

Department of Education
SALARIES AND EXPENSES OVERVIEW
Fiscal Year 2014 Budget Request

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SALARIES AND EXPENSES OVERVIEW

INTRODUCTION

This overview summarizes the administrative costs and staffing for all Department accounts. Departmental administrative costs and full-time equivalent (FTE) employment are supported in 2014 from funding in the following accounts: Program Administration (PA), Office for Civil Rights (OCR), Office of Inspector General (OIG), College Housing and Academic Facilities Loans Program (CHAFL), Historically Black College and University Capital Financing Program (HBCUCF), Institute of Education Sciences (IES), and Student Aid Administration (SAA). Greater detail on the funds supporting administrative costs and staffing is provided separately in each account's justification materials.

Key programs administered by the Department include Title I of the Elementary and Secondary Education Act (ESEA), which under the Department's 2014 request would deliver \$14.5 billion to help 23 million students in high poverty schools make progress toward State college- and career-ready standards; Individuals with Disabilities Education Act Part B Grants to States, which would provide \$11.6 billion to help States and school districts meet the special educational needs of students with disabilities; Federal Pell Grants, which would make available \$35.3 billion in need-based grant assistance to students enrolled in postsecondary institutions; and the postsecondary student loan programs, which in 2014 would provide roughly \$112.1 billion in low-interest, new direct loans, excluding new consolidation loans, to help students and families pay for college.

The Department must fund the operational activities necessary for the everyday work of the Department, including expenses for:

- Facilities management, including rent for office space and guard services.
- Phone and computer network services.
- Operation and maintenance of the Department's Web sites (e.g., www.ed.gov, <http://studentaid.ed.gov/redirects/college-gov>).
- Grants payment processing.

The FY 2014 budget request also places emphasis on improving departmental management of programs and resources. Specific management priorities include:

- Financial management, including projects designed to ensure accountability for departmental assets, improve grants management, and provide better financial data to Department managers.
- Improving staff performance, including leadership development for Department employees.
- Improving recruitment, retention, and development of Department staff.
- Improving the acquisition process through development of the Department's acquisition workforce and reducing departmental reliance on high-risk contract vehicles.

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- Information technology, including improving the capability to collect educational data, a continued focus on security, and enhancements to the Department's Web sites.
- Student aid administration, with a focus on administering Pell Grants and Student Loans.
- Program performance improvement, to inform decisionmakers and focus limited resources on programs that work, and to reform or eliminate programs that do not.

In addition to these management priorities, the Department is working hard to achieve administrative efficiencies as directed in Executive Order 13589 and OMB Memorandum M-12-12. The FY 2014 budget request reduces spending in the areas of travel, printing, supplies, and advisory assistance through a mix of technological efficiencies and strategic acquisition efforts. The table below provides percent changes for these areas from FY 2010.

Reductions in Spending by Category: FY 2010 to FY 2014 (dollars in millions)

Category	2010 Obligations	2014 Request	Percent Change from 2010
Travel	\$11.6	\$10.0	-14%
Printing	5.4	2.8	-48%
Supplies	1.7	1.2	-29%
Advisory and Assistance	19.1	12.1	-37%
Total	37.8	26.1	-31%

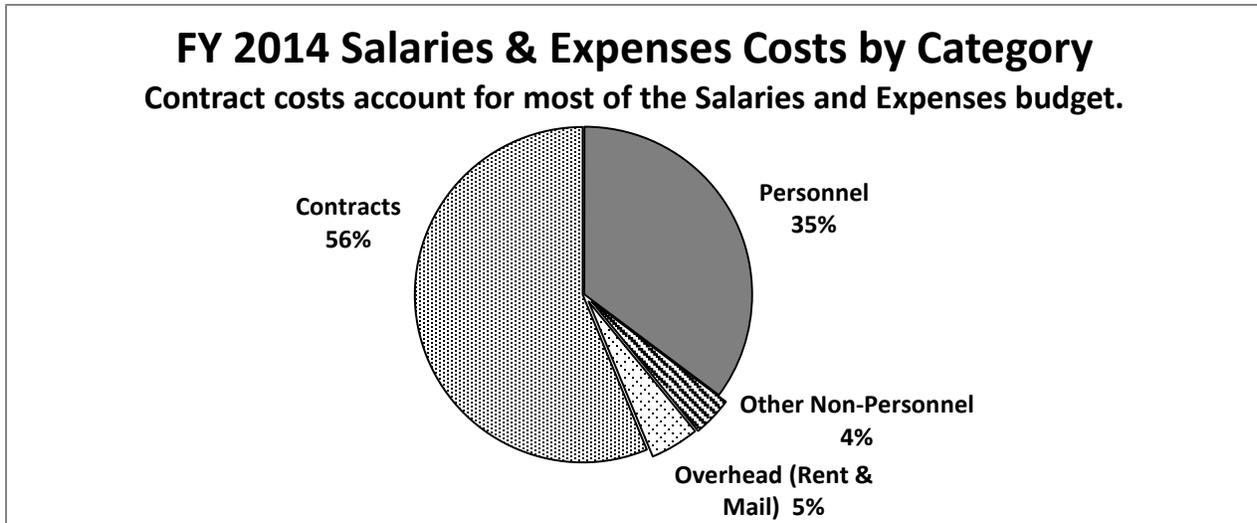
FY 2014 BUDGET REQUEST

The 2014 total Salaries and Expenses discretionary budget request is \$1.692 billion, 2 percent above the 2013 and 2012 levels. The Department's Salaries and Expenses budget in 2014 also includes \$434 million in mandatory funding for Not-For-Profit (NFP) loan servicer costs in the Student Aid Administration account.

