charts that update automatically as new data is entered. Agencies have been using MAX Analytics to dynamically display the

Capability	Objectives and Benefits
Technology	
	results of their data collections and to transform how they use analytics to manage problems. The Budget LoB continues to work with Agencies to include the most relevant and useful capabilities in the tool suite. Several Agencies (OMB, DOJ, DOL, etc.) are now utilizing MAX Analytics to drive decision making based upon analysis not previously possible.
Technology **Budget Execution and Financial Management Integration**	Improves the quality and integrity of information, data flows, and reporting in budget formulation and execution, especially in regard to its touch points with financial management. Identifying common business processes and data standards will form the basis for requirements for use in developing budget systems, as well as closer alignment with financial management systems. Current products include Governmentwide process maps for budget execution and budget formulation and the web-based budget execution training module, budget formulation training module, and Appropriations Law training module. Current Status: The training modules are in use throughout the budget community. Over 9,700 individuals have accessed the self-paced online training module courses, which have an estimated return on investment to date of over 6,700 percent and a savings of over $8.13 million.
Technology **Document Production**	Enables Agency budgeting personnel to move from clerical to analytical functions, increasing Agency analytical resource availability. Many Agency budget staff work countless hours to incorporate late-breaking policy data changes in high-visibility publications. Often, many changes must be simultaneously made in multiple documents for different stakeholders. Document production capabilities exist in Treasury and Labor's shared service budget systems, as well as in the MAX Collect Tool, and in a recently released service allowing budget personnel to develop their own reporting templates.

Objectives and Benefits: Governance

Capability	Objectives and Benefits
Governance	
Governance **Program Management Office (PMO)**	Serves as a central coordination point for Governmentwide collaboration and sharing of technologies and processes. The Program Management Office (PMO) allows resources across Government to be leveraged for cost savings. In this way, costs are reduced, economies of scale are achieved, and risks in developing and buying Agency budget tools are reduced through a coordinated combination of approaches that include: sharing common budget formulation components, purchasing commonly used software that has been proven in multiple Agencies, and purchasing services from other Agencies. The PMO will support enhanced efficiency, effectiveness, quality, knowledge management, presentation, collaboration, and flexibility within the Budget LoB. Currently, the PMO supports monthly Task Force meetings, bi-annual conferences, and apportionment and credit subsidy workgroups, which are open to the entire federal budget community. These meetings and events are

Capability	Objectives and Benefits
	designed to share information on budget community solutions, trainings, and best practices.
Governance **Process Improvements**	Allows for the development of system requirements and guidelines for tools that are modular in nature (can be used as part of any system) and available for use by multiple Agencies. Accounts for the importance of flexibility in the budgeting process and acts as a set of standards that are essential for the automated exchange of budget data with Treasury and OMB, as well as Agency financial management systems. Current products include numerous updates to the MAX Federal Community, MAX Collect, MAX Analytics, and MAX JIRA as well as implementation of MAX Authentication services at 14 Agencies with work underway to support additional Agencies with “single sign-on” capabilities.
Governance **Service Module Standardization**	Encourages reusability and interoperability of budget systems across Agencies to achieve significant cost savings through a "build once, use often" philosophy. Service module registration via the PMO will help ensure that Agencies are aware of existing services so that duplicative investments are not made.

Objectives and Benefits: Human Capital

Capability	Objectives and Benefits
Human Capital	
Human Capital **Budget Human Capital**	Enhances the effectiveness of the existing budgeting workforce and encourages participation from other professions within Government, the private sector, and universities. The Budget LoB provides a central venue for the budget community, OPM, and the Council of Human Capital Officers to grow the appeal of Federal Budgeting as a career by combining Agency efforts to define budget career paths, core competencies, leadership development, certification programs, and sharing of ideas in areas such as succession planning, retention and recruitment. Products include recommendations on core competencies and proficiency levels; the bi-annual Forum devoted to bringing together budget professionals from across the Federal government to broaden their understanding of the tools and training opportunities available to their budget offices; and training curricula for budget analysts, as well as no-cost training courses for budget staff and self-paced training modules. More are planned for the coming year. Current status: Thousands of Government employees have undergone no-cost training through in-class, web-based, or facilitated online training sessions hosted by the Budget LoB. Regular panel discussions feature OMB or senior Agency budget staff focusing on specific budgeting related topics and have been attended by over 3,700 individuals since the Department began hosting. Brownbag discussion groups focusing on a deeper understanding of budget execution and on the Budget Career Road Map have been attended by over 1,200 people. An in-depth course focusing on Basic Budget Processes began

Capability	Objectives and Benefits
	in 2013 and has been held 22 times, with waiting lists and strong participation from over 550 attendees. All of these opportunities are offered to Federal employees free of charge.

Risks

Type of Risk [1]	Risk	Description	Mitigation Approach
Other	Technology	Maintaining ability to develop and field highest-quality IT services in the midst of rapid expansion of use without accompanying equal increase in available resources.	Work with product leads to encourage continued focus on quality and meeting requirements, implement updated procedures. Engage Agencies for more participation in development, fielding, and maintenance of solutions.
Other	Management Oversight	Agency budget offices do not make use of the range of Budget LoB products and services available to them—risk is unrealized cost avoidance/cost savings.	Develop metrics and assess tools capabilities and whether they are optimized for Agency budget office use.

[1] Types of risk are categorized as either significant or other. If significant risks occur, they have substantial impact on the ability of the Line of Business to succeed. Other risks, while potentially serious, may not significantly impact the Line of Business and its ability to succeed.

SALARIES AND EXPENSES OVERVIEW

Line of Business IT Costs (dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Planning	$100	$125	$125	$116	$78	$95	$95	$95	$95	$95	$95
Acquisition	355	335	350	375	178	265	265	265	265	265	265
Operations & Maint.	720	685	700	781	919	1105	1055	955	955	955	955
Govt FTE Costs	162	172	238	244	100	100	100	100	100	100	100
	1,337	1,317	1,413	1,516	1,275	1,565	1,515	1,415	1,415	1,415	1,415
FTE	4	4	2	2	1	1	1	1	1	1	1

SALARIES AND EXPENSES OVERVIEW

Anticipated Contributions by Agency (dollars in thousands)

AGENCY	FY 2018	FY 2019	FY 2020
Department of Agriculture	$110	$110	$110
Department of Commerce	110	110	110
Department of Defense--Military	110	110	110
Department of Education (*direct funds)*	110	110	110
Department of Energy	110	110	110
Department of Health and Human Services	110	110	110
Department of Homeland Security	110	110	110
Housing and Urban Development	110	110	110
Department of the Interior	110	110	110
Department of Justice	110	110	110
Department of Labor	110	110	110
Department of State	110	110	110
Department of Transportation	110	110	110
Department of the Treasury	110	110	110
Department of Veterans Affairs	110	110	110
US Army Corps of Engineers-Civil Works	80	80	80
Environmental Protection Agency	110	110	110
General Services Administration	110	110	110
National Aeronautics and Space Administration	110	110	110
National Science Foundation	110	110	110
USAID	110	110	110
Office of Personnel Management	110	110	110
Small Business Administration	55	55	55
Securities and Exchange Commission	0	55	55
Social Security Administration	55	55	55
Office of National Drug Control Policy	55	55	55

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SALARIES AND EXPENSES OVERVIEW

GAO-IG Act – Table of Open Recommendations

The following table satisfies the requirements of the Good Accounting Obligation in Government (GAO–IG) Act (P.L. 115-414).