The requested increase is focused mainly on key overhead areas: Education's Central Automated Processing System (EDCAPS), rent, IT security, IT system enhancements, and building modernization costs associated with Department occupied buildings.

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The chart below provides detail on the total Salaries and Expenses request of \$1.692 billion by category.



STAFFING AND COSTS SUMMARY

Staffing

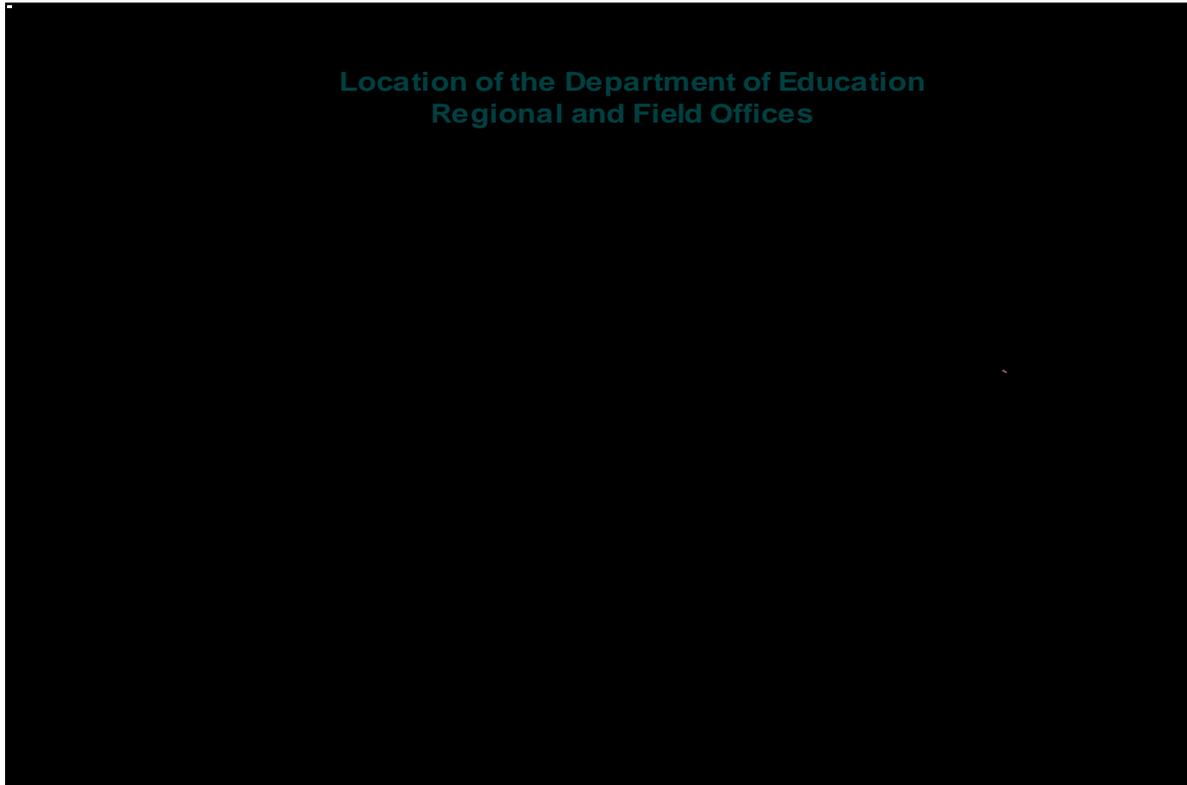
The 2014 request includes funding for 4,266 FTE, an increase of 19 FTE from the 2013 level of 4,247 FTE. Three FTE are requested in the Office of Elementary and Secondary Education to handle increased workload related to monitoring and providing technical assistance to support individualized State accountability systems under ESEA flexibility. As there will be significant variation in accountability systems across States, these FTE would also support the effort to build a body of evidence through the development and analysis of program performance measures and program evaluations. An additional 5 FTE are requested in Office of Innovation and Improvement to establish an Office of Science, Technology, Engineering, and Mathematics (STEM) Education. This increased capacity will play a critical role in improving K-12 STEM instruction as part of the Administration's consolidation and realignment of Federal STEM. An additional 8 FTE will be used in the Office of Inspector General to support audit, investigation, and inspection activities, as well as information technology (IT) audits and computer crime investigations (cyber security) for all Department programs. Eight additional FTE are requested to strengthen the Department's evaluation capacities in response to OMB Memorandum M-12-14. FTE for the Federal Student Aid office will be decreased by 5.

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

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

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office staff conduct reviews of lenders, institutions, and guaranty agencies participating in student financial aid programs, and perform debt collection activities on defaulted student loans. OIG staff conduct audits and investigations of Department programs and operations. OCR staff investigate civil rights complaints and conduct civil rights compliance reviews.



Personnel and Non-Personnel Costs Summary

The budget request includes \$596.045 million for personnel compensation and benefits. The request is an increase of \$9.361 million from the 2013 level. Non-personnel costs cover such items as travel, rent, mail, telephones, utilities, printing, information technology (IT), contractual services, equipment, supplies, and other departmental services. The total budget for non-personnel activities in 2014 is \$1.1 billion, an increase of \$20.935 million, from the 2013 level.

Centralized Overhead and Technology

Departmental overhead expenses cover centralized support and administrative services for all program and staff offices. The funds are administered by the Office of Management. These services include rent, building alterations and repairs, lease renewal, training, supplies, mail, and physical security for buildings and personnel. A total of \$138.327 million is requested for these costs in 2014, an increase of \$5.744 million from the 2013 level. The increase is primarily for rental costs for office space and security rent in buildings occupied by Department employees, the costs of which are dictated by the Federal Protective Service, for necessary

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security of personnel and property, for the physical security of buildings and personnel, and for the renovation of Department occupied buildings.

Information technology activities that comprise centralized IT services include Departmentwide computer operations, maintenance, and improvements, local area network operations, initiatives designed to link Department business needs with the best available technology, and other commonly shared Department IT and office automation activities. The funds are administered by the Office of the Chief Information Officer. A total of \$101.691 million is requested, an increase of \$1.927 million from the 2013 level, largely to continue the replacement of the Contracting and Purchasing System component of EDCAPS, continued operations of EDCAPS, IT security, and the e-Government initiative for Integrated Acquisition Environment - Grants and Loans.

Improper Payments

The Department continues to focus on reducing and recovering improper payments. These activities have taken on increased importance and scrutiny given the Government's current fiscal challenges. The Department has implemented several new initiatives to strengthen its efforts to prevent improper payments.

One of the Department's most exciting initiatives is the use of data and text analytics for A-133 Single Audit reports to identify the root cause of common grantee challenges. The goal of this effort is to improve grantee follow-up and audit resolution, support the Department's efforts in Cooperative Audit Resolution and OMB's grant reform initiative, and establish an infrastructure by which the Department can define common standards for all grant programs to measure performance and compliance.

The Department recently implemented continuous controls monitoring software to help detect anomalies and potential issues in all Department and FSA payments made through the G5 payment system. This new automated tool is used to examine payment records and identify problems such as duplicate payments, unduly large payments, overpayments, and potential fictitious vendors.

Further, the Department strengthened and expanded its contract payment recapture effort by leveraging recent advances in data mining technologies. The Department anticipates that the use of this data mining approach may identify a small but significant number of improper payments that were previously undetected. A payment recapture audit of this kind supports the Department's strategic goal to improve its organizational capacity by increasing the efficient and effective use of contract resources.

Finally, risk assessments will continue to be periodically performed on the Department's programs to identify any programs susceptible to significant improper payments. These efforts demonstrate that the Department is moving forward in the implementation of Executive Order 13520, Reducing Improper Payments, and the Improper Payments and Elimination and Recovery Act (IPERA).

The Department will continue to refine the new methodologies launched in FY 2012 for risk susceptible programs (i.e., the Pell Grant Program, the Direct Loan Program, and the Federal Family Education Loan Program). In accordance with these methodologies, management will

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prioritize and assess risk for each type of payment within each program, identify and estimate improper payment amounts and rates, identify and categorize root causes for improper payments, and help inform improvements to existing corrective actions to reduce improper payments. Existing corrective actions include activities to expand use of the Free Application for Federal Student Aid (FAFSA), IRS Data Retrieval Tool (DRT), and school verification.

PARTICIPATION IN GOVERNMENTWIDE E-GOVERNMENT INITIATIVES

The Department is actively participating in a number of Governmentwide e-Government initiatives, designed to make it easy for citizens and businesses to interact with the Government, save taxpayer dollars, and streamline citizen-to-Government communications. The Department has budgeted a total of \$2.773 million in 2013, and requests \$3.387 million in 2014 for these initiatives. The request includes support for the following initiatives:

GovBenefits.gov – 2013: \$313,000; 2014: \$314,000; Student Aid Administration account.

GovBenefits.gov provides a single point of access for citizens to locate and determine potential eligibility for Government benefits and services, and how to apply for assistance.

Disaster Assistance Improvement Plan – 2013: \$26,000; 2014: \$36,000; Student Aid Administration account.

The Disaster Assistance Improvement Plan will implement provisions of Executive Order 13411, Improving Assistance for Disaster Victims, which is designed to ensure that individuals who are victims of a terrorist attack or natural disaster have prompt and efficient access to Federal disaster assistance.

E-Rulemaking – 2013: \$316,000; 2014: \$32,000; Program Administration account.

E-Rulemaking allows citizens easy access and participation in the rulemaking process and increases the efficiency of internal Agency processes. The initiative has provided the public a single central site (<http://www.gpo.gov/fdsys/>) to access all of the Department's regulatory actions since 1994. E-Rulemaking also provides a central location for the public to comment on regulatory actions, reducing the Department's data storage costs.

Grants.gov – 2013 CR: \$476,000; 2014: \$548,000; Program Administration account.

Grants.gov provides a single portal for all Federal grant customers to find, apply, and manage grants online. The Department was the first Agency to post an application on Grants.gov and an initial adopter of utilizing Grants.gov to receive applications. Since its inception in 2002, the Department has posted approximately 1,180 funding opportunities and nearly 600 application packages on Grants.gov. To date, 48,600 application packages have been received from the grants community via Grants.gov. The Department ranks in the top five Agencies for the number of applications received via Grants.gov since its inception.

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Recruitment One-Stop – 2013: \$30,000; 2014: \$25,000 Program Administration account.

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

Enterprise Human Resource Integration – 2013: \$133,000; 2014: \$70,000; Program Administration account.

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

E-Travel – 2013: \$290,000; 2014: \$569,000; Program Administration account.

E-Travel is designed to provide a Governmentwide Web-based service that applies world-class travel management practices to consolidate Federal travel arrangements, minimize cost, and produce superior customer satisfaction. The Department has a designated E-Travel system, "E2," hosted by Carlson Wagonlit Government Travel, which provides travelers with a Web-based, end-to-end travel management service with an integrated online booking engine and authorization and vouchering process.

Integrated Acquisition Environment – 2013: \$67,000; 2014: \$76,000; Program Administration account.

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

Integrated Acquisition Environment – Grants and Loans – 2013: \$686,000; 2014: \$1.290 million; Student Aid Administration account.

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

Financial Management Line of Business – 2013: \$143,000; 2014: \$231,000; Program Administration account.

The Financial Management Line of Business initiative improves the quality and performance of financial management operations, thereby reducing the cost of Government to citizens through

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business performance improvements in financial management, including finding exemplary financial management systems that can be used by multiple Agencies.

Human Resources Management Line of Business – 2013: \$66,000; 2014: \$66,000; Program Administration account.

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

Grants Management Line of Business – 2013: \$107,000; 2014: \$0; Program Administration account.

The Grants Management Line of Business will be fully rolled into the Financial Management Line of Business during FY 2014 and, as a result, no funds are requested. The Grants Management Line of Business initiative reduces the cost of Government and improves services to citizens through business performance improvements in grants management.

Geospatial Line of Business – 2013: \$15,000; 2014: \$25,000; Program Administration account.

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

Budget Formulation and Execution Line of Business – 2013: \$105,000; 2014: \$105,000; Program Administration account.

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

Shared Service (Non E-gov)

Performance Management Line of Business – 2013: \$204,000; 2014: \$219,000; Program Administration account.

The Performance Management Line of Business initiative will improve access to and the value of information on Government goals, performance, organization, and programs to enhance public accountability while meeting the new GPRA Modernization Act reporting requirements efficiently.

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Department of Education

Budget Authority by Account (dollars in thousands)

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ACTIVITY	2012	2013	2014 Request	Change from 2013 to 2014
Program Administration:				
Salaries and Expenses	\$446,259	\$448,990	\$461,450	\$12,460
Building Modernization	0	0	2,000	2,000
Office for Civil Rights	102,624	103,252	107,500	4,248
Office of Inspector General	59,820	60,186	62,347	2,161
Subtotal, Departmental Management	608,703	612,428	633,297	20,869
Administrative costs from program accounts:				
College Housing and Academic Facilities Loans	459	462	459	(3)
Historically Black College and University Capital Financing	352	354	352	(2)
Institute of Education Sciences:				
National Assessment Governing Board	8,690	8,743	7,690	(1,053)
National Board for Education Sciences	349	275	273	(2)
Student Aid Administration				
Salaries and Expenses	682,221	706,156	733,224	27,068
Servicing Activities	361,166	343,617	316,867	(26,750)
Subtotal, program accounts	1,053,237	1,059,607	1,058,865	(742)
 Total, Salaries and Expenses	 1,661,940	 1,672,035	 1,692,162	 20,127

NOTE: Includes discretionary funds only. The amount shown in FY 2013 includes a 0.612 percent across-the-board increase provided by P.L. 112-175.

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Budget Authority by Object Classification

(dollars in thousands)

Object Class	2012	2013	2014 Request	Change from 2013 to 2014
11.10 Full-time permanent	\$431,864	\$431,663	\$435,989	\$4,326
11.31 Full-time temporary	16,519	15,162	15,278	116
11.32 Part-time	2,734	2,235	3,493	1,258
11.33 Consultants	347	358	361	3
11.51 Overtime	490	457	423	(34)
11.52 Awards	5,574	4,618	4,420	(198)
11.80 Other Compensation	12	0	0	0
Compensation subtotal	457,540	454,493	459,964	5,471
12.00 Benefits	123,975	132,012	135,901	3,889
13.01 Benefits for former personnel	2,958	180	180	0
21.00 Travel	11,201	10,348	10,140	(208)
22.00 Transportation of things	1	76	76	0
23.10 Rental Payments to GSA	68,348	75,924	77,393	1,469
23.31 Communications	926	808	814	6
23.32 Postage/fees	1,668	1,268	1,268	0
Subtotal 23	70,942	78,000	79,475	1,475
24.00 Printing & Reproduction	3,922	3,370	2,814	(556)
25.10 Advisory and Assistance Svcs	12,114	10,160	12,148	1,988
25.21 Other Services	440,906	432,925	379,924	(53,001)
25.22 Training/Tuition/Contracts	6,239	5,880	6,108	228
25.23 Field Readers	0	0	0	0
25.30 Goods/Services from Gov't	50,500	45,350	47,255	1,905
25.40 Operations/Maint of Facilities	118	101	441	340
25.50 Research & Development	0	0	0	0
25.71 Operations/Maint of Equipment	1,673	1,303	1,408	105
25.72 IT Services/Contracts	475,122	493,044	548,589	55,545
Subtotal 25	986,672	988,763	995,873	7,110
26.00 Supplies	1,421	1,142	1,211	69
31.01 IT Equipment/Software	1,732	1,666	1,838	172
31.03 Other Equipment	264	261	1,242	981
Subtotal 31	1,996	1,927	3,080	1,153
32.00 Building Alterations	1,312	1,724	3,448	1,724
43.01 Interest and Dividends	0	0	0	0
Total	1,661,940	1,672,035	1,692,162	20,127
Total Pers. Comp. & Ben.	584,473	586,685	596,045	9,360
Total Non-Personnel	1,077,467	1,085,350	1,096,117	10,767

NOTE: Includes discretionary funds only. The amount shown in FY 2013 includes a 0.612 percent across-the-board increase provided by P.L. 112-175.

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Department of Education

Full-time Equivalent Employment (Staff Years) by Account

ACCOUNT	2012	2013	2014 Request	Change from 2013 to 2014
Program Administration	2,053	2,035	2,051	16
Office for Civil Rights	582	598	598	0
Office of Inspector General	265	269	277	8
Subtotal, Departmental Management	2,900	2,902	2,926	24
FTE funded from program accounts:				
College Housing and Academic Facilities Loans	3	3	3	0
Historically Black College and University Capital Financing	1	1	1	0
Institute of Education Sciences:				
National Assessment Governing Board	13	14	14	0
National Board for Education Sciences	1	1	1	0
Student Aid Administration				
Discretionary authority	1,325	1,326	1,321	-5
Mandatory authority	0	0	0	0
Subtotal, program accounts	1,343	1,345	1,340	-5
Subtotal, FTE	4,243	4,247	4,266	19
Total, discretionary authority	4,243	4,247	4,266	19
Total, mandatory authority	0	0	0	0
Recovery Act (Office of Inspector General)	33	0	0	0
Total, FTE	4,276	4,247	4,266	19

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Department of Education

Full-time Equivalent Employment (Staff Years) by Office

OFFICE	2012	2013	2014 Request	Change from 2013 to 2014
Advisory Committee on Student Financial Assistance	5	6	6	0
Chief Financial Officer	179	178	178	0
Chief Information Officer	133	130	130	0
Civil Rights	582	598	598	0
Communications and Outreach	111	104	104	0
Deputy Secretary	65	69	69	0
Elementary and Secondary Education	248	251	254	3
English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students	19	18	18	0
Federal Student Aid	1,234	1,235	1,230	-5
General Counsel	107	106	106	0
Innovation and Improvement	97	95	100	5
Inspector General	298	269	277	8
Institute of Education Sciences	182	182	187	5
Legislation and Congressional Affairs	18	18	18	0
Management	187	186	186	0
National Assessment Governing Board	13	14	14	0
National Board for Education Sciences	1	1	1	0
Planning, Evaluation, and Policy Development	121	122	125	3
Postsecondary Education	197	195	195	0
Secretary	98	94	94	0
Special Education and Rehabilitative Services	271	264	264	0
Under Secretary	29	30	30	0
Vocational and Adult Education	81	82	82	0
Total, FTE	4,276	4,247	4,266	19

NOTE: The Office of Inspector General includes 33 FTE in 2012 funded by the Recovery Act.

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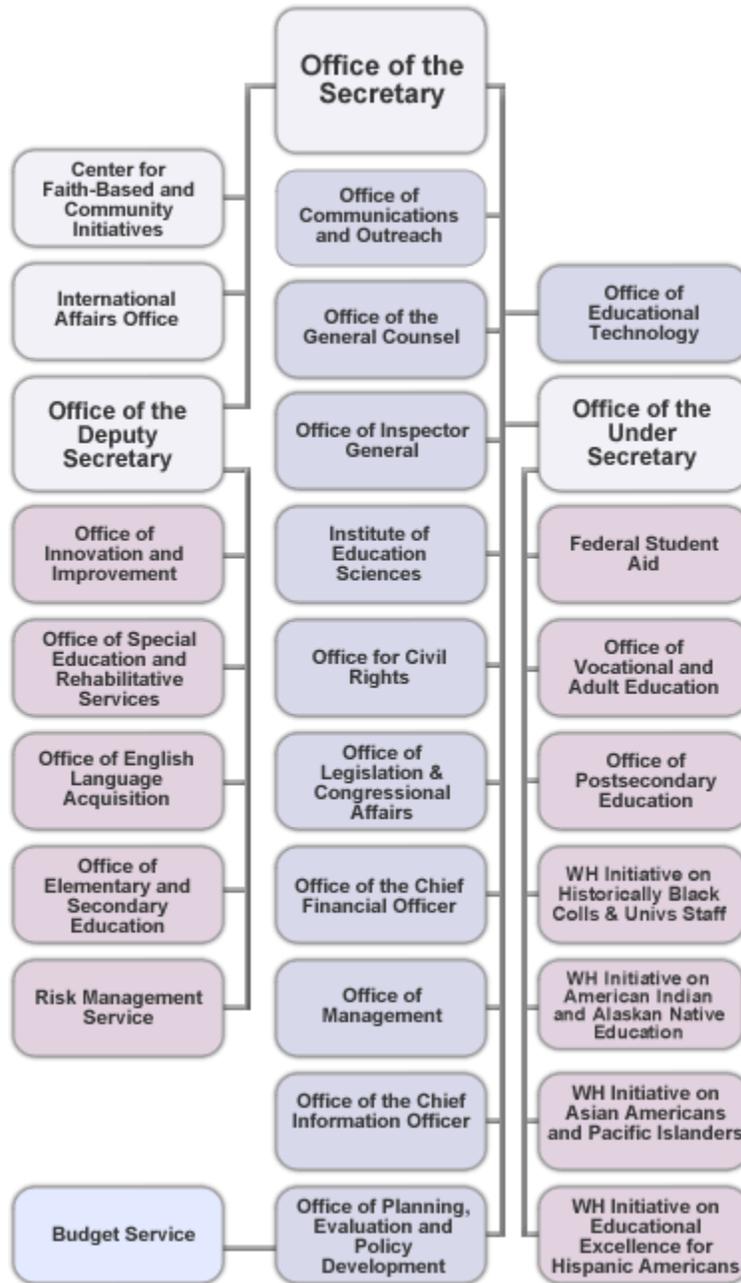
Detail of Full-Time Equivalent Employment

	2012 Actual	2013 Estimate	2014 Request
Executive level I.....	1	1	1
Executive level II.....	4	3	3
Executive level III.....	1	1	1
Executive level IV.....	7	10	10
Executive level V.....	0	2	2
Subtotal.....	13	17	17
Total - EX Salary.....	\$2,172,300	\$2,757,172	\$2,764,400
Senior Executive Service.....	78	96	96
Subtotal - ES 1/	78	96	96
Total - ES Salaries.....	\$13,313,778	\$15,905,664	\$15,945,600
AL.....	1	1	1
AD.....	168	170	169
ED/EI.....	8	8	8
GS/GM-15.....	544	549	549
GS/GM-14.....	930	938	938
GS/GM-13.....	1,046	1,055	1,055
GS-12.....	718	720	723
GS-11.....	275	279	282
GS-10.....	1	1	1
GS-9.....	158	164	167
GS-8.....	47	48	49
GS-7.....	90	95	96
GS-6.....	19	25	25
GS-5.....	24	30	30
GS-4.....	29	35	36
GS-3.....	12	16	17
GS-2.....	5	7	5
GS-1.....	1	1	1
Subtotal.....	4,076	4,143	4,153
Recovery Act (non-add)2/	33	0	0
Total full-time equivalent employment, end of year.....	4,167	4,256	4,266
Full-time equivalent (FTE) usage.....	4,276	4,247	4,266
Average ES salary.....	\$170,689	\$165,684	\$166,100
Average GS/GM grade.....	12.1	12.0	12.0
Average GS/GM salary.....	\$103,773	\$104,198	\$105,020

1/ FY 2012 includes 9 FSA SES positions; FY 2013 & FY 2014 include 10 FSA SES positions.

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

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Department of Education Locations of Major Administrative Contracts and Current Contractors



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

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

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

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

Goals of the BFELoB include improvement and enhancements of:

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

BFELoB anticipates 10-year savings of over \$200 million Governmentwide due to efficiencies gained through collaboration and increased use of technology. 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. BFELoB’s goal is to reduce time spent on manual processes and increase budget personnel time spent on high priority analytical activities (via increased use of technology, improved processes, and a better equipped workforce).

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

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

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Objectives and Benefits: Technology

Capability	Objectives and Benefits
Technology	
Collaboration	<p>Improves the efficiency and effectiveness of Government activities through the ready accessibility of information, and the ability to collaborate remotely both within an Agency (i.e., collaboration with regional and field staff) and across Federal Agencies (i.e., collaboration of each Agency with OMB and other Agencies on shared programs).</p> <p>Current products include the MAX Federal Community (a “wiki” site, in production Dec. 2006), secure online meeting capability (Nov. 2008), and MAX Shared Desktop (Feb. 2011).</p> <p>Current Status: The MAX Federal Community provides increased information sharing, collaboration, and knowledge management securely across the Federal Government, as well as within each Agency. With over 80,000 members (up from approx. 57,000 last year at this time), the MAX Federal Community is reportedly the largest Government operated collaboration site. Usage is currently growing at a rate of over 1,000 users per month. Many Agencies are also using the secure MAX Shared Desktop or the secure online meeting tool allowing Agency personnel to attend meetings remotely with presentations displayed on their computer screens.</p>
Data Collection & Tracking	<p>Improves OMB and Agency efficiency and effectiveness in carrying out the numerous budget data exercises that occur. Benefits apply to both central budget exercises (i.e., those requested of Agencies by OMB) and exercises at the departmental or Agency level (i.e., those requested by central Agency offices of Agency regional and field offices). Agency benefits include increased data collection capabilities, reduced errors, and reduced time spent manually consolidating and publishing data.</p> <p>Current products include multiple Web-based data collection tools for central budget exercises (first exercise in production in March 2007, with ongoing roll-outs), as well as a Web-based tool, MAX Collect, for Agency use in the collection of budget briefing and question and answer materials (in production since Nov. 2008). Over one hundred MAX Collect exercises have been utilized in the last year.</p> <p>Current Status: BFELoB data collection tools have already demonstrated value by automating the collection of data for dozens of centralized exercises related to earmarks, continuing resolutions, and across-the-board reductions. The MAX Collect tool provides even greater benefit by enabling Agency budget offices to automate their own data collection exercises. Agencies are now using the tool to facilitate a broad range of data calls and data collection exercises numbering in the hundreds.</p>

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<p>Knowledge Management</p>	<p>Improves the ability of Agencies to locate and access information, increases the availability and comprehensiveness of data, and improves the ability of the budgeting community to manage the impending retirement of key personnel. Database-driven products such as the MAX Federal Community and MAX Collect enhance knowledge management capabilities by capturing “knowledge” as it is generated, simply as a by-product of these tools.</p>
<p>Agency Budget Formulation and Execution Tools</p>	<p>Provides a cost-effective strategy for Agencies that do not have budget formulation and execution applications, or have outdated applications, to quickly improve their effectiveness through automation. This effort encourages common and integrated solutions that are reusable Governmentwide.</p> <p>Products include the Budget Formulation and Execution Manager system (BFEM), the first shared budget formulation system by the Department of Treasury (in production April 2007); the Departmental E-Budgeting System (DEBS), a shared offering from the Department of Labor (April 2010); the Decision Matrix for budget systems evaluation (full systems evaluations re-published in Feb. 2011); the Budget Capability Self-Assessment Tool (BC SAT) (republished in April 2011); and the MAX A-11 Data Transfer and Rule Validation project, for which multiple services went live in Oct. 2011, April 2012, and Oct. 2012. 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 Budgeting Capability Self-Assessment Tool (BC SAT) has provided several Agencies with comprehensive resource listings to further help them with strategic planning and resourcing.</p> <p>Current Status: The MAX A-11 Rule Validation team developed processes, methodologies, and standards to enable Agencies to exchange data with OMB’s MAX A-11 system through the use of multiple ‘services’, going live with numerous services this year that have greatly improved the process, eliminated large amounts of manual data entry and enabled availability of account level information on a real-time basis. BFELoB continues to support Treasury’s BFEM and Labor’s DEBS systems as they provide customer Agencies with enhanced connections to OMB’s MAX budget system.</p>
<p>Analytical Tools</p>	<p>Enhances Federal capabilities for analyzing budget formulation, execution, planning, performance, and financial information. This enables more complete, thorough, and timely analysis, which will in turn provide policy decisionmakers with improved understanding of policy option impacts and alternatives.</p> <p>Current products include the MAX Analytics tool suite (in production Sept. 2009), which creates custom charts and graphs for analysis, and associated tools built upon the analytics core (such as MAX Calendar).</p> <p>Current Status: MAX Analytics integrates with BFELoB data collection and collaboration tools, enabling charts that update automatically as new data is entered. Agencies have begun to use MAX Analytics to dynamically display the results of their data collections and to transform how they use analytics to manage problems. BFELoB continues to work with Agencies to include the most relevant and useful capabilities in the tool suite. Several Agencies (OMB,</p>

SALARIES AND EXPENSES OVERVIEW

	DOJ, Treasury, etc.) are now utilizing MAX Analytics to drive decisionmaking based upon analysis not previously possible.
Budget Execution and Financial Management Integration	<p>Improves the quality and integrity of information, data flows, and reporting in budget formulation and execution, especially in regard to its touch points with financial management. Identifying common business processes and data standards will form the basis for requirements for use in developing budget systems, as well as closer alignment with financial management systems. Current products include Governmentwide process maps for budget execution (published in Oct. 2008) and budget formulation (Nov. 2009) and the Web-based budget execution training module (Nov. 2009), budget formulation training module (Oct. 2010), and Appropriations Law (March 2011).</p> <p>Current Status: The training modules are in use throughout the budget community. Over 4,000 people have taken the self-paced online training module courses, which have an estimated return on investment to date of over 2,600% and a savings of over \$3 million. The next module, Operating Plans, is in development with an anticipated release date of summer 2013.</p>
Document Production	<p>Enables Agency budgeting personnel to move from clerical to analytical functions, increasing Agency analytical resource availability. Agency budget staff currently works countless hours to incorporate late-breaking policy data changes in high-visibility publications. Often, many changes must be simultaneously made in multiple documents for different stakeholders. Document production capabilities exist in Treasury and Labor's shared service budget systems, as well as in the MAX Collect Tool.</p>

Objectives and Benefits: Governance

Capability	Objectives and Benefits
Governance	
Program Management Office (PMO)	<p>Serves as a central coordination point for Governmentwide collaboration and sharing of technologies and processes. The PMO allows resources across Government to be leveraged for cost savings. In this way, costs are reduced, economies of scale are achieved, and risks in developing and buying Agency budget tools are reduced through a coordinated combination of approaches that include: sharing common budget formulation components, purchasing commonly used software that has been proven in multiple Agencies, and purchasing services from other Agencies.</p> <p>The PMO will support enhanced efficiency, effectiveness, quality, knowledge management, presentation, collaboration, and flexibility within the BFELoB. Currently, the PMO supports eight initiative-specific workgroups that meet on a regular basis.</p>
Process Improvements	<p>Allows for the development of system requirements and guidelines for tools that are modular in nature (can be used as part of any system) and available for use by multiple Agencies. Accounts for the importance of flexibility in the budgeting process and acts as a set of standards that are essential for the automated exchange of budget data with Treasury and OMB, as well as</p>

SALARIES AND EXPENSES OVERVIEW

Capability	Objectives and Benefits
	<p>Agency financial management systems.</p> <p>Current products include numerous updates to the MAX Federal Community, MAX Collect, MAX Analytics, and MAX Shared Desktop as well as implementation of MAX Authentication services at six Agencies with work underway to support several more with 'single sign-on' capabilities. We have begun discussions with the Federal Credit program and with the Performance Management Line of Business on how we can best link up with these communities to our mutual benefit.</p>
Service Module Standardization	<p>Encourages reusability and interoperability of budget systems across Agencies to achieve significant cost savings through a "build once, use often" philosophy. Service module registration via the PMO will help ensure that Agencies are aware of existing services so that duplicative investments are not made.</p>

Objectives and Benefits: Human Capital

Capability	Objectives and Benefits
Human Capital	
Budget Human Capital	<p>Enhances the effectiveness of the existing budgeting workforce and encourages participation from other professions within Government, the private sector, and universities. BFELoB provides a central venue for the budget community, OPM, and the Council of Human Capital Officers to grow the appeal of Federal Budgeting as a career by combining Agency efforts to define budget career paths, core competencies, leadership development, certification programs, and sharing of ideas in areas such as succession planning, retention and recruitment.</p> <p>Products include recommendations on core competencies (published Nov. 2008) and proficiency levels (published May 2010), training curricula for budget analysts, as well as no-cost training courses for budget staff and self-paced training modules (released in 2010 and 2011). More are in development.</p> <p>Current status: Thousands of Government employees have undergone no-cost training through in-class, Web-based, or facilitated online training sessions hosted by the BFELoB. Monthly panel discussions featuring an OMB and senior agency budget staff, focusing on specific budgeting related topics, have been attended by over 1,000 individuals since we began hosting these 2 years ago. Brownbag discussion groups focusing on a deeper understanding of budget execution and on the Budget Career Road Map began in Nov. 2010 and were attended by over 500 people.</p>

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Risks

Type of Risk ¹	Risk	Description	Mitigation Approach
Other	Schedule	Agency staff (from multiple Agencies) lead and participate in workgroups on a voluntary basis, which at times slows progress.	1) conduct Agency outreach/marketing, and 2) target Agency staff (based on skill set) for participation on specific projects and for specific time periods.
Other	Management Oversight	Agency budget offices do not make use of the full range of BFELoB products and services available to them.	Develop marketing and outreach strategy and dedicate PMO staff to assist Agencies on activities such as building out community pages.
Other	Business Impact	PMO strategic plan (CONOPS and target architecture documents) have been revalidated.	Implementation planning consistent with CONOPS and architecture document to occur in summer 2013.

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

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Line of Business IT Costs (dollars in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Planning	516	437	655	100	125	125	125
Acquisition	714	904	810	355	285	320	375
Operations & Maint.	401	650	680	1,990	1,790	1,794	1,588
Govt FTE Costs	376	490	444	390	396	406	557
	<hr/> 2,007	<hr/> 2,481	<hr/> 2,589	<hr/> 2,835	<hr/> 2,596	<hr/> 2,645	<hr/> 2,645
FTEs	2	4	4	4	4	4	5

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Anticipated Contributions by Agency (dollars in thousands)

AGENCY	FY 2012	FY 2013	FY 2014
Department of Agriculture	\$90	\$95	\$95
Department of Commerce	105	105	105
Department of Defense--Military	105	105	105
Department of Education (<i>direct funds</i>)	105	105	105
Department of Energy	105	105	105
Department of Health and Human Services	105	105	105
Department of Homeland Security	105	105	105
Housing and Urban Development	105	105	105
Department of the Interior	105	105	105
Department of Justice	105	105	105
Department of Labor	105	105	105
Department of State	105	105	105
Department of Transportation	105	105	105
Department of the Treasury	105	105	105
Department of Veterans Affairs	105	105	105
US Army Corps of Engineers-Civil Works	105	90	80
Environmental Protection Agency	75	75	75
General Services Administration	105	105	105
National Aeronautics and Space Administration	105	105	105
National Science Foundation	105	105	105
USAID	105	105	105
Office of Personnel Management	105	105	105
Small Business Administration	50	50	50
Securities and Exchange Commission	50	50	50
Broadcasting Board of Governors	50	50	50
Office of National Drug Control Policy	50	50	50
Consumer Financial Protection Board	50	50	50